



INTER-OFFICE MEMORANDUM

January 15, 2016

SUBJECT: ST JOHNS RIVER POWER PARK (SJRPP) SYSTEM EMPLOYEES' RETIREMENT PLAN RESTATEMENT & LETTER OF DETERMINATION

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The St. Johns River Power Park System Employees' Retirement Plan ("Plan") was originally established in 1984 for the purpose of providing retirement benefits – on a tax-qualified basis – to eligible St. Johns River Power Park System ("SJRPP") employees (and/or their surviving beneficiaries) after they retire. The Plan benefits have been, and currently are, bargained with the International Brotherhood of Electrical Workers Local Union 1618 bargaining unit ("IBEW") and are also provided to a small number of SJRPP non-bargaining unit employees.

SJRPP and the IBEW have entered into an approved and ratified Collective Bargaining Agreement ("CBA") for the period October 1, 2015 through September 30, 2018. The CBA describes certain changes to the ("Plan") and requires SJRPP to amend the Plan document to incorporate the terms of the CBA. In addition, amendments and a restatement of the Plan document have been prepared to include previously approved amendments between 2003 – 2015, changes in the law (technical amendments), and codification and clarification of current Plan administrative practices and terms.

DISCUSSION:

Periodically, to maintain any retirement plan's tax-qualified status, it is necessary or advisable to amend the retirement plan's written plan documents to reflect updates in the law and/or plan design changes. Periodically, it is also beneficial to restate (i.e., re-write) the plan documents in a single written plan document to reflect all prior amendments and to achieve consistency and legal compliance. Once plan amendments and/or an amended and restated plan documents have been prepared, it is advisable to submit the items to the Internal Revenue Service for a letter of determination on the tax-qualified status of the plan.

After a comprehensive review of the Plan documents and current regulations, the amendments and restated Plan documents are being provided to the Board for review and approval. These amendments and restated Plan documents are intended to maintain the status quo of the Plan and do not result in any additional actuarial cost to the Plan. The amendments and restated Plan documents are as follows:

- Amendment 7: Addition of required regulatory/technical language related to Direct Rollover provisions (Exhibit A)
- Amendment 8: Addition of required regulatory/technical language related to Required Minimum Distribution provisions (Exhibit B)

- Amendment 9: Addition of required regulatory/technical language related to definition of Compensation and Maximum Benefit Limitations (Exhibit C)
- Amendment 10: Addition of required regulatory/technical language related to HEART Act concerning military leave (Exhibit D)
- Amendment 11: Clarifying Plan design language (Exhibit E)
- Restated Plan document: Incorporates the current 2002 Plan document, prior approved amendments 1 through 6, and proposed amendments 7 through 11 into a single Plan document (Exhibit F)
- Trustee Agreement with its exhibits: Update to the current 2005 Trust Agreement for technical and operational compliance (Exhibit G)

The changes in the amendments and restated Plan documents are consistent with, and do not alter, the existing CBA. They have been submitted to IBEW for information, as is required.

One change of note confirms the application of reduction factors in normal retirement benefit calculations. The existing Plan document language is being conformed to be consistent with bargaining terms that call for application of the reduction factors.

A review of Plan operations has shown that, historically and uniformly, the reduction factors have not been applied in the actuarial calculations of normal retirement benefits. The result is that certain Plan retirees have received a slightly higher benefit payment than the Plan terms would otherwise provide. The amount overpaid so far has been approximately \$305,000 grand total over the past 13 years, with a total of approximately 64 affected retirees to date. Proposed Amendment 11 confirms the intended application of the reduction factors. IRS approval will be sought to permit the Plan to recoup the overpayments from the retirees and to reduce future benefit payments by applying the reduction factors.

As indicated above, this change and all of the other proposed changes have been included in the restated Plan document that is attached as Exhibit F. The restated Plan document consists of the current 2002 Plan document and all subsequent approved and proposed amendments.

A copy of an Actuarial Impact Statement opining on the actuarial effect of the changes in the amended and restated Plan documents will be provided at the Board meeting. A copy of the amended and restated Plan documents and the Actuarial Impact Statement are being provided to the Florida Bureau of Local Retirement Systems in the Department of Management Services' Division of Retirement prior to the Board meeting, as required by Florida law. A copy of the amended and restated Plan documents has also been provided to SJRPP and IBEW, as required by the Plan.

RECOMMENDATION:

Staff recommends that the Board approve the attached resolutions for amendments 7 – 11, the restated Plan document, and the restated Trustee Agreement and authorize JEA's Managing Director/CEO to execute all implementing documents.

Paul E. McElroy, Managing Director/CEO

PEM/ARH

January 17, 2016

Pension Committee
JEA
St. John's River Power Park System
Employees' Retirement Plan

Dear Committee Members:

As requested, we have reviewed proposed restated plan document for the St. John's River Power Park System Employees' Retirement Plan. This results in a reduction in benefits, costs and liabilities associated with the plan.

1. Amendment No. 7: adds technical details concerning the availability of a direct rollover distribution of lump sum benefit payments to another eligible retirement plan.
2. Amendment No. 8: describes the required minimum distributions that must be made under the Internal Revenue Code and the regulations issued thereunder to certain participants, and the manner in which such required minimum distributions will be calculated and paid.
3. Amendment No. 9: provides a definition of compensation for purposes of the annual compensation and benefit limits imposed under Sections 401(a)(17) and 415 the Internal Revenue Code and the regulations issued thereunder. This amendment also provides guidance concerning the methods which must be used to determine the actuarial equivalence of the optional forms of benefit available under the Plan for the purpose of applying such limitations.
4. Amendment No. 10: adds technical details concerning the vesting and benefit service and differential wage payments received by Participants performing qualified military service, pursuant to the federal HEART Act.
5. Amendment No. 11: retroactively corrects an erroneous cross-reference caused by a prior Plan amendment (Amendment 1, 10/1/2003). Also, as advised by the Plan sponsor's legal counsel, the related application of the early payment reduction factors is being corrected, which results in a change in the contributions to the Plan, and a reduction in the payments to certain retirees. This Amendment 11 also corrects prior typographical errors in date references.

A draft of the restated Plan document incorporating these amendments is attached to this letter.

The Statement must be filed with the Division of Retirement before the final public hearing on the amendments. Please have a Chairman of the Committee sign the Statement. Then send the Statement along with copies of the proposed plan amendments to:

LOCAL RETIREMENT SECTION
DIVISION OF RETIREMENT
P.O. BOX 9000
TALLAHASSEE, FL 32315-9000.
Email: local_ret@dms.myflorida.com

Additional Disclosures

This communication was prepared at the request of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, and is intended for use by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, JEA and its Board of Directors, and those designated or approved by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA. This communication may be provided to other parties only in its entirety and only with the permission of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA.

The purpose of this statement is to describe the effect of the proposed plan changes on plan funding in compliance with the state constitution, statutes and administrative regulations. This report should not be relied on for any purpose other than the purpose described above.

Our opinion is based on the assumptions and plan provisions used in the October 1, 2014 actuarial valuation with results presented in the report dated April 22, 2015.

James Rizzo and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The undersigned actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. Calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We welcome your questions and comments.

Sincerely yours,



James J. Rizzo, ASA, MAAA, FCA
Senior Consultant & Actuary



Piotr Krekora, ASA, MAAA
Consultant & Actuary

JJR/tnr
Enclosures

ST. JOHN'S RIVER POWER PARK SYSTEM – EMPLOYEES' RETIREMENT PLAN

Actuarial Impact Statement – January 17, 2016

Attached draft of the restated Plan document incorporates proposed amendments as described below.

1. Amendment No. 7: adds technical details concerning the availability of a direct rollover distribution of lump sum benefit payments to another eligible retirement plan.
2. Amendment No. 8: describes the required minimum distributions that must be made under the Internal Revenue Code and the regulations issued thereunder to certain participants, and the manner in which such required minimum distributions will be calculated and paid.
3. Amendment No. 9: provides a definition of compensation for purposes of the annual compensation and benefit limits imposed under Sections 401(a)(17) and 415 the Internal Revenue Code and the regulations issued thereunder. This amendment also provides guidance concerning the methods which must be used to determine the actuarial equivalence of the optional forms of benefit available under the Plan for the purpose of applying such limitations.
4. Amendment No. 10: adds technical details concerning the vesting and benefit service and differential wage payments received by Participants performing qualified military service, pursuant to the federal HEART Act.
5. Amendment No. 11: retroactively corrects an erroneous cross-reference caused by a prior Plan amendment (Amendment 1, 10/1/2003). Also, as advised by the Plan sponsor's legal counsel, the related application of the early payment reduction factors is being corrected, which results in a change in the contributions to the Plan, and a reduction in the payments to certain retirees. This Amendment 11 also corrects prior typographical errors in date references.

Amendments 7 through 10 have no measurable actuarial impact on the plan. Refer to the attached tables for the actuarial funding impact of Amendment 11.

ACTUARY, Gabriel, Roeder, Smith & Company

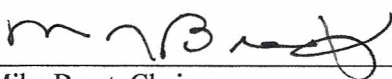
By: 

Date: January 17, 2016

The proposed changes are in compliance with section 14, Article X of the State Constitution and Section 112.64, Florida Statutes.

PLAN ADMINISTRATOR.

St. Johns River Power Park System Employees' Retirement Plan Pension Committee

By: 
Mike Brost, Chairman

Date: 1-17-16

SUPPLEMENTAL ACTUARIAL VALUATION REPORT

Plan

St. John's River Power Park System – Employees' Retirement Plan

Valuation Date

October 1, 2014

Date of Report

January 16, 2016

Report Requested by

Plan Administrator

Prepared by

Gabriel, Roeder, Smith and Company

Group Valued

All active and inactive members of the Plan.

Plan Operations Being Considered for Change

Portion of the accrued benefit derived from compensation in excess of the Social Security Average Wages paid to members retiring after meeting eligibility for Normal Retirement but before attaining age 65 will be reduced using the same early payment reduction factors as currently applied to the entire benefit for members retiring under provisions of Early Retirement.

Participants Affected

All inactive members whose benefits include component derived from compensation in excess of the Social Security Average Wage.

All active Members to the extent are projected to retire prior to attaining age 65 with final average earnings exceeding the Social Security Average Wage.

Actuarial Assumptions and Methods

Same as October 1, 2014 Actuarial Valuation Report. Some of the key assumptions/methods are:

Investment Return – 7.00% per year

Salary increase – 2.5% to 12.5% per year based on service

Cost Method – Entry Age Normal

Amortization Period for Any Change in Actuarial Accrued Liability

2 years, in accordance with the current funding policy.

Summary of Data Used in Report

Same as data used for the October 1, 2014 Actuarial Valuation Report with adjusted benefits amounts for affected inactive members. See attached page.

Actuarial Impact of Proposal(s)

See attached page(s).

Special Risks Involved with the Proposal That the Plan Has Not Been Exposed to Previously

None.

Other Cost Considerations

None.

ACTUARIALLY DETERMINED CONTRIBUTION (ADC)

	October 1, 2014 <i>Original Valuation</i>	October 1, 2014 <i>After Amendment 6 Adopted in 2015</i>	October 1, 2014 <i>After Proposed Amendment 11</i>	October 1, 2014 <i>Change Due to Amendment 11</i>
A. Valuation Date				
B. ADC to Be Paid During				
Fiscal Year Ending	9/30/2016	9/30/2016	9/30/2016	9/30/2016
C. Assumed Date(s) of Employer Contrib.	Bi-Weekly	Bi-Weekly	Bi-Weekly	Bi-Weekly
D. Actuarially Determined Contribution (ADC)				
1. Total Normal Cost as of the Valuation Date	\$ 1,335,813	\$ 1,422,318	\$ 1,419,531	\$ (2,787)
2. Amount as of the Valuation Date to Amortize Unfunded Actuarial Liability by 10/1/2017	1,100,257	1,437,331	1,079,714	(357,617)
3. Interest Through Contribution Dates	<u>265,264</u>	<u>311,388</u>	<u>272,144</u>	<u>(39,244)</u>
4. Total ARC as of the Contribution Dates	2,701,334	3,171,037	2,771,389	(399,648)
5. Estimated Employee Contributions made as of the Contribution Dates	<u>(721,447)</u>	<u>(721,447)</u>	<u>(721,447)</u>	<u>-</u>
6. Net Employer ADC	\$ 1,979,887	\$ 2,449,590	\$ 2,049,942	\$ (399,648)
7. Net ARC as % of Expected Covered Payroll	10.98 %	13.58 %	11.37 %	(2.22) %
E. Expected Covered Payroll for the Contribution Year	18,036,174	18,036,174	18,036,174	-

CALCULATION OF NORMAL COST

	October 1, 2014 <i>Original Valuation</i>	October 1, 2014 <i>After Amendment 6 Adopted in 2015</i>	October 1, 2014 <i>After Proposed Amendment 11</i>	October 1, 2014 <i>Change Due to Amendment 11</i>
A. Valuation Date				
B. Total (Employer/Employee) Normal Cost as of the Valuation Date for:				
1. Active Members' Benefits				
a. Service Retirement Benefits	\$1,141,691	\$1,220,352	\$1,217,906	(\$2,446)
b. Termination Benefits	85,779	90,172	89,945	(227)
c. Disability Benefits	24,460	25,531	25,463	(68)
d. Preretirement Death Benefits	<u>22,526</u>	<u>24,906</u>	<u>24,860</u>	<u>(46)</u>
e. Total	1,274,456	1,360,961	1,358,174	(2,787)
2. Administrative Expenses	<u>61,357</u>	<u>61,357</u>	<u>61,357</u>	<u>0</u>
3. Total (Employer/Employee) Normal Cost as of the Valuation Date	1,335,813	1,422,318	1,419,531	(2,787)

ACTUARIAL VALUE OF BENEFITS AND ASSETS

A. Valuation Date	October 1, 2014 <i>Original Valuation</i>	October 1, 2014 <i>After Amendment 6 Adopted in 2015</i>	October 1, 2014 <i>After Proposed Amendment 11</i>	October 1, 2014 <i>Change Due to Amendment 11</i>
B. Actuarial Present Value of All Projected Benefits for				
1. Active Members				
a. Service Retirement Benefits	61,818,325	63,282,952	63,195,981	(86,971)
b. Termination Benefits	534,056	613,731	613,693	(38)
c. Disability Benefits	722,233	741,425	740,302	(1,123)
d. Preretirement Death Benefits	687,398	730,771	729,831	(940)
e. Total	<u>63,762,012</u>	<u>65,368,879</u>	<u>65,279,807</u>	<u>(89,072)</u>
2. Inactive Members				
a. Retirees & Beneficiaries	90,515,600	90,515,600	89,906,058	(609,542)
b. Disability Retirees	-	-	-	-
c. Terminated Vested Members	4,595,915	4,595,915	4,595,915	-
d. Total	<u>95,111,515</u>	<u>95,111,515</u>	<u>94,501,973</u>	<u>(609,542)</u>
3. Total for All Members	158,873,527	160,480,394	159,781,780	(698,614)
C. Actuarial Accrued (Past Service) Liability	150,629,186	151,182,383	150,493,864	(688,519)
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	145,644,366	145,644,366	144,982,233	(662,133)
E. Plan Assets				
1. Market Value	145,425,186	145,425,186	145,425,186	-
2. Actuarial Value	145,425,186	145,425,186	145,425,186	-
F. Actuarial Present Value of Projected Covered Payroll	144,070,997	144,070,997	144,070,997	-
G. Actuarial Present Value of Projected Member Contributions	5,762,840	5,762,840	5,762,840	-

PARTICIPANT DATA			
	10/1/2014 Original Valuation	10/1/2014 Plan Changes	Difference
ACTIVE MEMBERS			
Number	240	240	0
Covered Annual Payroll	\$ 17,253,952	\$ 17,253,952	\$ 0
Average Annual Pay	\$ 71,891	\$ 71,891	\$ 0
Average Age	48.6	49	0
Average Past Service	14.8	15	0
Average Age at Hire	33.8	34	0
RETIRES & BENEFICIARIES			
Number	258	258	0
Annual Benefits	\$ 7,847,384	\$ 7,837,255	\$ (10,129)
Average Annual Benefit	\$ 30,416	\$ 30,377	\$ (39)
Average Age	66.2	66.2	0
TERMINATED VESTED MEMBERS			
Number	52	52	0
Annual Benefits	\$ 724,326	\$ 724,326	\$ 0
Average Annual Benefit	\$ 13,929	\$ 13,929	\$ 0
Average Age	57.0	57	0

**ST. JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES' RETIREMENT PLAN**

As Amended and Restated
Effective October 1, 2015

**ST. JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES' RETIREMENT PLAN**

AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015

WHEREAS, JEA, formerly the Jacksonville Electric Authority ("Authority") previously approved and authorized the St. Johns River Power Park System's ("Sponsor") adoption of a retirement plan ("Plan") for its employees effective October 1, 1984, which Plan has been subsequently amended and is currently in effect; and

WHEREAS, the Authority and the Sponsor desire to again amend and restate said Plan, and the Authority has approved and authorized the Plan embodied herein;

WHEREAS, the amount of any benefit with respect to each Participant who retired, died or terminated employment prior to October 1, 2015, while covered by the then existing Plan, shall be determined in accordance with the terms of said Plan then in effect;

WHEREAS, the terms of payment of any benefit with respect to each Participant who commenced payment status prior to October 1, 2015, and to each Participant who terminated employment prior to October 1, 2015, but whose payment did not commence until after October 1, 2015, shall be determined in accordance with the Plan in effect as of the benefit payment commencement date.

NOW, THEREFORE, in consideration of the premises and acting under the powers reserved in said existing Plan, the Sponsor hereby amends and restates the Plan as follows:

SECTION 1

DEFINITIONS

The following words and phrases used in this Plan shall have the meanings set forth below, unless a different meaning is plainly required by the context.

1.01 Accrued Benefit

means the retirement benefit a Participant has accrued as of any specified date, payable beginning at the Normal Retirement Date in the normal form of benefit payment provided in Section 5.01, and assuming that the Participant has a spouse within five years of age of the Participant. The Accrued Benefit may consist of Tier One Accrued Benefits and/or Tier Two Accrued Benefits, in accordance with the provisions of this Plan.

1.02 Actuarial Equivalent

means a benefit of equivalent value to that which would otherwise have been provided to the Participant, computed in accordance with accepted actuarial principles.

- (1) For benefits payable in the form of a single-sum payment or a partial single-sum payment, interest discount and mortality rates shall be based on those used by the Plan to fund the Plan for the year the single-sum payment is made, currently the RP-2000 Combined Healthy Annuitant mortality table with generational projections from 2000 using scale AA and based on a 50/50 unisex blend of male and female mortality rates and 7.00% interest discount rate. The Committee may change this basis for any future Plan year by adopting a resolution that sets the revised interest discount and mortality basis to be used for funding for that year.
- (2) For benefits payable in the form of a life annuity, a benefit equal to 118.1% of that otherwise payable as a 75% joint-and-survivor annuity assuming a Beneficiary equal in age to the Participant ("75% joint-and-survivor equal age annuity").
- (3) For benefits payable in the form of a 10-year certain-and-life annuity, a benefit equal to 111% of that otherwise payable as a 75% joint-and-survivor annuity if the Participant is age 65; if the Participant is younger than age 65, 1/2% will be added to the 111% for each year younger, but not more than 118.1%; if the Participant is older than 65, 1/2% will be subtracted from the 111% for each year older.
- (4) For benefits payable in the form of a 50% joint-and-survivor annuity, a benefit equal to 106.4% of that otherwise payable as a 75% joint-and-survivor annuity if the Beneficiary's age is within five years of the Participant's age. If the Beneficiary is more than five years younger than the Participant, 1% will be subtracted from the 106.4% for each year younger in excess of five. If the

Beneficiary is more than five years older than the Participant, 1% will be added to the 106.4% for each year older in excess of five, but not more than 118.1%.

- (5) For benefits payable in the form of a 66-2/3% joint-and-survivor annuity, a benefit equal to 104.3% of that otherwise payable as a 75% joint-and-survivor annuity if the Beneficiary's age is within five years of Participant's age. If the Beneficiary is more than five years younger than the Participant, 1% will be subtracted from the 104.3% for each year younger in excess of five. If the Beneficiary is more than five years older than the Participant, 1% will be added to the 104.3% for each year older in excess of five, but not more than 118.1%.
- (6) For benefits payable in the form of a 75% joint-and-survivor annuity, a benefit equal to 100% of that otherwise payable as a 75% joint-and-survivor annuity if the Beneficiary's age is within five years of Participant's age. If the Beneficiary is more than five years younger than the Participant, 1% will be subtracted from the 100% for each year younger in excess of five. If the Beneficiary is more than five years older than the Participant, 1% will be added to the 100% for each year older in excess of five, but not more than 118.1%.
- (7) For benefits payable in the form of a 100% joint-and-survivor annuity, a benefit equal to 94.7% of that otherwise payable as a 75% joint-and-survivor annuity if the Beneficiary's age is within five years of Participant's age. If the Beneficiary is more than five years younger than the Participant, 1% will be subtracted from the 94.7% for each year younger in excess of five. If the Beneficiary is more than five years older than the Participant, 1% will be added to the 94.7% for each year older in excess of five, but not more than 118.1%.

1.03 Beneficiary

means the person designated by a Participant according to Section 5.06 to receive benefits payable in the event of the Participant's death.

1.04 Benefit Service

means those Years of Employment with the Employer that are to be recognized for the accrual of retirement benefits. Benefit Service will begin to accrue on the date that the Employee fulfills the eligibility requirements in Section 2.01 for participation in the Plan.

One full year of Benefit Service will be credited for: (i) each year of Vesting Service earned while a Participant in the Plan, (ii) each year of Vesting Service purchased or credited for time spent performing service for SJRPP as a temporary or contract employee in accordance with Section 2.04, (iii) each year of Vesting Service purchased or credited for years of prior employment with JEA that involved assignment to the SJRPP project in accordance with Section 2.04, (iv) each year of Vesting Service purchased or credited for time spent performing active Military Service in accordance with Section 2.04, and (v) each year of Benefit Service that is restored to a rehired Participant as provided in Section 2.05.

1.05 Break in Service

means any Year of Employment during which an Employee fails to complete 500 Hours of Employment.

For the purpose of determining whether a Participant has incurred a Break in Service, Hours of Employment shall be recognized for "authorized leaves of absence", "maternity or paternity leave", and "FMLA leave" as described below.

For purposes of this Section 1.05, an authorized leave of absence means an unpaid, temporary cessation from active employment with the Employer according to an established, nondiscriminatory policy, for military service, illness or any other reason.

For purposes of this Section 1.05, a maternity or paternity leave means an absence from work for any period due to the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the Employee's adoption of the child, or any absence for the purpose of caring for such child for a period immediately following such birth or placement. For this purpose, the actual Hours of Employment shall be credited (or in any case in which such hours cannot be determined, 8 hours of service per day of such absence) for the computation period in which the absence from work begins, only if such credit is necessary to prevent the Employee from incurring a Break in Service or, in any other case, in the immediately following computation period.

For purposes of this Section 1.05, Hours of Employment shall be credited for the computation period in which leave is taken pursuant to the Family and Medical Leave Act, only if such credit is necessary to prevent the Employee from incurring a Break in Service or, in any other case, in the immediately following computation period.

For purposes of performing a Break in Service calculation, notwithstanding the above, Hours of Employment shall be credited for the computation period occurring during the first thirty-one (31) days of an Employee's leave or period of absence from work that is: (i) unpaid, and (ii) does not constitute an authorized leave of absence, maternity and paternity leave, or FMLA leave, but only if such credit is necessary to prevent the Employee from incurring a Break in Service.

1.06 Cash Balance Account

means the hypothetical individual cash balance accounts created effective February 25, 2013 for Participants with Tier Two Benefits (including those Participants with frozen Tier One Benefits as well). All Contributions and assets associated with Tier Two Benefits and the Cash Balance Accounts shall be commingled for investment and custodial purposes with Contributions and assets associated with Tier One Benefits. The Plan shall maintain accurate records for each Tier Two Cash Balance Account.

1.07 Code

means the Internal Revenue Code of 1986, as amended.

1.08 Collective Bargaining Agreement (CBA)

means the Collective Bargaining Agreement between the Sponsor and International

Brotherhood of Electrical Workers Local Union 1618 (October 1, 2015 – September 30, 2015), as it is amended from time to time, or any successor agreement thereto.

1.09 Committee

means the administrative Committee appointed by the Sponsor to administer the Plan in accordance with the terms of Section 7.

1.10 Compensation

means a Participant's base salary or wages, including Employee contributions that are picked up by the Employer pursuant to Code Section 414(h), but not including overtime, expense allowances, or other extra pay or bonuses, paid or made available by the Employer to an Employee for personal services rendered in the course of employment with the Employer. Compensation shall be determined before applying any salary reduction agreed to by the Employee pursuant to a plan described in Sections 457, 403(b), 125, 132(f)(4) or 414(h) of the Code or any pre-tax contributions made by an Employee to an employee welfare benefit plan. For the purpose of applying the limitations set forth in Sections 401(a)(17) and 415 of the Code, Compensation shall not include any elective deferral (as defined in Section 402(e)(3) of the Code), and any amount which is contributed or deferred by the Employer at the election of the Participant and which is not includible in the gross income of the Participant by reason of Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B) or 457 of the Code. Effective October 1, 2007, the amount of an Employee's Compensation for purposes of the Plan during any Plan Year shall not exceed the limit set forth in Section 401(a)(17)(A) of the Code, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code.

1.11 Compliance Amendment

means an amendment to the Plan which is administrative in nature or which is necessary to maintain the tax qualified status of the Plan under the applicable provisions of the Code. No such amendment shall have the effect of diminishing or impairing the benefits of Plan participants, except to the extent required by the Code.

1.12 Contributions

means the Employer Contributions and Participant Contributions to the Fund made in accordance with Section 6.

1.13 Disability

means a physical or mental condition that prevents a Participant from engaging in any substantial gainful activity and is expected to be of indefinite duration.

1.14 Earliest Retirement Age

means the earliest date on which, under Sections 3.01 or 3.02 of the Plan, the Participant could elect to receive a retirement benefit.

1.15 Early Payment Reduction

means a reduction in Tier One Benefits that start prior to age 65 to take into account the younger age and earlier commencement of payment, equal to 1/144 for each full month

of the first 36 months and 1/288 for each full month of the next 84 months by which the benefit commencement date precedes the Participant's 65th birthday.

The Early Payment Reduction does not apply to Tier Two Benefits.

1.16 Early Retirement Date

means the date on which a Participant has terminated employment and both attained age fifty-five (55) and completed ten (10), but less than twenty (20), years of Vesting Service.

1.17 Earnings

- (1) Earnings means a Participant's monthly base salary as of the last day of the month coincident with or next preceding the date of termination of employment. Base salary shall exclude bonuses, overtime, expense allowances, severance pay and other extra remuneration.
- (2) Effective October 1, 1989 through September 30, 1994, annualized Earnings in excess of \$200,000 of Compensation shall be disregarded for purposes of determining all benefits provided under the Plan for any Plan Year (each, a determination period), provided that such \$200,000 amount shall be adjusted by any cost of living adjustments as prescribed by the Secretary of the Treasury under the Code or regulations thereunder. In no event shall such dollar limitation cause a Participant's Accrued Benefit to be less than the Accrued Benefit determined as of September 30, 1989.
- (3) Effective October 1, 1994 through September 30, 2002, annualized Earnings in excess of \$150,000 of Compensation shall be disregarded for purposes of determining all benefits provided under the Plan for any Plan Year (each, a determination period), provided that such \$150,000 amount shall be adjusted by any cost of living adjustments as prescribed by the Secretary of the Treasury under the Code or regulations thereunder. In no event shall such dollar limitation cause a Participant's Accrued Benefit to be less than the Accrued Benefit determined as of September 30, 1994.
- (4) Effective October 1, 2002 through September 30, 2015, annualized Earnings in excess of \$200,000 of Compensation shall be disregarded for purposes of determining all benefits provided under the Plan for any Plan Year (each, a determination period), provided that such \$200,000 amount shall be adjusted by any cost of living adjustments as prescribed by the Secretary of the Treasury under the Code or regulations thereunder. In no event shall such dollar limitation cause a Participant's Accrued Benefit to be less than the Accrued Benefit determined as of September 30, 2002.
- (5) Effective October 1, 2015, annualized Earnings in excess of \$265,000 of Compensation shall be disregarded for purposes of determining all benefits provided under the Plan for any Plan Year (each, a determination period), provided that such \$265,000 amount shall be adjusted by any cost of living adjustments as prescribed by the Secretary of the Treasury under the Code or

regulations thereunder. In no event shall such dollar limitation cause a Participant's Accrued Benefit to be less than the Accrued Benefit determined as of September 30, 2015.

If Earnings for any prior determination period are taken into account in determining a Participant's benefits for the current Plan Year, the Earnings for such prior determination period are subject to the applicable annual limit in effect for that prior period.

1.18 Effective Date

means

- (1) as to the original Plan, October 1, 1984;
- (2) as to the first amended and restated Plan, October 1, 1998;
- (3) as to the second amended and restated Plan, October 1, 2002; and
- (4) as to the third amended and restated Plan, as set forth in this document, October 1, 2015.

1.19 Eligible Spouse

means the Participant's spouse who has been legally married to the Participant throughout a one-year period ending on the earlier of the date benefit payments commence or the Participant's date of death.

1.20 Employee

means any person employed by the Employer, excluding temporary employees, contract employees, and employees represented by a collective bargaining agent, unless the bargaining agent and the Employer agree that such represented employees shall be eligible to participate in the Plan.

Leased employees within the meaning of Section 414(n)(2) of the Code shall be treated as Employees of the Employer, unless such leased employees are covered by a plan described in Section 414(n)(5) of the Code and do not constitute more than 20% of the Employer's nonhighly compensated Employees.

1.21 Employer

means the Sponsor; with respect to a Transfer Participant, Employer means JEA.

1.22 Final Average Earnings

means the annual average of a Participant's Earnings for the 36 consecutive complete months that produce the highest average during the last 120 months of participation, or during all complete months of participation if less than 120, immediately preceding his(her) retirement date, termination date or date of death, whichever is earliest.

1.23 Fund or Trust Fund

means the cash and other properties held and administered by the Trustee in accordance with the terms of the Trust Agreement.

1.24 Hour of Employment

means each hour (including for overtime) for which an Employee is:

- (1) paid, or entitled to payment, by the Employer for the performance of duties. These hours will be credited to the Employee for the computation period in which the duties are performed;
- (2) paid, or entitled to payment, because of a period of time during which no duties are performed (irrespective of whether the employment relationship has been terminated), e.g., vacation, holiday, illness, incapacity, lay-off, jury duty, military duty, or approved leave of absence, provided that such payment is not made or due under a plan maintained solely for the purpose of complying with applicable worker's compensation, unemployment compensation or disability insurance laws; or
- (3) awarded (or has reached an agreement for) back pay (credited for the employment year to which such award or agreement pertains), irrespective of mitigation of damages;

provided, however, that the same Hours of Employment shall not be credited twice under (1), (2) or (3) above. Hours of Employment shall be credited on the basis of any method permitted by Sections 2530.200b-2(b) and (c) of Department of Labor regulations and applied in a uniform and nondiscriminatory manner.

1.25 JEA

means the public utility formerly known as the Jacksonville Electric Authority and now known as JEA.

1.26 JEA Plan

means the City of Jacksonville General Employees' Pension Plan (or any successor plan) in which JEA employees participate.

1.27 Limitation Year

means, for purposes of Section 3.06, the Plan Year.

1.28 Limited Participant

means an Employee who at any time had become a Participant in this Plan, but whose employment was thereafter transferred to JEA and who elected not to continue participation in the Plan after such transfer to JEA.

1.29 Military Service

means service in the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, NOAA, or other branches of government service as provided in Title 38 of the United States Code.

1.30 Normal Retirement Date

means the earliest of the following dates:

- (1) the date on which the Participant has completed five (5) years of Vesting Service and attained age sixty-five (65), or
- (2) the date on which the Participant has completed twenty (20) years of Vesting Service and attained age fifty-five (55), or
- (3) the date on which the Participant has completed thirty (30) years of Vesting Service;

provided however, that in the event the Sponsor's power plant is shut down or sold, the Normal Retirement Date shall be the date the Participant attains age fifty-five (55) (or, if earlier, the date specified in (3) above).

1.31 Participant

means any Employee who is eligible to participate in the Plan in accordance with Section 2, or any Transfer Participant.

1.32 Plan

means the St. Johns River Power Park System Employees' Retirement Plan, as set forth in this document and as may be amended from time to time.

The Plan shall consist of two tiers of benefits. Tier One shall be the defined benefit tier and Tier Two shall be the cash balance tier. Except as otherwise denoted, the term "Plan" will apply to both Tier One and Tier Two Benefits.

1.33 Plan Year

means a 12-month period beginning on October 1 of each calendar year and ending on September 30 of the following calendar year.

1.34 Required Beginning Date

means the date (generally always the first day of a month) by which benefits under the Plan must be paid or commence.

1.35 Social Security Average Wages

means the average of the maximum amount of annual wages subject to Social Security tax for 35 years up to and including the calendar year of the Participant's Social Security Normal Retirement Age (SSNRA), as specified under Section 230 of the Social Security Act (which is referenced in Section 3121(a)(1) of the Code). The average is determined according to the table in effect at the Participant's date of termination of employment. If the Participant has selected the BackDROP option, then the date of termination of employment shall be deemed to be the day immediately preceding the first day of the BackDROP Period, consistent with Sections 5.07(1) and 5.07(5)(a). For dates of termination of employment in 2015, the Social Security Average Wages are as set forth below; for dates of termination of employment occurring in other years, the Social Security Average Wages will be determined by reference to the most recent covered compensation table that has (or had) been published, as of the date of termination of employment, pursuant to Treasury Regulation Section 1.401(l)-1(c)(7)(ii).

<u>Calendar Year of Social Security Retirement Age</u>	<u>Social Security Average Wages</u>	<u>Calendar Year of Social Security Retirement Age</u>	<u>1-10 Social Security Average Wages</u>
2008	53,952	2027	98,580
2009	56,628	2028	100,320
2010	59,268	2029	101,964
2011	61,884	2030	103,608
2012	64,560	2031	105,204
2013	67,308	2032	106,716
2014	69,996	2033	108,144
2015	72,636	2034	109,464
2016	75,180	2035	110,664
2017	77,640	2036	111,756
2018	80,004	2037	112,716
2019	82,308	2038	113,616
2020	84,564	2039	114,492
2022	88,884	2040	115,308
2023	90,904	2041	116,004
2024	93,000	2042	116,604
2025	94,920	2043	117,072
2026	96,780	2044	117,408

1.36 Sponsor

means the St. Johns River Power Park System of Jacksonville, Florida, a corporation organized and existing under the laws of the State of Florida, or its successors who adopt this Plan.

1.37 Termination Benefit

means benefits paid upon Termination from Employment for reasons other than death, disability, or retirement pursuant to Section 3.05.

1.38 Tier One Accrued Benefit

means an annual retirement benefit a Participant has accrued as of a specified date, equal to the sum of (1), (2), and (3) below, where:

- (1) is 2.00% of the Participant's Final Average Earnings multiplied by the number of years of Benefit Service, not to exceed 15 years; and
- (2) is 2.40% of the Participant's Final Average Earnings multiplied by the number of years of Benefit Service in excess of 15 years but not exceeding 30 years; and
- (3) is 0.65% of the excess of the Participant's Final Average Earnings over Social Security Average Wages, multiplied by the number of years of Benefit Service, not to exceed 35 years.

1.39 Tier Two Accrued Benefit

means a retirement benefit a Participant has accrued as of a specified date, equal to the sum of (1), (2), (3), and (4) below, where:

- (1) is the Participant's Tier Two Accrued Benefit determined as of the last day of the Plan Year immediately preceding the specified date (or if there was no such Tier Two Accrued Benefit as of the last day of that prior Plan Year, \$0 (zero)); and
- (2) is the total Participant Contributions (made pursuant to Section 6.01) for each pay period occurring between (a) the close of the Plan Year immediately prior to the specified date and (b) the specified date; and
- (3) is the total Employer pay credits equal to a percentage of the Participant's Earnings each pay period ending between (a) the close of the Plan Year immediately prior to the specified date and (b) the specified date. From February 25, 2013 through September 30, 2015, the Employer pay credit percentage was two percent (2.0%). Effective October 1, 2015, the Employer pay credit percentage shall be increased from two percent (2.0%) of Earnings to four and one-half percent (4.5%); and
- (4) is the total interest credit on the sum of (1), (2), and (3) above. The interest credits shall be computed at an annual rate of 4%, compounded annually. Interest is credited by no later than the end of each Plan Year. Interest credits under this paragraph (4) will continue to accrue for Participants whose employment terminates after the completion of at least five (5) years of Vesting Service from such Participant's Vested Termination Date until the benefit commencement date. Interest credits under this paragraph (4) will not continue to accrue for Participants whose employment terminates before the completion of at least five (5) years of Vesting Service, subject only to the provisions of Section 2.05.

Conversion of any portion of a Tier Two Accrued Benefit to the normal form of benefit payment (annuity) contained in Section 5.01, will be calculated using the interest discount and mortality rates used by the Plan to fund the Plan for the year the annuity payment is made, currently the RP-2000 Combined Healthy Annuitant mortality table with generational projections from 2000 using scale AA and based on a 50/50 unisex blend of male and female mortality rates and 7.00% interest discount rate. The Committee may change this basis for any future Plan year by adopting a resolution that sets the revised interest discount and mortality basis to be used for funding for that year.

1.40 Tier One Benefit

means the defined benefit determined under the Tier One Accrued Benefit formula.

Group A Employees – Effective February 25, 2013, Tier One Benefits may continue to be accrued by an Employee who as of February 24, 2013 had:

- (1) reached age sixty (60) with five (5) years of service, or

- (2) attained age fifty-five (55) with twenty (20) years of service, or
- (3) completed thirty (30) years of service regardless of age.

An Employee who satisfies the foregoing condition is referred to as a "Group A Employee."

Group B Employees – An Employee who does not meet the definition of a Group A Employee but who had completed twenty (20) years of service as of February 24, 2013 and was less than fifty-five (55) years of age as of that date, may continue to accrue Tier One Benefits. However, such an Employee is not eligible to select the BACKDROP option provided in Section 5.07. Such an Employee is referred to as a "Group B Employee."

Group C Employees – A Participant who had accrued Tier One Benefits in the Plan prior to February 25, 2013, but who does not meet the definition of a Group A or Group B Employee, has his (her) Tier One Benefits frozen in amount effective February 25, 2013. Distribution of frozen Tier One Benefits shall be governed by the provisions of the Plan otherwise applicable to Tier One Benefits. A Participant whose Tier One Benefit was frozen as of February 25, 2013, will be eligible to accrue Tier Two Benefits effective February 25, 2013. A Participant with frozen Tier One Benefits is referred to as a "Group C Employee."

In no event shall the Tier One Accrued Benefit be less than the Tier One Accrued Benefit earned as of September 30, 2003, determined under the provisions of the Plan in effect as of that date.

1.41 Tier Two Benefit

means the cash balance benefit determined under the Tier Two Accrued Benefit formula.

Effective February 25, 2013, Tier Two Benefits may be accrued by:

- (1) An Employee who had his(her) Tier One Benefits frozen as of February 24, 2013 (i.e., Group C Employees); and
- (2) Any Employee newly hired or rehired on or after February 25, 2013. Any Employee described in this clause (2) is referred to as a "Group D Employee."

1.42 Transfer Cap

means the statutory limitation that allows only a combined total of the first 150 transfer employees of SJRPP and/or JEA to make an election to remain in the retirement plan of his(her) prior employer. Thus, until the Transfer Cap applies:

- (1) an SJRPP employee who transfers employment to JEA may elect to remain in this Plan (i.e., Transfer Participant), and

- (2) a JEA employee who transfers employment to SJRPP may elect to remain in the JEA Plan.

1.43 Transfer Participant

means an employee of the Sponsor whose employment is transferred to JEA, and who elects in accordance with Section 2.02 to continue participating in the Plan. The ability to participate in the Plan as a Transfer Participant is statutorily limited by the Transfer Cap. As of October 1, 2015, the Transfer Cap had not been met.

1.44 Trust or Trust Agreement

means any agreement between the Trustee(s) and the Sponsor established for the purpose of funding the benefits under the Plan.

1.45 Trustee(s)

means the trustee(s) appointed by the Sponsor, or any substitute or successor trustee(s).

1.46 Vested Termination Date

means the date on which a Participant terminates employment with the Sponsor (or a Transfer Participant terminates employment with JEA) after accruing at least five years of Vesting Service, for any reason other than death, disability or retirement.

1.47 Vesting Service

means the number of Years of Employment (as defined in Section 1.48) determined as of each employment anniversary date (or reemployment anniversary date, if applicable), during which an Employee has completed at least 1,000 Hours of Employment. In the event employment is terminated, and the Employee is subsequently reemployed, the Vesting Service to which he/she was entitled as of his/her termination date shall be credited pursuant to Section 2.05. Additional Vesting Service may be credited through purchase, as provided in Section 2.04.

1.48 Year of Employment

means a 12-month period (each, a computation period) commencing on an Employee's date of employment (or reemployment date, if applicable) and each subsequent 12-month period commencing on the anniversary of such date. For each such 12-month period, it shall be immaterial whether the Employee is still employed on the last day of the 12-month period. No more than one (1) Year of Employment shall be credited for any 12-month period.

SECTION 2

ELIGIBILITY AND PARTICIPATION

2.01 Eligibility

Each Employee who was a Participant in the Plan on September 30, 2015, shall continue to be a Participant in this amended and restated Plan. Each such Participant's date of participation, as established under the provisions of the Plan in effect when the Participant first became eligible to participate, shall be unaffected by the Employer's adoption of this amended and restated Plan.

Each other Employee shall be eligible to become a Participant in the Plan on the first day of the Employee's regular (not temporary or contract) employment with the Sponsor, provided the Employer shall not currently be making contributions on behalf of such Employee to another retirement plan.

2.02 Participation

Each Employee shall automatically become a Participant in the Plan on the date such Employee fulfills the eligibility requirements for participation.

Notwithstanding the preceding paragraph, an Employee whose employment was transferred to the Sponsor from JEA and who was a participant in the JEA Plan shall have the option to forgo participation in the Plan and continue to participate in the JEA Plan subject to the Transfer Cap. If no election is made to forgo participation in the Plan, or an election is not available due to the application of the Transfer Cap, the Employee will become a Participant in the Plan when eligible. Such election to forgo participation in the Plan must be made within thirty (30) days of transfer of employment. If such Employee becomes a Participant in the Plan, Vesting Service and Benefit Service will be accrued only for periods of employment with the Sponsor.

Until such time as the Transfer Cap applies, a Participant whose employment is transferred from the Sponsor to JEA shall have the option to continue to participate in the Plan while employed by JEA, and in that event shall be treated as a Transfer Participant. Such election must be made within thirty (30) days of transfer of employment. If such Participant does not elect to remain in the Plan, or if such election is not available due to application of the Transfer Cap, such Participant shall be deemed a Limited Participant, and his(her) benefits under the Plan shall be determined in accordance with Section 2.03.

A reemployed former Participant shall participate in the Plan immediately upon reemployment, subject to the eligibility requirements in Section 2.01 above.

Participation in the Plan shall not give any Employee the right to be retained in the employ of the Employer, nor to have any right or interest in the Fund other than as provided in this Plan.

2.03 Limited Participants

- (1) A Participant shall become a Limited Participant as of the later of (i) the date of his (her) employment transfer to JEA, or (ii) if applicable, the date that the Participant elected not to continue participation in the Plan.
- (2) A Limited Participant shall be eligible to receive Termination Benefits, as provided in Section 3.05.
- (3) A Limited Participant's Accrued Benefit shall be determined according to the Plan provisions in effect on the date immediately preceding the Participant's transfer to JEA based on Benefit Service, Vesting Service, and Final Average Earnings as of the date of transfer.

2.04 Purchase of Vesting Service

Effective October 1, 2001, an Employee may elect to purchase Vesting Service credit for years of prior employment with SJRPP as a temporary or contract employee in which 1,000 Hours of Employment were earned, by paying to the Plan an amount equal to the then applicable Participant Contribution rate (currently 4%) times Earnings as of the date of purchase. Such election to purchase may be made by making application to the Committee within two years following the effective date of this provision or within two years following the Employee's date of employment as a regular Employee, if later. Payment for Vesting Service credit purchased pursuant to this paragraph may be made through payroll deductions not exceeding five years in length or through lump-sum payments, or a combination of both.

Effective October 1, 2003, an Employee may elect to purchase Vesting Service credit for years of prior "co-op" employment with JEA that involved assignment to the SJRPP project, in which 1,000 Hours of Employment were earned, by paying to the Plan an amount equal to the then applicable Participant Contribution rate (currently 4%) times Earnings as of the date of purchase. Such election to purchase may be made by making application to the Committee within two years following the effective date of this provision or within two years following the Employee's date of employment as a regular Employee, if later. Payment for Vesting Service credit purchased pursuant to this paragraph may be made through payroll deductions not exceeding five years in length or through lump-sum payments, or a combination of both.

Effective October 1, 2015, an Employee may elect to purchase additional Vesting Service, up to a maximum of two (2) years total, for time spent performing active Military Service, subject to all of the following terms and conditions:

- (1) The Employee must be vested and eligible for benefits under the Plan.
- (2) The Military Service may be active duty wartime or non-wartime military service, provided however, that no additional Vesting Service may be purchased for non-wartime Military Service in excess of one (1) year. Further, the Employee must have completed, by a date that is prior to the Employee's most recent date of hire with SJRPP or JEA, the Military Service for which additional Vesting Service is

purchased.

- (3) The length of active Military Service shall be the total number of years, months, and days from and including the date of entry into active Military Service through the date of discharge from active military service. If the service includes a partial year, it shall be determined as a fraction of a year. The length of service shall be calculated as follows:

$$A + \{ [B + (C/30)] / 12 \}$$

Where:

A: is the total complete years of service;

B: is the total complete months of service in excess of complete years; and

C: is the total days of service in excess of complete months.

- (4) The Employee cannot purchase additional Vesting Service for any military service for which the Employee also receives credit under any other federal, state, or local retirement or pension system where length of service is a factor in determining the amount of benefits received under such other system. For this purchase, the term "other federal, state, or local retirement or pension system" shall be defined and interpreted by reference to Section 112.65(2), Florida Statutes, or any successor to that statute. Thus, for example, federal social security benefits shall not be considered to be an "other federal, state, or local retirement or pension system."
- (5) If an Employee has frozen Tier One Benefits and/or is accruing Tier Two Benefits, then the Employee may only purchase additional Vesting Service for Tier Two Benefits.
- (6) To purchase the additional Vesting Service, the Employee shall deposit to the Plan an amount equal to:
 - (a) *For Tier One Benefits (if applicable to the Employee):* A lump sum amount equal to the actuarial present value of the additional projected benefits and rights derived from the crediting of additional Vesting Service for the Military Service. That actuarial present value calculation shall use a risk-free discount rate as represented by the closing yield of 30-year U.S. Treasury constant maturity instruments as of the last published date of the month prior to the month in which the amount is deposited into the fund. The closing yields shall be those published by the U.S. Department of the Treasury on its website. Furthermore, that actuarial present value calculation shall be without pre-retirement decrements and shall use the *RP-2014 Healthy Annuitant and Employee Mortality Tables (Total) for Males* with *MP-2014 Mortality Improvement Scale for Males*; or

- (b) For *Tier Two Benefits (if applicable to the Employee)*: A lump sum amount equal to the total pay credits (Employer and Employee) for the number of years of Vesting Service being purchased for the Military Service. The pay credits shall be determined based on the pay credit rate in effect on the date on which the amount is deposited into the fund times the annual Earnings paid for the Plan Year prior to the year in which the amount is deposited into the fund times the number of years of Military Service being purchased. In the event such prior Plan Year Earnings does not represent a full year, the annual Earnings paid may be considered the annualized rate of Earnings in effect as of the last date of the month prior to the month in which the amount is deposited into the Fund. No interest shall be charged on the total pay credits as calculated in this clause (b).
- (7) The Employee's payment for the purchase of the additional Vesting Service may be made through after-tax payroll deductions not exceeding five (5) years in length, or through lump-sum payments, or through a combination of both.
- (8) The Employee must make an application to the Committee for the purchase of the additional Vesting Service in such form and manner as the Committee prescribes, and must supply such supporting documentation and make such certifications as the Committee shall determine necessary, to permit the Committee to determine whether the Employee has satisfied the conditions for purchase of the additional Vesting Service, the length of Vesting Service that may be purchased, and the cost to be paid by the Employee for same.
- (9) The Employee must make the application, and make full payment to the Plan, for the additional Vesting Service, prior to the commencement of the Employee's retirement benefits under the Plan.

2.05 Reemployment

Vesting and Benefit Service Credits for Reemployed Former Participants: For any Participant who has terminated employment and is subsequently reemployed by the Employer:

- (1) if he(she) was entitled to a vested Termination Benefit described in Section 3.05, and the payment of such Termination Benefit has not yet commenced, then he(she) shall be entitled to Vesting Service and Benefit Service accrued as of the date of termination of his(her) previous employment, and shall again participate and accrue Tier Two Benefits after the date of reemployment, in accordance with the terms of the Plan; or
- (2) if he(she) was entitled to a vested Termination Benefit described in Section 3.05, and the payment of such Termination Benefit has commenced, then upon later reemployment, the Vesting Service and Benefit Service accrued at the date of termination of the previous employment shall be restored, with future Tier Two Benefit accruals, only if he(she) repays to the Fund the value of the Termination Benefits that he(she) has received within a legally-permissible time period

established by the Committee, with interest at 5%, or a higher rate as set by the Secretary of the Treasury, from the date of the payment to the date of repayment. The repayment time period established by the Committee may be determined by reference to a period of time following reemployment and/or by reference to a number of consecutive Breaks in Service following the date the Termination Benefit had been paid. If repayment is not made within the time period established by the Committee, Benefit Service shall not be restored, but the reemployed Employee shall be eligible to participate in the Plan immediately upon reemployment and shall retain vested status for future Tier Two Benefit accruals; or

- (3) if he/she was not entitled to a vested Termination Benefit as described in Section 3.05, or elected to waive such Termination Benefit in favor of a return of Participant Contributions in accordance with Section 3.05(4), and received a refund of Participant Contributions, then he/she shall be entitled to Vesting Service and Benefit Service accrued as of the date of termination of his/her previous employment, with future Tier Two Benefit accruals, only if he/she repays to the Fund the Participant Contributions within a time period established by the Committee (as described in paragraph (2) above) with interest at 5%, or a higher rate as set by the Secretary of the Treasury, from the date of the refund of Participant Contributions to the date of repayment. If repayment is not made within the time period established by the Committee, Benefit Service shall not be restored but the reemployed Participant shall be eligible to participate in the Plan immediately upon reemployment and shall retain Vesting Service as of previous termination of employment for future Tier Two Benefit accruals; or
- (4) if he/she was not entitled to a vested Termination Benefit and did not receive a refund of Participant Contributions, then he/she shall be entitled to Vesting Service and Benefit Service accrued as of the date of termination of the previous employment, and shall again participate and accrue Tier Two Benefits after the date of reemployment according to the terms of the Plan.
- (5) In the event a Participant is reemployed after receiving retirement benefits, benefit payments shall continue in the same form and manner as in effect immediately prior to the reemployment date; provided, however, that with respect to Tier One Benefits, at the close of each Plan Year prior to the Participant's later termination of employment (each, a "determination date"), the Accrued Benefit shall be recomputed based on Final Average Earnings and total Benefit Service as of such determination date. Such recomputed Accrued Benefit shall be offset by the Actuarial Equivalent value (as determined under Section 1.02(1)) of the total benefit distributions made through each such determination date, and shall be paid to the Participant commencing after each determination date. In no case, however, shall the Participant's recomputed net benefit be less than the initial retirement benefit computed and received. Additionally:
 - (a) With respect to Tier One Benefits, prior to the Participant's third year of reemployment, the Final Average Earnings used to recompute the Accrued

Benefit shall be based on the Participant's Earnings prior to initial retirement to the extent necessary to complete a 36-month history of Earnings; provided, however, that for a Participant who had elected BackDROP, no Benefit Service shall be credited for the BackDROP Period and Earnings during the BackDROP Period shall always be excluded from the Earnings history taken into account when recomputing the Accrued Benefit.

- (b) No recomputation of the Accrued Benefit will be performed until the reemployed Participant completes at least 1,000 Hours of Employment in a Year of Employment during the reemployment period.

SECTION 3

RETIREMENT DATES AND BENEFITS

A Participant who retires or terminates employment may be eligible for benefits as described in this Section 3.

The determination of the Accrued Benefit to which any Participant or Beneficiary is entitled shall be governed by the Plan in effect on the date of the Participant's termination of employment, subject to the provisions of Section 2.02.

The Accrued Benefit rights of any Participant as of September 30, 2015, shall not be reduced or eliminated as a result of the adoption by the Employer of this amended and restated Plan. Notwithstanding any other section of this Plan, in no event will a Participant be entitled to receive benefits under this Plan which are in part or in whole based upon any service with respect to which the Participant is already receiving, or will receive in the future, a retirement benefit or pension from another retirement system or plan, in compliance with Chapter 112, Part VII of the Florida Statutes.

3.01 Normal Retirement

Normal Retirement under the Plan shall mean retirement from employment on the Normal Retirement Date. Payment of the retirement benefit shall be governed by the following provisions:

(1) Normal Retirement Date:

Refer to Section 1.30 for the definition of Normal Retirement Date.

(2) Benefit Amount:

A Participant's normal retirement benefit shall be equal to the Accrued Benefit (Section 1.01) determined as of the Normal Retirement Date, reduced by the Early Payment Reduction (Section 1.15) applied solely to part (3) of the Tier One Accrued Benefit formula (Section 1.38). Thus, solely for the portion (if any) of the Accrued Benefit that constitutes Tier One Accrued Benefits, for a Participant retiring prior to attaining age 65, part (3) of the Tier One Accrued Benefit formula (Section 1.38) shall be reduced by 1/144 for each full month of the first 36 months and 1/288 for each full month of the next 84 months by which the benefit commencement date precedes the Participant's 65th birthday.

(3) Benefit Payments:

Retirement benefits shall be payable bi-weekly. The first payment shall be made on the first day of the month following or coincident with the Participant's Normal Retirement Date, or as soon as administratively practicable. All payments shall be made as provided in Section 5.01, Normal Form of Benefit Payment.

3.02 Early Retirement

A Participant may retire on or after the Early Retirement Date, provided that he(she) makes a written election on a form furnished by the Committee to have retirement benefits payable as governed by the following provisions:

(1) Early Retirement Date:

The date on which a Participant has terminated employment and both attained age fifty-five (55) and completed ten (10), but less than twenty (20), years of Vesting Service.

(2) Benefit Amount:

A Participant's early retirement benefit shall be equal to the Accrued Benefit determined as of the Early Retirement Date, reduced by the Early Payment Reduction (Section 1.15).

(3) Benefit Payments:

Retirement benefits shall be payable bi-weekly. The first payment shall be made on the first day of the month following or coincident with the Participant's Early Retirement Date or as soon as administratively practicable; provided, however, that a Participant may elect in writing to defer the commencement of benefits to any date prior to the Participant's Normal Retirement Date in which case the first payment shall be made on the first day of the month following or coincident with the date to which commencement was deferred. Notwithstanding the foregoing, in no event may a Participant defer his(her) benefits later than the Required Beginning Date provided in Section 5.05. All payments shall be made as provided in Section 5.01, Normal Form of Benefit Payment.

(4) Grandfather Election:

Effective November 21, 2000, Participants who were hired as Employees prior to October 1984, the date this Plan was first adopted, and who are age 50 or older as of termination of employment may elect to purchase a special (no reduction) early retirement benefit in accordance with the following terms and conditions:

(a) The Participant shall make application to the Plan for this Section 3.02(4) special early retirement benefit.

(b) The Participant shall remit to the Plan an amount equal to the difference between the actuarial present value of the total benefits to be paid to the Participant combining this special early retirement provision with earned existing benefits, and the actuarial present value of the projected benefit held by the Plan for such Participant. Such actuarial values shall be determined by the actuary for the Plan in accordance with rules and procedures adopted by the Committee.

- (c) The Participant's special early retirement benefit shall be equal to the Accrued Benefit determined as of the date of employment termination, without reduction for early retirement, payable biweekly starting at the later of termination of employment or the first of a month set by the Participant no sooner than the first of the month following the Participant's attainment of age fifty-five (55).
- (d) The special early retirement benefit will be payable in accordance with the provisions contained in Section 5.01, Normal Form of Benefit Payment.

3.03 Delayed Retirement

For a Participant who retires after the Normal Retirement Date, payment of the retirement benefit shall be governed by the following provisions:

- (1) Delayed Retirement Date:

The date on which a Participant actually retires from the employ of the Employer after the Normal Retirement Date.

- (2) Benefit Amount:

A Participant's delayed retirement benefit shall be equal to the Accrued Benefit determined as of the Delayed Retirement Date.

- (3) Benefit Payments:

Retirement benefits shall be payable bi-weekly. The first payment shall be made on the first day of the month following or coincident with the Participant's Delayed Retirement Date, and all payments shall be made as provided in Section 5.01, Normal Form of Benefit Payment.

3.04 Disability

A Participant who becomes totally and permanently disabled after meeting the requirements for Early Retirement eligibility in accordance with Section 3.02(1) will be eligible for Early Retirement governed by the provisions of Section 3.02.

3.05 Termination of Employment

A Participant whose employment terminates before the completion of at least five (5) years of Vesting Service shall not be entitled to any Termination Benefit under the Plan except a refund of Participant Contributions, if any.

A Participant whose employment terminates after the completion of at least five (5) years of Vesting Service, for any reason other than death, disability or retirement under the Plan, shall be entitled to a Termination Benefit equal to the Participant's Accrued Benefit determined as of the Vested Termination Date. If the vested Accrued Benefit of a terminated Participant is equal to zero, the terminated Participant shall be deemed to have received a distribution of the single-sum actuarial present value of the vested Accrued Benefit.

Termination Benefits under the Plan shall be determined as follows:

(1) Benefit Amount:

A Participant's Termination Benefit shall be equal to the Accrued Benefit (Section 1.01) determined as of the Vested Termination Date.

(2) Benefit Payments:

The Termination Benefit (if any) shall be payable bi-weekly. The first payment shall be made on the first day of the month following or coincident with the date of the Participant's attainment of age sixty-five (65). All payments shall be made as provided in Section 5.01, Normal Form of Benefit Payment.

(3) Payment Elections:

A terminated Participant who terminated employment prior to reaching Normal Retirement Date or Early Retirement Date and who has ten (10) or more years of Vesting Service may elect, at or after attaining age fifty-five (55), to receive retirement benefits equal to the Accrued Benefit, reduced by the Early Payment Reduction (Section 1.15), and payable in accordance with Section 3.02(3).

(4) Forfeiture and Refund Option:

A terminated Participant with a Vested Termination Date who has vested Accrued Benefits remaining in the Plan, and who has not attained eligibility for benefits under Section 3.01 or 3.03 may request a forfeiture of their vested benefits rights in exchange for the receipt of a refund of all of their Participant Contributions made to the Plan during their term of employment without interest. Making the forfeiture and refund election will result in no further benefit entitlements under the Plan, subject to the reemployment provisions in Section 2.04. Refunds are subject to the provisions of Section 5.04 "Direct Rollovers".

3.06 Maximum Benefit Limitation

- (1) Notwithstanding any other provision of this Plan to the contrary, the annual benefit otherwise payable to a Participant under this Plan at any time shall not exceed the maximum annual benefit, as described in this Section 3.06.

The limitations in this Section 3.06 are intended to comply with the provisions of Section 415 of the Code so that the maximum benefits provided by this Plan (and by other plans of the Employer required to be aggregated therewith under Code Section 415) shall be exactly equal to the maximum annual benefit allowed under Code Section 415. If there is any discrepancy between this Section 3.06 and Code Section 415 and Treasury regulations thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of Code Section 415.

The value of any benefits forfeited as a result of the application of this Section 3.06 shall be used to decrease future Employer contributions to the Plan.

- (2) The maximum annual benefit, expressed in the form of a straight life annuity, with no ancillary benefits, provided by Employer contributions, including Employer pick-up contributions, for an Employee with ten (10) or more years of participation at age sixty-five (65) will not exceed the dollar limit under Code Section 415(b)(1)(A), automatically adjusted for annual cost-of-living increases. A limitation as adjusted under Code Section 415(d) will apply to Limitation Years ending with or within the calendar year for which the adjustment applies. The automatic annual adjustment shall apply to Participants who have had a separation from employment.
- (a) If the benefit the Participant would otherwise accrue in a Limitation Year would produce an annual benefit in excess of the maximum annual benefit, the benefit will be limited (or the rate of accrual reduced) to a benefit that does not exceed the maximum annual benefit.
- (b) If a Participant is, or has ever been, covered under more than one defined benefit plan maintained by the Employer, the sum of the Participant's annual benefits from all such defined benefit plans may not exceed the maximum annual benefit. Where the Participant's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the maximum annual benefit applicable at that age, the accrual of the Participant's benefit under this Plan shall be reduced so that the Participant's combined benefits will equal the maximum annual benefit.
- (c) Effective October 1, 2007, the application of the provisions of this revised Section 3.06(2) shall not cause the maximum annual benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer as of the end of the last Limitation Year beginning before October 1, 2007.
- (d) To the extent provided in, and subject to the exceptions provided in, Section 1.415(b)-1(c)(4) and (5) of the Treasury Regulations, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month before applying the limitations of this Section 3.06.

For a Participant who has or will have distributions commencing at more than one annuity starting date, the annual benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Section 3.06 as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has

occurred shall be made without regard to Treasury regulation 1.401(a)-20, Q&A 10(d), and with regard to Treasury regulation 1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for (A) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (B) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or (C) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Section 3.06, and the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Section 3.06 applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the annual benefit shall take into account social security supplements described in Code Section 411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant Treasury Regulation Section 1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to employee contributions (unless picked-up) or rollover contributions as specified in the regulations under Code section 415.

(i) The determination of actuarial equivalence of forms of benefits other than a straight life annuity shall be made in accordance with the following subsections:

(A) In the case of a benefit form to which Code Section 417(e)(3) does not apply, the actuarially equivalent straight life annuity will be determined as follows:

1. If the annuity starting date of the Participant's form of benefit occurs before October 1, 2006, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount:

- I. The interest rate and mortality table specified in Section 1.02 for adjusting benefits in the same form; or
 - II. A five-percent (5%) interest rate assumption and the applicable mortality table defined in Treasury Regulation Section 1.417(e)-1(d)(2), for that annuity starting date.
2. If the annuity starting date of the Participant's form of benefit occurs on or after October 1, 2006, the actuarially equivalent straight life annuity is equal to the greater of:
- I. The annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit; or
 - II. The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Participant, computed using a five-percent (5%) interest rate assumption and the applicable mortality table described in Treasury Regulation Section 1.417(e)-1(d)(2) for that annuity starting date.
- (B) In the case of a benefit form to which Code Section 417(e)(3) applies, the actuarially equivalent straight life annuity will be determined as follows:
1. If the annuity starting date of the Participant's form of benefit occurs on or after October 1, 2006, the actuarially equivalent straight life annuity is equal to the greatest of:
 - I. The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and

mortality table in Section 1.02, for adjusting benefits in the same form;

- II. The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a five-and-one-half percent (5½%) interest rate assumption and the applicable mortality table in Treasury Regulation Section 1.417(e)-1(d)(2); or
 - III. The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the applicable interest rate for the distribution under Treasury Regulation Section 1.417(e)-1(d)(3) and the applicable mortality table defined in Treasury Regulation Section 1.417(e)-1(d)(2), divided by 1.05.
2. If the annuity starting date of the Participant's form of benefit occurs between October 1, 2004 and September 30, 2006, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:
- I. The interest rate and mortality table specified in Section 1.02, for adjusting benefits in the same form; and
 - II. A five-and-one-half-percent (5½%) interest rate assumption and the applicable mortality table defined in Treasury Regulation Section 1.417(e)-1(d)(2).

However, if the Participant's annuity starting date is on or after October 1, 2004 and before December 31, 2004, the application of this subparagraph 2. shall not cause the amount payable under the

Participant's form of benefit to be less than the benefit calculated under the Plan taking into account the limitations of this Section 3.06, except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computing using whichever of the following produces the greatest annual amount: (x) the interest rate and mortality table specified in Section 1.02, for adjusting benefits in the same form; (y) the applicable interest rate and mortality table in the Plan; and (z) the applicable interest rate defined in Section 1.02 (as in effect on September 30, 2004) and the applicable mortality table defined in Section 1.02.

- (3) Except as provided in subsection (4) below, which imposes additional limitations on the amounts payable to Participants with less than ten (10) years of participation, the foregoing limitation in subsection (2) above is not applicable with respect to any Participant whose annual benefit under this Plan, and any other defined benefit plan maintained by the Employer, is less than \$10,000.00, and such Participant has not at any time participated in any defined contribution plan, within the meaning of Section 415(k) of the Code, maintained by the Employer. If any Participant has less than ten (10) years of participation with the Employer, the \$10,000.00 amount referenced in the preceding sentence shall be replaced with the amount determined by multiplying \$10,000.00 by a fraction (x) the numerator of which is the number of years (or part thereof) of participation with the Employer, but never less than one (1) and (y) the denominator of which is ten (10).
- (4) In the event any Participant has less than ten (10) years of participation in this Plan and predecessor plans hereto, the dollar limitation otherwise applicable under subsection (2) above will be reduced by multiplying such limitation by a fraction, the numerator of which is the number of such Participant's years of participation or part thereof, but never less than one (1), and the denominator of which is ten (10). The limitation will not be reduced so that it is less than the Participant's Accrued Benefit under the Plan. This subsection (4) will, to the extent required by the Secretary of the Treasury, be applied separately to each change in benefit structure hereunder. This subsection (4) will not apply to income received from the Plan as a pension, annuity, or similar allowance as a result of the Participant becoming disabled or benefits received by the Beneficiaries, survivors, or the estate of the Participant as a result of the death of the Participant.

- (5) In the event subsection (3) does not apply, if the benefit under the Plan begins before the Participant attains age sixty-two (62), the dollar limitation in subsection (2) will be adjusted as follows:
- (a) If the annuity starting date for the Participant's benefit occurs in a Limitation Year beginning before October 1, 2007, the dollar limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Employee's annuity starting date that is the actuarial equivalent of the subsection (2) dollar limitation (adjusted under subsection (4) for years of participation less than ten, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount:
 - (i) The interest rate and mortality rate specified in Section 1.02; or
 - (ii) A five-percent (5%) interest rate assumption and the applicable mortality table as defined in Section 1.02.
 - (b) If the annuity starting date for the employee's benefit occurs in a limitation year beginning on or after October 1, 2007, the dollar limitation referred to in subsection (2) for the Participant's annuity starting date is the lesser of (x) the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the dollar limitation (adjusted under subsection (4) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five-percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 1.02 (and expressing the Participant's age based on completed calendar months as of the annuity starting date), and (y) the dollar limitation referred to in subsection (2) (adjusted under subsection (4) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-two (62), both determined without applying the limitations of this Section 3.06.
 - (c) This subsection (5) will not apply to income received from the Plan as a pension, annuity, or similar allowance as a result of the Participant becoming disabled or amounts received from the Plan by the Beneficiary, survivors, or the estate of the Participant as a result of the death of the Participant.
 - (d) This subsection (5) shall not reduce the prior law limitation, if applicable to a Participant, of:

- (i) \$75,000.00 if the benefit begins at or after age fifty-five (55); or
 - (ii) if the benefit begins before age fifty-five (55), the equivalent of the \$75,000.00 limitation for age fifty-five (55).
 - (e) Notwithstanding any other provisions of this subsection (5), the age-adjusted dollar limit applicable to a Participant shall not decrease on account of any increase in age or the performance of additional services.
- (6) In the event that subsection (3) does not apply, if the benefit under the Plan begins after age sixty-five (65), the dollar limitation in subsection (2) will be adjusted as follows:
- (a) If the annuity starting date for the Participant's benefit occurs in a Limitation Year beginning before October 1, 2007, the dollar limitation referred to in subsection (2) for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the subsection (2) dollar limitation (adjusted under subsection (4) for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount:
 - (i) the interest rate and mortality table specified in Section 1.02.; or
 - (ii) a five-percent (5%) interest rate assumption and the applicable mortality table as defined in Section 1.02.
 - (b) If the annuity starting date for the Participant's benefit occurs in a Limitation Year beginning on or after October 1, 2007, the dollar limitation at the Participant's annuity starting date is the lesser of (a) the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the subsection (2) dollar limitation (adjusted under subsection (4) for years of participation less than ten (10), if required) with actuarial equivalence computed using a five-percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 1.02 (and expressing the Participant's age based on completed calendar months as of the annuity starting date), and (b) the subsection (2) dollar limitation (adjusted under (4) for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-five (65), both determined without applying the limitations of this

Section 3.06. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the Participant's annuity starting date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age sixty-five (65), but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age sixty-five (65) is the annual amount of such annuity that would be payable under the Plan to a hypothetical participant who is age sixty-five (65) and has the same accrued benefit as the Participant.

- (7) Notwithstanding the other requirements of subsections (5) and (6), no adjustment shall be made to the subsection (2) dollar limitation to reflect the probability of a Participant's death between the annuity starting date and age sixty-two (62), or between age sixty-five (65) and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made.
- (8) A Participant shall be credited with a year of participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (A) the Participant is credited with at least the number of hours of service for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (B) the Participant is included as a participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met the portion of a year of participation credited to the Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A participant who is permanently and totally disabled within the meaning of Code Section 415(c)(3)(C)(i) for an accrual computation period shall receive a year of participation with respect to that period. In no event shall more than one year of participation be credited for any 12-month period.

3.07 Cost-of-Living Increases

A Participant eligible to receive Tier One Benefits on or after October 1, 2003, under the provisions of Sections 3.01, 3.02, or 3.03 shall be entitled to a 1% cost of living increase each year payable on the first benefit payment coincident with or next following the fifth anniversary of the Participant's retirement and separation from service. A Participant whose Tier One Benefits have been frozen shall receive the benefit provided in this Section only on the Tier One portion of his or her benefit. The benefit provided in this Section shall not apply to Tier Two Benefits.

When a retired Participant who was entitled to the benefit provided in this Section dies more than five years after retirement and separation from service, the surviving joint annuitant (if any) shall also be entitled to a continuation of the annual cost-of-living adjustment benefit provided in this Section, which shall continue to be applied annually to the surviving joint annuitant's benefit payments. If a retired Participant who was

entitled to the benefit provided in this Section dies prior to reaching the fifth anniversary of his or her retirement and separation from service, the surviving joint annuitant (if any) shall be entitled to commence the annual cost-of-living adjustment benefit provided in this Section beginning with the first surviving annuitant payment coincident with or next following the fifth anniversary of the Participant's retirement and separation from service.

3.08 Closure or Sale of SJRPP

Notwithstanding any other provision of this Plan, if the SJRPP power plant is sold, shut down, or closed, the Normal Retirement Date shall be the date the Participant attains age fifty-five (55), or such earlier date provided in the definition of Normal Retirement Date, whichever shall occur first. In such an event, a Participant will be eligible for commencement of benefits upon the earliest eligibility based on the benefits accrued to the date of separation and based on the Plan provisions in effect on the date of separation. This provision shall not result in the loss or diminution of accrued benefits.

SECTION 4

DEATH BENEFITS: PRERETIREMENT SURVIVOR ANNUITY

The surviving Eligible Spouse of a Participant who dies after attaining a vested right to an Accrued Benefit, but before benefit payments commence, shall receive a death benefit as further described in Sections 4.01, 4.02 and 4.03 below. If there is no surviving Eligible Spouse, no death benefits shall be payable except a refund of Participant Contributions, if any.

4.01 Active Participant

(1) Benefit Amount:

If a Participant with a vested Accrued Benefit dies (i) prior to retirement under the provisions of Section 3.01, 3.02, 3.03, or 3.04 or termination of employment and (ii) *on or before* reaching Earliest Retirement Age, the surviving Eligible Spouse shall receive a benefit equal to that which would have been payable if the Participant had:

- (a) separated from service on the date of death,
- (b) survived to the Earliest Retirement Age,
- (c) retired at the Earliest Retirement Age with an immediate 75% joint-and-survivor annuity, according to Option D of Section 5.03, and
- (d) died on the following day;

provided, however, that if payment to the Eligible Spouse commences prior to the date the Participant would have reached the Normal Retirement Date, the Early Payment Reduction shall be applied as if the Participant had reached the Normal Retirement Date.

If a Participant with a vested Accrued Benefit dies (i) prior to retirement under the provisions of Section 3.01, 3.02, 3.03, or 3.04 or termination of employment and (ii) *after* reaching Earliest Retirement Age, the surviving Eligible Spouse shall receive a benefit equal to that which would have been payable if the Participant had retired with an immediate 75% joint-and-survivor annuity, according to Option D of Section 5.03, on the day before the Participant's date of death; provided, however, that if payment to the Eligible Spouse commences prior to the date the Participant would have attained the Normal Retirement Date, the Early Payment Reduction shall be applied as if the Participant had attained the Normal Retirement Date.

(2) Benefit Payments:

Benefit payments under this Section shall be payable bi-weekly. The first payment shall be made on the first day of the month following or coincident with the Participant's Earliest Retirement Age; provided, however, that the surviving Eligible Spouse may elect in writing to defer the commencement of benefits to a later date (but in no event later than the Required Beginning Date provided in Section 5.05(2)).

4.02 Vested Terminated Participant

(1) Benefit Amount:

If a terminated Participant with a vested Accrued Benefit dies (i) prior to retirement under the provisions of Section 3.01, 3.02, 3.03, or 3.04 and (ii) *on or before* reaching Earliest Retirement Age, the surviving Eligible Spouse shall receive a benefit equal to that which would have been payable if the Participant had:

- (a) survived to the Earliest Retirement Age,
- (b) retired at the Earliest Retirement Age with an immediate 75% joint-and-survivor annuity, according to Option D of Section 5.03, and
- (c) died on the following day.

If a Participant with a vested Accrued Benefit dies (i) prior to retirement under the provisions of Section 3.01, 3.02, 3.03, or 3.04 and (ii) *after* reaching Earliest Retirement Age, the surviving Eligible Spouse shall receive a benefit equal to that which would have been payable if the Participant had retired with an immediate 75% joint-and-survivor annuity, according to Option D of Section 5.03, on the day before the Participant's date of death.

(2) Benefit Payments:

Benefit payments under this Section shall be payable bi-weekly. The first payment shall be made on the first day of the month following or coincident with the Participant's Earliest Retirement Age; provided, however, that the surviving Eligible Spouse may elect in writing to defer the commencement of benefits to a later date (but in no event later than the Required Beginning Date provided in Section 5.05(2)).

4.03 Retired Participant

(1) Benefit Amount:

If a Participant who has retired under the provisions of Section 3.01, 3.02, 3.03 or 3.04 dies before benefit payments commence, the surviving Eligible Spouse shall receive a benefit equal to that which would have been payable if the Participant had commenced receiving a 75% joint-and-survivor annuity according to Option D of Section 5.03 on the day before the Participant's date of death. If a retired Participant dies after the benefit commencement date, no death benefit shall be payable, except as provided by the terms (if any) of the annuity form elected.

(2) Benefit Payments:

Benefit payments under this Section shall be payable bi-weekly. The first payment shall be made on the first day of the month following the date of the Participant's death; provided, however, that the surviving Eligible Spouse may

elect in writing to defer the commencement of benefits to a later date (but in no event later than the Required Beginning Date provided in Section 5.05(2)).

4.04 HEART Act Provisions

Notwithstanding any other provision of the Plan to the contrary, Contributions, benefits, and service credit with respect to qualified military service (as such term is defined for purposes of Code Section 414(u)), shall be provided in accordance with Code Section 414(u).

Effective for deaths occurring on or after January 1, 2007, if a Participant dies while performing qualified military service, the survivors of the Participant are entitled to any additional benefits (other than Contributions relating to the period of qualified military service and other than as specifically provided below) provided under the Plan as if the Participant had resumed employment with the Employer as of the day preceding the date of his or her death and then terminated employment on account of his or her death ("deemed reemployment date").

(1) Vesting Service:

For purposes of this Section 4.04, a Participant who is described in Section 4.04 will, upon his or her deemed reemployment date, receive credit for Vesting Service purposes with respect to his or her period of military service.

(2) Benefit Service:

For purposes of this Section 4.04, a Participant who is described in Section 4.04 will not, upon his or her deemed reemployment date, receive credit for Benefit Service purposes with respect to his or her period of military service.

(3) Differential Wage Payments:

Effective on or after January 1, 2009:

- (a) an individual receiving a differential wage payment, as defined in Code Section 3401(h)(2), shall be treated as an Employee of the Employer making the payment;
- (b) the differential wage payment shall be treated as Earnings for purposes of Sections 1.14 and 3.06 of the Plan, and as compensation for purposes of Code Section 415 and any other Code Section that references the definition of compensation under Code Section 415 (but only to the extent the payments do not exceed the amount the individual would have received had he or she continued to perform services for the Employer); and

- (c) the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

SECTION 5

PAYMENT OF BENEFITS

5.01 Normal Form of Benefit Payment

(1) Without Eligible Spouse:

The normal form of benefit payment for a Participant who does not have an Eligible Spouse (Section 1.16) on the date benefit payments begin shall be an annual annuity payable for life, which shall be the Actuarial Equivalent of a 75% joint-and-survivor annuity (Option D of Section 5.03) assuming a Beneficiary equal in age to the Participant.

A Participant may waive the normal form of payment described in the preceding paragraph by electing a Section 5.03 option in accordance with Section 5.02, in which case the retirement benefit shall be paid in accordance with the terms of the option elected.

(2) With Eligible Spouse:

The normal form of benefit payment for a Participant who has an Eligible Spouse (Section 1.16) on the date benefit payments begin shall be a 75% joint-and-survivor annuity (i.e., a benefit payable in accordance with Option D of Section 5.03, with the Eligible Spouse, as the Beneficiary, receiving a 75% survivor annuity after the Participant's death).

A Participant may elect, in writing, within the time period specified in Section 5.02, to waive the joint-and-survivor annuity, in which event the retirement benefit shall be payable according to the terms of the Section 5.03 option elected. A waiver of the joint-and-survivor annuity will be subject to the following requirements:

- (a) the waiver must be signed by both the Participant and the Eligible Spouse;
- (b) the Eligible Spouse's consent must acknowledge the effect of the waiver; and
- (c) the Eligible Spouse's consent must be witnessed by a Plan representative or a notary public; provided that spousal consent shall not be required if the Participant provides the Committee with satisfactory evidence that such consent cannot be obtained because:
 - (i) the Participant does not have an Eligible Spouse;
 - (ii) the Eligible Spouse cannot be located; or
 - (iii) such other circumstances as are prescribed by Treasury regulations.

5.02 Election of Optional Retirement Benefits

(1) Election Right:

A Participant, together with the Eligible Spouse (if applicable), may elect, or may revoke a prior election and make a new election, at any time within ninety (90) days before benefit payments commence, to have benefits paid under one of the optional methods of payment described in Section 5.03 instead of under the normal form of payment provided in Section 5.01. The benefit shall be paid in accordance with the terms of the option elected.

(2) Election Information:

Information concerning the terms and relative financial effect of the options set forth in Section 5.03 shall be provided no later than thirty (30) days before, and no earlier than ninety (90) days before, a Participant's benefit commencement date. If this information is not supplied within that time frame, the Participant shall have ninety (90) days after the time the information is supplied during which to make or revoke an election. If the Participant requests additional information before the end of the ninety (90) day period, the Participant shall have ninety (90) days after the time the additional information is supplied to make or revoke an election.

(3) Election and Revocation Procedures:

Written election of any option or revocation of an earlier election and election of a new option by the Participant shall be acknowledged in writing by the Eligible Spouse (if applicable) and shall be filed with and acknowledged in writing by the Committee, in accordance with rules adopted by the Committee and uniformly applied. The date an option is to be made effective shall be stated in the written election.

(4) Limitations on Elections:

- (a) No option under Section 5.03 may be elected unless the distribution is for a term not exceeding the life expectancy of the Participant or the Participant and Beneficiary (if applicable) measured as of the annuity payment starting date. If the Participant's spouse is not the designated Beneficiary, then the option elected must distribute at least fifty percent (50%) of the Accrued Benefit within the life expectancy of the Participant.
- (b) If the Participant dies after distribution of his(her) interest has commenced, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
- (c) If the Participant dies before distribution of his(her) interest commences, the Participant's entire interest will be distributed no later than five (5)

years after the Participant's death except to the extent that an election is made to receive distributions in accordance with (i) or (ii) below:

- (i) if any portion of the Participant's interest is payable to a designated Beneficiary, distributions may be made in substantially equal installments over the life or life expectancy of the designated Beneficiary commencing no later than one year after the Participant's death;
 - (ii) if the designated Beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (i) above shall not be earlier than the Participant's Normal Retirement Date, and, if the spouse dies before payments begin, subsequent distributions shall be made as if the spouse had been the Participant.
- (d) The retirement benefit election by a Participant shall be null and void, and the provisions of Section 5.01, Normal Form of Benefit Payment, shall apply if the Participant's designated Beneficiary should die before benefit payments commence.
- (e) For purposes of Section 5.02(4)(c) above, payments will be calculated by use of the return multiples specified in Section 1.72-9 of the Income Tax Regulations. Life expectancy of a surviving spouse may be recalculated annually. In the case of any other designated Beneficiary, life expectancy will be calculated at the time payment first commences and payments for any twelve (12) consecutive-month period will be based on such life expectancy minus the number of whole years passed since distribution first commenced.

5.03 Description of Options

The amount of any benefit payments under Option A, B or C below shall be the Actuarial Equivalent of the benefit that would otherwise be payable to the Participant in accordance with a 75% joint-and-survivor annuity, assuming a Beneficiary equal in age to the Participant, as described in Option D below:

- (1) Option A — Lump-sum Option available only for distribution of Tier One Benefits: If the single-sum Actuarial Equivalent of a Participant's or surviving Eligible Spouse's vested Tier One Accrued Benefit is not greater than \$10,000, the Participant or surviving Eligible Spouse may elect a single-sum settlement; provided, however, the settlement is made due to termination of Plan participation and constitutes the entire actuarial present value of the vested Tier One Accrued Benefit or surviving Eligible Spouse's benefit. On January 1, 1996, and on January 1, of each succeeding year, the dollar limitation of this paragraph 5.03(1) in effect on the preceding December 31 shall be adjusted to reflect any increase in the Consumer Price Index for Urban Consumers (CPI-U) for the twelve (12)

months period ended on the preceding September 30, and such adjusted dollar limitation shall be operable for the ensuing calendar year.

- (2) Option B — Life Annuity Option: A bi-weekly retirement benefit payable to the Participant for life.
- (3) Option C — 10-Year-Certain-and-Life Option: A bi-weekly retirement benefit payable to the Participant for life; in the event of death within ten (10) years after benefit commencement, the same bi-weekly benefit amount shall be payable for the balance of the ten (10) year period to the Beneficiary.
- (4) Option D — Joint-and-Survivor Option: A bi-weekly retirement benefit payable to the Participant for life, with a previously designated percentage (100%, 75%, 66-2/3% or 50%) of the benefit amount continuing automatically to the Beneficiary for life after the death of the Participant.
- (5) Option E — Partial Lump-Sum Option:
 - (a) The Participant may elect to receive up to fifteen percent (15%) in increments of five percent (5%) of the actuarial present value of the Participant's retirement benefits as a one-time, lump-sum payment upon retirement, with the Participant's remaining retirement benefits to be paid according to the terms of the annuity option elected that shall be actuarially reduced to reflect the lump-sum payment made to the Participant.
 - (b) A Participant who elects a partial lump sum under Option E shall not be eligible, entitled or permitted to participate in the BACKDROP set forth in Section 5.07. A Participant who elects to participate in the BACKDROP shall not be permitted to elect a partial lump sum under Option E.
- (6) Option F — Lump-sum Option available only for distribution of Tier Two Benefits: the Participant or surviving Eligible Spouse may elect a single-sum payment of his/her entire Tier Two Accrued Benefit.

5.04 Direct Rollovers

The distributee of a single-sum payment under the Plan (including but not limited to single-sum payments under Section 5.03 or a refund of Participant Contributions) may elect, in a form and manner prescribed by the Plan's administrative procedures, to have any portion of such payment paid directly to an eligible retirement plan specified by the Participant in a direct rollover if such payment is an eligible rollover distribution. The direct rollover election shall be subject to the following restrictions:

- (i) the distributee of an eligible rollover distribution of less than \$200 shall not have the right to elect a direct rollover;

- (ii) a distributee may elect a direct rollover of a portion (less than 100%) of an eligible rollover distribution only if the portion to be rolled over equals or exceeds \$500; and
- (iii) a distributee may elect only one direct rollover for each eligible rollover distribution.

(1) Eligible Rollover Distribution:

An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) the portion of any distribution that is not includible in gross income; and (iv) any other distribution(s) that is reasonably expected to total less than \$200 during a year.

Notwithstanding clause (iii) in the foregoing paragraph, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be transferred only to (X) a traditional individual retirement account or annuity described in Code Sections 408(a) or (b) or a Roth individual retirement account or annuity described in Code Section 408A; or (Y) to a qualified defined contribution, defined benefit, or annuity plan described in Code Sections 401(a) or 403(a) or to an annuity contract described in Code Section 403(b), if such plan or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

The term eligible rollover distribution shall include any distribution to a designated Beneficiary which would be treated as an eligible rollover distribution by reason of Code Section 402(c)(11), or Code Sections 403(a)(4)(B), 403(b)(8)(B), or 457(e)(16)(B), if the requirements of Code Section 402(c)(11) were satisfied.

Amounts transferred from a trust under a plan qualified under Code Section 401(a) to a nonqualified foreign trust are treated as a distribution from the transferor plan.

(2) Eligible Retirement Plan:

An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), a qualified trust described in Code Section 401(a), an annuity plan described in Code Section 403(a), or an annuity contract described in Code Section 403(b) that accepts the distributee's eligible rollover distribution; an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A) and which agrees to separately account for amounts transferred into such plan from this Plan; or, with respect to distributions on or after January 1, 2008, a Roth individual retirement account described in Code Section 408A(b) that accepts the distributee's eligible rollover distribution. This definition of eligible retirement plan also will apply to a distribution made to a surviving spouse, to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, or to a non-spouse Beneficiary (but for a non-spouse Beneficiary, eligible retirement plan shall be limited to individual retirement accounts and individual retirement annuities).

(3) Distributee:

A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under an applicable domestic relations order are distributees with regard to the interest of the spouse or former spouse. Furthermore, effective January 1, 2007, solely with respect to an eligible retirement plan which is an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) and which satisfies the requirements of Code Section 402(c)(11), a distributee also will include the Employee's or former Employee's non-spouse Beneficiary.

(4) Nonspouse Beneficiary Rollover:

A designated Beneficiary who is not the Participant's surviving spouse is a distributee with respect to the interest of the designated Beneficiary if the distribution that is otherwise an eligible rollover distribution is made by a direct trustee-to-trustee transfer ("direct rollover") to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b) that is established for the purposes of receiving the distribution on behalf of the designated Beneficiary. Distributions from the plan to a non-spouse Beneficiary are not eligible for a sixty-day rollover. A non-spouse Beneficiary may not rollover an amount which is a required minimum distribution.

(5) Trust Beneficiary:

If the Participant's named Beneficiary is a trust that satisfies the requirements to be a designated Beneficiary under Code Section 401(a)(9)(E), the plan may make a direct rollover to an individual retirement account on behalf of the trust.

(6) Direct Rollover:

A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(7) Limitation on Mandatory Distribution:

Effective March 28, 2005, notwithstanding any other provision of this Plan, the maximum amount of any mandatory distribution (as defined in Code Section 401(a)(31)) payable under the Plan, if applicable, shall be \$1,000.

5.05 When Benefit Payments Must Start

(1) Generally, payment of benefits under the Plan shall begin not later than the sixtieth (60th) day after the close of the latest Plan Year in which:

- (a) the Participant attains age sixty-five (65);
- (b) occurs the fifth (5th) anniversary of the Participant's commencement of participation; or
- (c) the Participant terminates employment.

(2) Required Minimum Distributions:

Notwithstanding Section 5.05(1), or any other inconsistent provisions of the Plan, the requirements of this Section 5.05(2) concerning the minimum distribution requirements of Code Section 401(a)(9) shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. All distributions required under this Section 5.05(2) shall be determined and made in accordance with the Plan's reasonable and good-faith interpretation of the minimum distribution requirements of Code Section 401(a)(9) and the Regulations issued thereunder. This Section 5.05(2) requires that the entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's required beginning date.

Benefits paid in accordance with this Section 5.05(2) may be paid, to the extent possible, in accordance with the normal form of benefit payment described in Section 5.01, as well as the optional forms of benefit payment described in Section 5.03. For purposes of calculating the Participant's distributions pursuant to this Section 5.05(2), the life expectancy and joint and last survivor life

expectancies are computed by using the applicable tables found in Section 1.401(a)(9)-9 of the Treasury regulations.

(a) Required Beginning Date:

For purposes of this Section 5.05(2), the required beginning date of a Participant is the April 1 of the calendar year following the calendar year in which the later of the following two events occurs: (i) the Participant attains age 70½; or (ii) the Participant terminates employment.

(b) Death of Participant Before Distributions Begin:

If the Participant dies before distributions begin, the Participant's entire interest will be distributed in accordance with Section 4 of this Plan. Notwithstanding the foregoing, under no circumstances will distributions begin later than:

- (i) If the Participant's surviving spouse is the participant's sole designated Beneficiary, then, unless an earlier date is provided in Section 4 of the Plan, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.
- (ii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, unless an earlier date is provided in Section 4 of the Plan, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (iii) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 5.05(2)(b), with the exception of Section 5.05(2)(b)(i), shall apply as if the surviving spouse were the Employee.

For purposes of this Section 5.05(2)(b), and 5.05(2)(e), distributions are considered to begin on the Participant's required beginning date, as described in Section 5.05(2)(a) (or, if Section 5.05(2)(b)(iv) applies, the date distributions are required to begin to the surviving spouse under

Section 5.05(2)(b)(i)). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.05(2)(b)(i)), the date distributions are considered to begin is the date distributions actually commence.

(c) Determination of Amount to be Distributed Each Year:

(i) General Annuity Requirements:

If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- (A) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
- (B) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 5.07(2)(d) or (e);
- (C) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (D) payments will either be non-increasing or increase only as follows:
 - 1. by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - 2. to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section 5.05(2)(d) dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p);
 - 3. to provide cash refunds of Participant contributions upon the Participant's death; or

4. to pay increased benefits that result from a Plan amendment.

(ii) Amount Required to be Distributed by Required Beginning Date:

The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 5.05(2)(b)(i) and (ii)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's Accrued Benefit as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

(iii) Additional Accruals After First Distribution Calendar Year:

Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements for Annuity Distributions That Commence During Participant's Lifetime:

(i) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse:

If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-spouse Beneficiary, annuity payments to be made on or after the Participant's required beginning date, as such term is described in Section 5.05(2)(a), to the designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations.

(ii) Period Certain Annuities:

Unless the Participant's spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 5.05(2)(d)(ii), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

(e) Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin:

(i) Participant Survived by Designated Beneficiary:

Except to the extent a shorter period is provided in Section 4 of the Plan, if the Participant dies before the date distribution of his or her interest begins and there is a designated Beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in section 5.05(2)(b)(i) or 5.05(2)(b)(ii), over the life of the designated Beneficiary or over a period certain not exceeding:

- (A) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(B) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

(ii) No Designated Beneficiary:

If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin:

If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the participant's sole designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 5.05(2)(e) will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to section 5.05(2)(b)(i).

(f) Definitions:

(i) Designated Beneficiary:

The designated Beneficiary is the individual who is designated as the Beneficiary under Plan and is the designated beneficiary within the meaning of Code Section 401(a)(9) of the Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.

(ii) Distribution Calendar Year:

A distribution calendar year is a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section 5.05(2)(b).

5.06 Designation of Beneficiary

- (1) Each Participant who elects Option C or Option D under Section 5.03 shall, on the form provided for that purpose, signed and filed with the Committee, designate a Beneficiary to receive the benefits, if any, payable in the event of death and may change the designation from time to time before payments commence, each change to be made in writing on a form provided for that purpose and filed with the Committee, revoking any earlier designations by the Participant.
- (2) Beneficiary designations will be governed by the following:
 - (a) If a Participant does not have an Eligible Spouse, then the Participant shall designate a Beneficiary as specified above.
 - (b) If a Participant has an Eligible Spouse, in the absence of any valid designation to the contrary the Eligible Spouse shall automatically be the Beneficiary to the Participant.
 - (c) If a Participant has an Eligible Spouse but wishes to designate someone other than the Eligible Spouse as a Beneficiary, such election may be made subject to the following requirements:
 - (i) the election to designate a Beneficiary other than the Eligible Spouse must be signed by both the Participant and the Participant's Eligible Spouse;
 - (ii) the Eligible Spouse's consent must acknowledge the effect of the election; and
 - (iii) the Eligible Spouse's consent must be witnessed by a Plan representative or a notary public; provided that spousal consent shall not be required if the Participant provides the Committee with satisfactory evidence that such consent cannot be obtained because the Participant does not have an Eligible Spouse, the Participant's Eligible Spouse cannot be located, or such other circumstances as are prescribed by Treasury regulations.
 - (d) If, subsequent to the designation of a Beneficiary, a Participant should later (between the time of designation and the time of benefit commencement) acquire an Eligible Spouse but the consent of the then current Eligible Spouse is not received by the Committee, then the automatic election of (b) above will apply—the Eligible Spouse will be the Beneficiary and the prior designation will be deemed revoked.
 - (e) If a Participant and the Beneficiary should die as a result of a common disaster, both deaths taking place within ninety (90) days of the disaster, and the Participant had designated a contingent Beneficiary, then the contingent Beneficiary shall receive the commuted value of the

Participant's benefit as of the date of death. If no Beneficiary is designated in the manner provided above, or if no Beneficiary designated by the Participant survives, the Committee shall direct the payment of remaining benefits, if any, to the Eligible Spouse of the deceased; if none, then to the surviving children of the deceased or on their behalf as provided in Section 10.05, Legally Incompetent; if none, then no further benefits are applicable.

- (3) In the event the Committee is unable to make payments to the Beneficiary designated according to Section 5.05(1), the Committee may direct the payment of remaining benefits, if any, to the estate of the deceased or may elect to have a court of competent authority determine to whom payments should be made.

5.07 BACKDROP

- (1) There is hereby created a BACKDROP retirement option (the "BACKDROP") to the Plan, which shall allow any Participant with Tier One Benefits who is a Group A Employee and who has worked beyond Normal Retirement Date to retire and elect retirement benefits calculated as if the Participant had actually retired at an earlier date as provided under Section 5.07(4).
- (2) A Participant shall forgo the accrual of additional benefits under the Plan after the commencement of the BACKDROP Period in exchange for the BACKDROP benefit.
- (3) An eligible Participant may elect to participate in the BACKDROP by submitting the following: (i) a signed and dated letter of resignation, and (ii) a properly completed BACKDROP retirement application.
- (4) A Participant's BACKDROP Period shall not (i) commence at any date earlier than the Normal Retirement Date and (ii) exceed sixty (60) months, and shall end on the date of retirement.
- (5) BACKDROP Benefit
 - (a) The Participant's BACKDROP benefit is equal to the accumulation of retirement benefits the Participant would have received over the BACKDROP Period had the Participant actually retired at the commencement of the BACKDROP Period plus the amount of interest to be credited pursuant to Section 5.07(5)(b) below.
 - (b) For each year of BACKDROP, the Participant's BACKDROP accumulations shall be credited with interest at the Plan's earned actuarial rate of return for that year, but, in no event, shall such rate of return be less than a negative four percent (-4%) rate of return per annum or more than a positive four percent (+4%) rate of return per annum, as determined by the Committee.

- (6) Provided the Participant has satisfied all requirements set forth in this Section, the Plan shall disburse the accumulated amount of the Participant's BACKDROP benefits to the Participant in a single sum amount, either through a cash payment or direct rollover, less any taxes required to be remitted to the Internal Revenue Service, within ninety (90) days from the date of retirement or as soon as practical thereafter.

SECTION 6

CONTRIBUTIONS

6.01 Participant Contributions

Effective October 1, 2003, an amount equal to four percent 4% of each Participant's Earnings shall be excluded from the Participant's gross income for Federal Income Tax purposes, and contributions in the amount of such exclusions shall be made to the Plan by the Employer as picked up contributions pursuant to Section 414(h) of the Code. For all purposes of the Plan, however, such Contributions shall be designated Participant Contributions.

6.02 Employer Contributions

Contributions by the Employer that are deemed necessary to fund all Plan benefits shall be paid to the Trustee on the basis of the recommendations of an actuary. All Contributions shall be irrevocable and shall be used for the exclusive benefit of Participants and their Beneficiaries, subject to the provisions of Section 10.10 of the Plan.

6.03 Funding Policy

The Sponsor shall establish and maintain, or shall delegate the responsibility to establish and maintain, a funding policy and method, which may include investment objectives and which shall result in the Plan being managed on a sound actuarial basis, consistent with the requirements of Article X, Section 14 of the Florida Constitution and Chapter 112, Part VII, Florida Statutes.

SECTION 7

MANAGEMENT AND ADMINISTRATION

7.01 Identification of the Fiduciaries

The parties listed below are the named fiduciaries of the Plan who have authority to control and manage the operation and administration of the Plan.

- (1) The Sponsor
- (2) The Committee
- (3) The Trustee
- (4) The investment consultant, if any, authorized by the Plan Sponsor or its delegate to assist with the investment of the Plan's assets, but only (i) if (and only to the extent that) the investment consultant is in fact exercising authority to control and manage the operation and administration of the Plan, or (ii) if (and only to the extent that) the investment consultant is a fiduciary under applicable Florida or federal law
- (5) The actuary for the Plan, but only (i) if (and only to the extent that) the actuary is in fact exercising authority to control and manage the operation and administration of the Plan, or (ii) if (and only to the extent that) the actuary is a fiduciary under applicable Florida or federal law

7.02 General Fiduciary Duties

- (1) Fiduciaries shall act with the care, skill, prudence and diligence under the circumstances that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims.
- (2) In the course of administration of the Plan, fiduciaries may delegate in writing such duties and responsibilities to other parties.
- (3) Each fiduciary is responsible for the duties and responsibilities that are specifically allocated to him(her) under this Section 7, and is responsible for no other duties under the Plan.
- (4) A fiduciary may serve in more than one fiduciary capacity with respect to the Plan.

7.03 Responsibilities of the Sponsor

The Sponsor shall authorize Contributions to the Fund in accordance with Section 6 and the CBA. The Sponsor or its delegate shall appoint an actuary who shall have the responsibility for the preparation of the actuarial statements. The Sponsor shall appoint and supervise the Trustee(s) and the Committee.

7.04 Responsibilities of the Committee

(1) **Committee Makeup:**

The Plan shall be administered by an administrative committee, referred to as "Committee," consisting of at least three persons (who may be, but need not be, Participants). The members of the Committee shall be appointed by and serve at the pleasure of the Sponsor. Any member of the Committee may resign or may be removed by the Sponsor. Any person appointed to be a member of the Committee shall signify his(her) acceptance in writing to the Sponsor. Any member of the Committee may resign by delivering his(her) written resignation to the Sponsor.

The Sponsor shall designate one member of the Committee as chairman and the Committee may select a secretary (who may be, but need not be, a member of the Committee) to keep records or otherwise to assist in the performance of the Committee's duties. The members of the Committee shall serve without compensation for their services.

A majority of the Committee members shall constitute a quorum for the conduct of business. At least two concurring votes shall be required for a decision. All meeting shall be conducted in accordance with Section 286.011, Florida Statutes.

(2) **Committee Administrative Functions:**

The Committee shall be responsible for the administrative functions of the Plan. The Committee shall have complete control of the administration of the Plan with all powers necessary to carry out its duties properly. Such powers shall include interpreting the provisions of the Plan and resolving all questions concerning the Plan. The Committee shall determine the eligibility of Participants to benefits of this Plan and the benefits to which any Participant or Beneficiary may be entitled. All interpretations, determinations and decisions of the Committee shall be final, conclusive and binding on Participants and all other persons claiming any interest under the Plan, subject to the claims procedures set forth below. Actions of the Committee shall be made in a uniform and nondiscriminatory manner.

The Committee shall prepare and distribute information concerning the Plan to the Participants in such manner as it shall deem appropriate, including distribution not less than every two years of a summary plan description as required by Section 112.66, Florida Statutes. Employees and Participants may consult with the Committee on any matter relating to the Plan.

To enable the Committee to perform its functions, the Sponsor shall supply full and timely information on all matters relating to the compensation and employment of all Participants, their retirements, deaths or other causes of termination of employment, and any other pertinent facts required by the Committee.

A Participant applying for benefits shall complete the form(s) required by the Committee.

The Committee shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations with respect to the operation and administration of the Plan. At the request of the Sponsor, the Committee shall prepare a report annually showing in reasonable summary the financial condition of the Plan, giving a brief account of the operation of the Plan for the past Plan Year, and providing any further information that the Sponsor may require.

The Committee may adopt other rules and regulations as may be appropriate in performing its duties. The Committee shall be entitled to rely upon all tables, valuations, certificates, reports, advice and opinions furnished by the actuary, qualified public accountant, comptroller and attorney selected or approved by the Sponsor.

Subject to the provisions of the Trust Agreement, the Committee shall determine the manner in which funds shall be disbursed.

The Committee may authorize one or more of its members or any agent to make any payment in its behalf, or to execute or deliver any instrument, including a requisition for funds from the Trustee.

All Plan assets shall be held in trust for the exclusive benefit of Plan participants and shall be invested at the direction of the Committee acting in its capacity as Plan fiduciary.

The Committee generally fulfills the functions of the "plan administrator" and the "board" as those terms are defined in Section 112.625, Florida Statutes.

7.05 Responsibilities of the Trustee

The Trustee shall discharge its duties and responsibilities as set forth in the Trust Agreement.

7.06 Claims Procedure

(1) Initial Stage:

In the event the Committee denies a claim for benefits submitted by a Participant or Beneficiary ("Claimant"), the Committee shall provide adequate notice in writing to the Claimant within a reasonable time after receipt of the claim, setting forth, in a manner calculated to be understood by the Claimant, the following:

- (a) specified reason(s) for the denial;
- (b) specific reference(s) to Plan provisions on which the denial is based;
- (c) a description of any materials or information necessary to perfect the claim and why they are necessary; and

(d) an explanation of the review procedure of the Plan.

(2) Appellate Stage:

A Claimant shall have 60 days to appeal a denial of a claim for benefits to the Committee. A Claimant or his duly authorized representative must request an appeal in writing to the Committee and shall be allowed to review pertinent documents and submit issues and comments in writing. The Committee shall afford the Claimant a full and fair review of the claim for benefits, and shall make a decision on review as promptly as possible, but in no event later than 60 days following the written request for review. The decision on review shall be in writing and shall include specific reasons for the decision and specific references to Plan provisions on which the decision is based, and shall be written in a manner calculated to be understood by the Claimant.

SECTION 8

TRUST FUND AND TRUSTEE

8.01 Trust Fund

The assets of the Fund shall be administered by the Trustee in accordance with the provisions of the Trust Agreement. The Fund shall consist of all Employer and Participant Contributions to the Fund, as provided in Section 6, and earnings from investments.

8.02 Amendment of Trust Agreement

The Sponsor shall have the right at any time, by an instrument in writing duly executed, acknowledged and delivered to the Trustee, to modify, alter or amend the Plan and the Trust Agreement, in whole or in part; provided, however, that the duties, powers or liability of the Trustee shall not be substantially increased without its written consent. No amendment shall cause any part of the principal or income of the Fund to revert to the Sponsor, except as provided in Section 10.10.

8.03 Discontinuance of Trust Agreement

The Sponsor expressly reserves the right to terminate the Plan and Trust Agreement at any time. On termination of the Plan, in whole or in part, the Trustee shall, on instructions from the Committee, continue to administer the Fund until all benefits for affected Participants and their Beneficiaries have been provided, in accordance with Section 9.02. The Trust Agreement may then be terminated, and any remaining funds shall be deemed to be due to actuarial error in accordance with the Internal Revenue Service regulations and shall revert to the Employer.

SECTION 9

AMENDMENT AND TERMINATION OF THE PLAN

9.01 Amendment of the Plan

The Sponsor has the right at any time by action of JEA to amend any or all of the provisions of the Plan or terminate the Plan in its entirety; provided that no amendment shall authorize or permit any part of the Fund to be diverted for purposes other than for the exclusive benefit of Participants and their Beneficiaries. Also, no amendment shall cause any portion of the Fund to revert to the Employer, except such amounts as may remain in the Fund after termination of the Plan and after all liabilities under the Plan have been satisfied in accordance with Section 9.02.

Any Plan amendment that changes any vesting schedule under the Plan shall not reduce the nonforfeitable percentage of any Participant's Accrued Benefit (determined as of the later of the date such date such amendment is adopted or becomes effective). Any Plan amendment that eliminates an optional form of benefit will not be effective with respect to the Accrued Benefits of Participants as of the amendment effective date.

9.02 Termination of the Plan

- (1) The Sponsor expects this Plan to be continued indefinitely but, of necessity, reserves the right by action of JEA to terminate the Plan and Contributions to the Plan at any time. In the event of the termination or partial termination of the Plan, the rights of all affected Participants to Accrued Benefits determined as of the date of such termination or partial termination, to the extent funded as of such date, shall be nonforfeitable. No such action shall alter the Plan or its operation with respect to Participants who have previously retired under this Plan, except as required under the partial plan termination rules under the Code.
- (2) In the event of a dissolution, merger or consolidation without any provision being made for the continuance of the Plan, the Plan shall terminate, and the Trustee shall proceed in the manner herein provided.
- (3) Upon receipt of written notice of termination, the Committee shall arrange for the Fund to be apportioned and distributed after preparing a list of Participants, showing for each, as of the date of Plan termination, the following:
 - (a) For each Participant and Beneficiary receiving payment of benefits, the amount and terms of such benefits.
 - (b) For each terminated Participant entitled to a deferred benefit, the amount, commencement date and terms of payment of such benefit.
 - (c) For each active Participant, the amount of his(her) Accrued Benefit.
- (4) In the event of termination of the Plan, the Committee shall allocate the assets of the Fund among the applicable Participants and their Beneficiaries under the Plan in the following order:

Priority Class (A): The portion of Participants' Accrued Benefits that is derived from Participant Contributions.

Priority Class (B): In the case of benefits payable as an annuity, equally among Participants and Beneficiaries whose benefits were in pay status.

Priority Class (C): Equally among active Participants who are eligible for Normal Retirement but have not yet retired.

Priority Class (D): Equally among all other vested Accrued Benefits of both active and terminated Participants.

Priority Class (E): All other nonvested Accrued Benefits under the Plan.

The Committee shall distribute the assets of the Fund to provide in full the benefits in each priority class. If the assets are insufficient to provide the benefits in full for any class, such assets are to be allocated in full to provide such uniform percentage of benefits to the extent possible. Any residual assets of the Plan (after all liabilities of the Plan to Participants and their Beneficiaries have been satisfied) shall be returned to the Employer.

- (5) On termination of the Plan, if the Sponsor establishes or participates in an appropriately qualified employee pension or annuity plan ("successor plan") for the benefit of Participants in this Plan who are or were Employees of the Sponsor, and the successor plan provides minimum benefits that are not less in value than the Plan Termination Benefits, then the Sponsor may elect to transfer the designated asset amounts to the successor plan.

SECTION 10

MISCELLANEOUS

10.01 Headings

The headings and subheadings in this Plan have been inserted for convenience of reference only and are to be ignored in any construction of Plan provisions.

10.02 Construction

In the construction of this Plan, the masculine shall include the feminine and the singular the plural in all cases where such meanings would be appropriate.

10.03 Assignment and Alienation of Benefits

No benefits paid to a Participant or Beneficiary shall be subject to the claim of or any legal process of any creditor of the Participant or Beneficiary, except as provided under Section 10.04. No Participant or Beneficiary shall have any right to alienate, commute or assign any benefit distributions. If any Participant shall attempt to dispose of his(her) benefits or the right to receive such benefits, or in the event there should be an effort to seize such benefits or the right to receive such benefits by attachment, execution or other legal or equitable process, except as provided under Section 10.04, such a right may be transferred, at the discretion of the Committee, to the Beneficiary, if any, designated by the Participant, or to the spouse, children, or other dependents of the Participant, in such shares as the Committee may appoint. The Committee may revoke its appointment at any time and make further appointments, which may include the Participant.

10.04 Qualified Domestic Relations Order

The restrictions of Section 10.03, Assignment and Alienation of Benefits, shall not apply to a Qualified Domestic Relations Order ("QDRO") as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Committee in accordance with the provisions of the Retirement Equity Act of 1984. Further, to the extent provided under a QDRO, a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes of the Plan.

The provisions of the Plan shall be fully applicable to any alternate payee entitled to benefits pursuant to a QDRO, subject only to the express terms of such order. Copies of documents, announcements, descriptive materials and other general information given to or generally made available to Participants under the Plan which the Committee determines, in its sole discretion, would be applicable to or affect an alternate payee shall be furnished to the alternate payee.

With respect to the administration of the Plan as applied to alternate payees:

- (1) None of the payments, benefits or rights of any alternate payee shall be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process or any other legal or equitable process available to any creditor of such alternate payee. No alternate payee shall have the right to alienate,

anticipate, commute, pledge, encumber or assign any of the benefits or payments to be received contingently or otherwise, under the Plan, and the provisions of Section 10.03 prohibiting the alienation or assignment of benefits by a Participant or his(her) beneficiary shall be fully applicable to every alternate payee under a QDRO.

- (2) Alternate payees shall have the right to exercise any election, privilege, option or direction rights of a Participant under the Plan.
- (3) Except as specifically provided for in a QDRO, an alternate payee shall have no right to interfere with the exercise by the Participant or by any beneficiary of their respective rights, privileges and obligations under the Plan.

10.05 Legally Incompetent

If any Participant or Beneficiary is a minor or, in the judgment of a court of competent jurisdiction, is otherwise legally incapable of personally receiving and giving a valid receipt for any payment due him(her), the Committee may, unless claim shall have been made by a duly appointed guardian, direct that the payments be made to such person's spouse, child, parent, brother or sister, or any other person who certifies in writing to the Committee that he(she) has assumed responsibility for the expenses of such Participant or Beneficiary.

10.06 Discrimination

The Sponsor, through the Committee, shall administer the Plan in a uniform and consistent manner with respect to all Participants and shall not permit discrimination in favor of officers, stockholders or highly paid Participants.

10.07 Forfeitures

Forfeitures arising from any cause shall not be applied to increase the benefits any Participant would otherwise receive. Forfeitures shall be applied to reduce the current or future year's Contributions.

10.08 Disappearance of Participant or Beneficiary

Should a Participant or Beneficiary receiving or entitled to receive benefits disappear and fail to respond within sixty (60) days to a written notice sent by the Committee by registered or certified mail, informing him(her) of the entitlement to receive benefits, the Committee may pay such benefits, or any portion thereof that the Committee determines to be appropriate, to the dependents of the Participant or Beneficiary, whichever is applicable, with regard to the needs of such dependents, until such Participant or Beneficiary is located or until such benefits have been paid in full, whichever occurs first.

10.09 Compliance with Applicable Laws

The Sponsor, through the Committee, shall interpret and administer the Plan in such manner that the Plan shall remain in compliance with Sections 401 and 501 of the Code and all other applicable laws, regulations and rulings.

10.10 Return of Plan Assets to the Sponsor

The assets of the Plan shall be held for the exclusive purpose of providing benefits to Participants and their Beneficiaries, and shall never be returned to the Sponsor except:

- (1) where the contribution was conditioned on the initial qualification of the Plan by the Internal Revenue Service, such contribution may be returned within one year after the date of denial of qualification of the Plan;
- (2) in accordance with Section 9.02;
- (3) where the contribution was made by a mistake of fact, such contribution shall be returned within one year after payment of such contribution; or
- (4) where the contribution was conditioned upon the deductibility of the contribution under the Code, such contribution, to the extent disallowed, may be returned upon request within one year of the denial.

10.11 Merger

In the event of any merger or consolidation of the Plan with any other Plan, or the transfer of assets or liabilities by the Plan to another Plan, each Participant shall be entitled to receive (assuming that the Plan then terminated) a benefit immediately after the merger, consolidation or transfer that is equal to or greater than the benefit such Participant would have been entitled to receive immediately before the merger, consolidation or transfer (assuming that the Plan had then terminated), provided such merger, consolidation or transfer took place after the Effective Date.

10.12 Not a Contract of Employment

The Plan shall not be deemed to constitute a contract between the Employer and any Participant or other person in the employ of the Employer, nor shall anything herein contained be deemed to give any Employee any right to be retained in the employ of the Employer, or to interfere with the right of the Employer to discharge any Employee at any time, and to treat him(her) without regard to the effect such treatment might have upon him(her) as a Participant in the Plan.

10.13 Internal Revenue Service Approval

This Plan is made on the condition that the Plan shall be approved and qualified by the Internal Revenue Service as meeting the requirements of the Code and the regulations issued thereunder. In the event qualification is not obtained or cannot be obtained by amendment, this Plan shall become null and void and of no effect.

10.14 Indemnity

The Sponsor hereby agrees to assume liability for, and does hereby indemnify, protect, save and keep harmless each member of the Committee and his(her) respective successors and assigns from and against any and all liabilities, obligations, losses, expenses, damages, penalties, taxes, claims, actions, suits, costs, expenses or disbursements (including legal fees and expenses) of any kind and nature whatsoever that may be imposed on, incurred by or asserted against such member (whether or not such member is also indemnified by any other person) that in any way relate to or arise out of

this Plan or the administration of the Plan or Fund, or the action or inaction of such member hereunder, except only in the case of willful misconduct or gross negligence on the part of such member in the performance of his(her) duties.

10.15 Adjustments

If, after benefits have become payable under this Plan, the Committee determines that the age, sex, period of service or any other relevant fact with respect to a Participant or Beneficiary has been misstated, the retirement annuity shall be adjusted to that which would have been payable on the basis of the facts. Any overpayment by the Fund, together with interest at the rate of five percent (5%) per year, shall be charged against any further payments to be made; any underpayment of prior payments, together with interest at the rate of five percent (5%) per year, will be paid in a single sum to the person entitled to receive such distribution.

10.16 Compliance Amendments

The Employer shall adopt appropriate amendments to the Plan document necessary to facilitate any collective bargaining agreement and to maintain compliance with the Internal Revenue Code provisions applicable to tax qualified governmental retirement plans, upon the recommendation of the Committee. No such compliance amendment shall vary the terms of either Tier One or Tier Two outlined in this Plan or any applicable Collective Bargaining Agreement, nor shall any such compliance amendment be interpreted or applied in a manner which reduces accrued benefits. Any proposed plan amendment shall be submitted to the Union and Employer in advance of its submission to the Board.

IN WITNESS WHEREOF, the Sponsor has caused this Plan to be duly executed as of the _____ day of _____, 2016, but effective as of the 1st day of October 2015.

SPONSOR:

ST. JOHNS RIVER POWER PARK
SYSTEM

BY: _____

ATTEST: _____

JEA Board Resolution No. 2016-07

RESOLUTION APPROVING AMENDMENT NO. 11 TO ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2002 AND READOPTED ON AUGUST 21, 2003

WHEREAS, the St. Johns River Power Park System ("Employer") previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2002, was readopted on August 21, 2003, was subsequently amended on ten occasions thereafter, and is currently in effect; and

WHEREAS, Section 9.03 of the Plan grants the authority to amend the Plan to the Employer; and

WHEREAS, the Employer wishes to amend the Plan retroactively (i) to correct an inaccurate cross-reference in the Plan provision that applies early payment reduction factors to normal retirement benefit calculations, and (ii) to correct a prior typographical error in a date reference; and

WHEREAS, the Employer's obligation and power to amend the Plan is exercisable by action of JEA; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of the Employer, approve and adopt the document attached hereto entitled "Amendment No. 11 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2002 and Readopted on August 21, 2003" ("Amendment") to amend the Plan's governing document to incorporate the aforementioned changes to the Plan; and

WHEREAS, the JEA Board of Directors has reviewed the Amendment and has been advised that all necessary prerequisites to adoption of the Amendment have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby approves and adopts the "Amendment No. 11 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2002 and Readopted on August 21, 2003" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the "Amendment No. 11 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2002 and Readopted on August 21, 2003" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Managing Director/CEO is also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this 19th day of January, 2016.

JEA

By: _____
Thomas F. Petway, III, JEA Board Chair

ATTEST:

Delores Pass Kesler, JEA Board Secretary

Form Approved

Cindy Laquidara, SJRPP Pension Committee Counsel
Akerman, LLP

**AMENDMENT NO. 11
TO
ST. JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES' RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2002
AND READOPTED ON AUGUST 21, 2003**

WHEREAS, St. Johns River Power Park System ("SJRPP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2002, was readopted on August 21, 2003, was subsequently amended on ten occasions thereafter, and is currently in effect; and

WHEREAS, SJRPP wishes to retroactively amend the Plan to implement certain compliance-related changes necessary to preserve the Plan's tax-qualified status; and

WHEREAS, Sections 9.03 and 10.16 of the Plan grant the authority to amend the Plan to SJRPP, which authority is exercisable by action of JEA; and

WHEREAS, JEA has approved and authorized the Plan amendment embodied herein.

NOW, THEREFORE, in consideration of the premises and acting pursuant to the reserved powers in the Plan, SJRPP hereby amends the Plan as follows:

1. Effective October 1, 2003, Paragraph (2) of Section 3.01 is amended by deleting an inaccurate cross-reference and by inserting the correct cross-reference, as follows:
 - (2) Benefit Amount:
A Participant's normal retirement benefit shall be equal to the Accrued Benefit (Section 1.01) determined as of the Normal Retirement Date; provided, however, that for a Participant retiring prior to attaining age 65, ~~part (2)~~ part (3) of the Accrued Benefit formula (Section 1.01) shall be reduced by 1/144 for each full month of the first 36 months and 1/288 for each full month of the next 84 months by which benefit commencement date precedes the Participant's age 65.
2. Amendment Number 5 to the Plan, which became effective February 25, 2013, contained two inadvertent incorrect date references to February 29, 2011 as the date by which a Participant must have completed 20 years of service to continue accruing Tier One benefits on or after February 25, 2013 ("Scrivener's Errors"). This paragraph amends Amendment Number 5, effective February 25, 2013, by replacing the two references to February 29, 2011 with February 24, 2013, as supported by the remainder of Amendment Number 5.

3. Except as specifically amended herein, all other provisions of the Plan remain in full force and effect.

IN WITNESS WHEREOF, SJRPP has caused this Amendment to be duly executed by its duly authorized officer this ____ day of _____, 2016.

ST. JOHNS RIVER POWER PARK

By: _____
Thomas F. Petway, III, JEA Board Chair

ATTEST:

Delores Pass Kesler, JEA Board Secretary

Form Approved

Legal Counsel