

**FIRST AMENDMENT TO  
THE CITY OF ALEXANDRIA SUPPLEMENTAL RETIREMENT PLAN,  
AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 2014**

Pursuant to the powers of amendment reserved under Section 14.1 of The City of Alexandria Supplemental Retirement Plan, as amended and restated effective as of January 1, 2014 (the “Plan”), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the “City”), effective except as may be specifically provided herein as of the earlier of a) the date this amendment is adopted, or b) the date the provision is required to be effective in order for the Plan to retain its qualification under Section 401(a) of the Internal Revenue Code, as follows:

**FIRST CHANGE**

Section 1.1(d) is amended to read as follows with respect to distributions occurring on or after the dates specified:

- (d) The “**Actuarial Equivalent**” of a value means the actuarial equivalent determined using the interest and mortality tables set forth in the Addendum to the Plan. The Administrator shall adopt new or revised interest rates and/or mortality tables at such future times as determined appropriate by the Actuary, and any such new or revised interest rates and/or mortality table shall be set forth in the Addendum to the Plan. No pension or other benefit earned prior to the time of the adoption of a mortality table under this Section 1.1(d) shall be reduced as a result thereof, except to the extent necessary to enable the Plan to meet the requirements for qualification under the Code or the requirements of any governmental authority.

**SECOND CHANGE**

Section 3.2(b) is amended by adding the following sentence at the end thereof with respect to Employees whose Employment Commencement Date is on or after [insert date of amendment]:

Solely for purposes of determining the amount of an employee's Pick-Up Contribution, Earnings shall be determined without regard to the limit on Earnings imposed by Code Section 401(a)(17).

### **THIRD CHANGE**

Section 10.7 is hereby amended to read as follows:

In the event of the Participant's felony conviction or plea of guilty or *nolo contendere* to a felony crime that arose out of the performance of his or her duties for the City, the Participant shall forfeit and cease to have any right to receive his or her Accrued Benefit (or any other benefit under the Plan except the Employee Retirement Contributions which shall be refunded to the Participant without interest). A forfeiture pursuant to this Section 10.7 may be appealed to the Administrator in accordance with the provisions of Section 12.10.

### **FOURTH CHANGE**

Section 12.9 is hereby amended to read as follows:

#### **Domestic Relations Order Approval Procedures**

- (a) The Administrator shall approve a domestic relations order and direct that payment of a Participant's benefit be made in accordance with the terms of such order provided that all of the following requirements are met:
  - (1) The order creates or recognizes the existence of an "alternate payee's" right to, or assigns to an "alternate payee" the right to, receive all or a portion of the Participant's Accrued Benefit under the Plan.
  - (2) The order clearly specifies the following:
    - (i) the name and last known mailing address, if any, of the Participant and of each "alternate payee" covered by the order;
    - (ii) the amount or percentage of the Participant's Accrued Benefit to be paid to each "alternate payee," or the manner in which such amount or percentage is to be determined (provided, however,

that the determination of an amount payable to an alternate payee shall not require the Administrator to perform any calculation other than a determination of the benefit that would be payable to the Participant as of a specific date);

- (iii) the number of payments or the period to which such order applies; and
    - (iv) the name of the Plan.
  - (3) The order does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan.
  - (4) The order does not require the Plan to provide any pre-retirement death benefit to an alternate payee who is a former spouse, or require the payment or commencement of any benefit prior to the Participant's Termination Date or, if later, the first date on which the Participant would be entitled to distribution or commencement of benefits under the Plan.
  - (5) The order does not require the Plan to provide increased benefits (determined on the basis of actuarial value).
  - (6) The order does not require the payment of benefits to an "alternate payee" which are required to be paid to another "alternate payee" under another order previously approved by the Administrator.
  - (7) The order does not provide for payment to the "alternate payee" in the form of a joint and survivor annuity with the "alternate payee's" subsequent Spouse as beneficiary.
- (b) The Administrator shall promptly notify the Participant and "alternate payee" of its receipt of the domestic relations order and of the Plan's procedures for approval of domestic relations orders. Within a reasonable period of receipt of such order, the Administrator shall determine whether the order meets the requirements established under this Section and shall notify the Participant and each "alternate payee" of its determination.
- (c) During the period of time following the Administrator's receipt of a domestic relations order and prior to the Administrator's determination as to whether the order meets the requirements of this Section, the Administrator shall separately account for those amounts that would have

been payable to the “alternate payee” if the order had been approved (the “segregated amounts”) in accordance with such procedures as may have been adopted by the Administrator. If within 6 months of the date the first payment would have been made under the domestic relations order, such order is approved by the Administrator, the Administrator shall pay the segregated amounts to the appropriate “alternate payee,” with interest thereon. If within such 6-month period the order is disapproved by the Administrator, or the Administrator has not yet resolved whether the order meets the requirements of this Section, the Administrator shall pay the segregated amounts to the person or persons to whom payment would have been made if there had been no order. If the Administrator later approves the order, such order shall be applied prospectively only.

- (d) For purposes of this subsection, the following terms shall have the following meanings:
- (1) An “alternate payee” means any Spouse, former Spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, a Participant’s benefit under the Plan.
  - (2) A “domestic relations order” means any judgment, decree, or order (including of a property settlement) that:
    - (i) relates to the provision of child support, alimony payments, or marital property rights to a Spouse, former Spouse, child, or other dependent of a Participant; and
    - (ii) is made pursuant to a state domestic relations law (including a community property law).

#### **FIFTH CHANGE**

The following paragraph is hereby added at the end of Section 13.6:

The City Manager may also delegate, by written authorization, the authority to take specific actions on behalf of the City Manager (including, without limitation, executing plan documents and amendments thereto).

#### **SIXTH CHANGE**

Section 15.4 is amended to read as follows:

Notwithstanding any other provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in

accordance with Code Section 414(u). A Participant shall receive Credited Service upon reemployment for a period of leave of Absence due to qualified military service to the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended ("USERRA"), and Code Section 414(u) (but without any requirement for such Participant to make Pick-Up Contributions upon his or her reemployment for the period of his or her qualified military service). A Participant who dies on or after January 1, 2007 while on a leave of absence for qualified military service under USERRA shall be treated as having died while actively employed as an Employee and shall receive additional death benefits (other than benefit accruals), if any.

### **SEVENTH CHANGE**

The Addendum is amended to read as follows:

This Addendum lists all of the Actuarial Assumptions necessary to be included in a Plan document. This Addendum, which may be amended from time to time by the Board (without the necessity of formal amendment to the Plan) to make necessary adjustments in the Actuarial Assumptions, is intended to be incorporated by reference into and made a part of the Plan. Except as otherwise permitted by law, no amendment to this Appendix A shall reduce any Participant's Accrued Pension Benefit calculated as of the later of the effective date or the adoption of such an amendment.

### **Appendix A**

#### **Actuarial Equivalence**

#### **Early Commencement Reduction Factors**

<b>Number of Years from Annuity Starting Date to Normal Retirement Date:</b>	<b>Factors:</b>
<b>1</b>	93.33%
<b>2</b>	86.67%
<b>3</b>	80.00%
<b>4</b>	73.33%
<b>5</b>	66.67%

Number of Years from Annuity Starting Date to Normal Retirement Date:	Factors:
6	63.33%
7	60.00%
8	56.67%
9	53.33%
10	50.00%

Note: When a partial year is involved, the factor will be appropriately adjusted. Factors for other years and months will be determined in a manner consistent with the manner used in determining these factors.

**Late Commencement Adjustment Factors**

Number of Years from Normal Retirement Date to Annuity Starting Date:	Factors:
1	106.00%
2	112.36%
3	119.10%
4	126.25%
5	133.82%

<b>Number of Years from Normal Retirement Date to Annuity Starting Date:</b>	<b>Factors:</b>
<b>6</b>	141.85%
<b>7</b>	150.36%
<b>8</b>	159.38%
<b>9</b>	168.95%
<b>10</b>	179.08%

Note: When a partial year is involved, the factor will be appropriately adjusted. Factors for other years and months will be determined in a manner consistent with the manner used in determining these factors.

### **Interest Rates**

For all computations except those set forth in the above charts, the interest rate used shall be as follows:

- (a) **Single Sum Payment Before January 1, 2018 for Current Employees:** Except as provided in (b) and (c), below, the interest rate for purposes of a single sum payment shall be the annual rate of interest on 30-year Treasury securities for the second calendar month preceding the Plan Year in which the distribution is made.

For purposes of this Appendix, “Current Employee” shall be defined as all current employees as of the effective date of the amendment.

- i. **Single Sum Payment After January 1, 2018 for Current Employees:** With respect to the Accrued Benefit of a Participant whose Employment Commencement Date was before [insert date of amendment], effective for distributions made on or after January 1, 2018, the interest rate shall be Five percent (5%).

- (b) **Single Sum Payment After the Date of Amendment for New and Reemployed Employees:** With respect to the Accrued Benefit of a Participant whose Employment Commencement Date (or if reemployed) is on or after [insert date of amendment], the most recent assumed rate of return approved by the Board to determine Plan funding on or before the first day of the Plan Year in which the distribution is made. From the date of the amendment, this will be 7.25% (which rate may change from time to time in accordance with the determination the Board).
- (c) **All Other Actuarial Computations Before January 1, 2018:** The PBGC interest rates used at the beginning of each Plan Year.
- For purposes of this Appendix, the “PBGC interest rate” means the immediate or deferred rates utilized by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on Plan termination as in effect at the beginning of the Plan Year in which the present value of the Participant’s benefit is being determined. For Participants who have reached Normal Retirement Date at the time present value is being determined, the PBGC interest rate shall be the immediate rate. For Participants who have not yet reached Normal Retirement Date at the time present value is being determined, the PBGC rate shall be the deferred rate.
- (d) **All Other Actuarial Computations After January 1, 2018:** The most recent assumed rate of return approved by the Board to determine Plan funding on or before the first day of the Plan Year in which the distribution is made. As of January 1, 2018, this will be 7.25% (which rate may change from time to time in accordance with the determination the Board).

### **Mortality Tables**

For all computations except those set forth in the above charts, the mortality tables used shall be as follows:

**a. Single Sum Payments**

The mortality table shall be the prevailing commissioners’ standard table, described in Code Section 807(d)(5)(A), used to determine reserves for group



annuity contracts issued on the date as of which present value is being determined (without regard to any other subparagraph of Code Section 807(d)(5)).

**b. All Other Actuarial Computations**

The mortality table shall be the 1984 Uninsured Pensioner Mortality Table (UP-84 Table).

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its City Manager on this \_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF ALEXANDRIA

By: \_\_\_\_\_  
Mark Jinks, City Manager