

**HANDBOOK FOR  
THE CITY OF ANNISTON  
POLICE AND FIREFIGHTERS RETIREMENT PLAN**

**(As of March 1, 2016)**

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**HANDBOOK FOR  
THE CITY OF ANNISTON  
POLICE AND FIREFIGHTERS RETIREMENT PLAN**

**INTRODUCTION TO YOUR PLAN**

The City of Anniston Police and Firefighters Retirement Plan (the “Plan”) was established in 1951 through the enactment of Act No. 608 of the Alabama Legislature, which has been, and may continue to be, amended from time to time (the “Act”). The latest Act setting forth the Plan is Act No. 2012-484. The purpose of the Plan is to provide you with additional income for retirement. This Handbook (“Handbook”) contains valuable information regarding when you may become eligible to participate under the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Handbook to get a better understanding of your rights and obligations under the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this Handbook does not answer all of your questions, please contact the City Clerk’s Office. Contact information can be found in Article X of this Handbook, entitled “General Information About The Plan.”

This Handbook describes the Plan’s benefits and obligations as contained in the legal Plan document and the Act, which govern the operation of the Plan. The Plan document and the Act are written in much more technical and precise language. **If the non-technical language under this Handbook and the technical, legal language of the Plan document or Act conflict, the Plan document and Act always govern.** This Handbook is for general information only; it is not intended to be the basis for making any individual or personal decisions.

This Handbook describes the current provisions of the Plan, as designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code, and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to, among other events, a change in laws or due to pronouncements by the Internal Revenue Service (“IRS”) or due to laws passed by the Alabama Legislature.

Any terms that are capitalized but not defined herein shall be as defined in the legal Plan document.

**ARTICLE I  
PARTICIPATION IN THE PLAN AND CONTRIBUTIONS**

**Am I eligible to participate in the Plan?**

Every individual who becomes employed by the City of Anniston, excluding any person who is employed as an independent contractor, as a sworn police officer or as a sworn firefighter will be a participant (“Participant”) in the Plan.

**Am I required to contribute to the Plan?**

Yes, you must contribute fourteen percent (14%) of your Compensation (as defined in Article II below) to the Plan on a pre-tax basis (“Employee Contributions”). These contributions are treated for tax purposes as employer-paid Employee Contributions (commonly called employer “pick-up contributions”) under Internal Revenue Code (the “Code”) Section 414(h)(2), meaning that your Compensation is reduced by fourteen

percent (14%), and your reduced Compensation is reported as taxable pay for federal and state income tax purposes.

The City of Anniston will withhold such Employee Contributions each payroll period and such amounts will be paid to the City of Anniston Treasurer of the Plan for deposit in the trust fund. Employee Contributions will begin with your first paycheck after you become eligible for membership in the Plan. Your Employee Contributions are used to help fund the retirement benefits provided under the Plan.

Prior to October 1, 2012, you had to contribute ten (10%) of your Compensation to the Plan.

You will always be 100% vested (your ownership rights) in your Employee Contributions made to the Plan. Since the Employee Contributions are made pre-tax, they will be taxed when you withdraw such amounts from the Plan, and any earnings attributable to your Employee Contributions that are withdrawn from the Plan will be taxable to you (unless you elect a direct rollover of such amounts, as discussed in Article VIII).

You may not stop or withdraw Employee Contributions prior to your termination of employment.

### **Is the City of Anniston required to contribute to the Plan?**

Yes. The City of Anniston contributes an amount that is sufficient to meet the normal cost of the Plan and to amortize the Plan's unfunded liability, if any, within thirty (30) years ("Employer Contributions"). Employer Contributions, like the Employee Contributions, are paid to the City of Anniston Treasurer of the Plan for deposit into the trust fund.

### **What happens if I'm a Participant, terminate employment, and then I'm rehired?**

If you are a Participant and you terminate employment with the City of Anniston, and you thereafter return to the service of the City of Anniston as a sworn police officer or a sworn firefighter, you will be treated as a new Participant and accrual of benefits shall begin as of the date of reemployment.

## **ARTICLE II DETERMINATION OF BENEFITS**

### **What kind of Plan is this?**

This Plan is a type of qualified retirement plan commonly referred to as a "defined benefit pension plan." Generally, if you become eligible for retirement benefits, the Plan will provide you with a retirement benefit for life unless you and your spouse (as applicable and defined under federal law) elect otherwise. (See "When will I be eligible for a retirement benefit?" in Article IV below for a description of when you will be eligible for retirement benefits.)

There are several factors that are used to determine the benefits that you (and your beneficiary, if applicable) receive. The most important of these factors are the following, each of which is described in more detail below: (1) your Compensation and (2) your years of service.

### **Is there a Plan-imposed limitation on the amount of my pension benefit?**

Yes. In addition to limits imposed by the IRS (as discussed below), there is a limit established by the Plan. Notwithstanding any other provisions of this Handbook, effective October 1, 2012, you cannot receive any monthly retirement benefit in excess of seventy-five percent (75%) of the average of your monthly

compensation for the period prior to your retirement that is used to compute your monthly benefit (which is either three (3) years if you were hired prior to January 1, 2016 or five (5) years if you were hired on or after January 1, 2016) (“Applicable Period”) (“75% Limitation”).

For example, if you were hired before January 1, 2016 and your accrued benefit equaled or exceeded 75% of the average of your monthly compensation for the three (3) years preceding your retirement as of October 1, 2012, your monthly benefit will not exceed your accrued benefit calculated as of the end of your first full year of continuous service beginning on or after October 1, 2012. If you were hired on or after January 1, 2016 and your accrued benefit equaled or exceeded 75% of the average of your monthly compensation for the five (5) years preceding your retirement, your monthly benefit will not exceed your accrued benefit calculated as of the end of your first full year of continuous service.

### **What Compensation is used to determine my Plan benefits?**

For the purposes of the Plan, Compensation has a special meaning.

For Participants hired before January 1, 2016, “compensation” generally includes the following amounts:

- (a) Regular salary,
- (b) Accumulated vacation pay,
- (c) Straight-time pay,
- (d) Overtime pay,
- (e) Longevity pay,
- (f) Comp pay, and
- (g) Any differential wage payment, as defined in Code Section 3401(h)(2), generally relating to military pay.

Bonuses and paid accumulated sick leave, expense allowances, and any other non-regular forms of compensation not listed in (a) - (g) above are excluded.

For Participants hired on or after January 1, 2016, “compensation” only includes regular salary. All other forms of compensation, including, but not limited to, those listed in (b) – (g) above, are excluded.

For purposes of computing the average of your monthly compensation, the average of your monthly compensation will not be decreased during the applicable period preceding your retirement by virtue of your being placed on workers’ compensation during such period.

### **Is there an IRS limit on the amount of Compensation that can be considered?**

The Plan, by law, cannot recognize annual Compensation in excess of a certain dollar limit. The limit for 2016 is \$265,000 (the limits in prior years have varied). After 2016, the dollar limit may increase for cost-of-living adjustments.

### **Is there an IRS limit on how much can be paid to me from the Plan?**

The law imposes a limit on the amount of benefits that can be paid to you. In general, the maximum annual benefit that can be paid to you at retirement may not exceed \$210,000 for the year beginning in 2016. This dollar amount may be adjusted after 2016 for cost-of-living increases. The Retirement Board will automatically apply this limit if it applies to you at the time you are entitled to benefits.

## **ARTICLE III SERVICE RULES**

### **How are years of service counted?**

Years of service are based on a continuous period beginning on the first day of employment as a sworn police officer or a sworn firefighter and ending on your date of retirement, or if earlier, your date of termination. No service is credited for any partial years of service. If you terminate employment with the City of Anniston prior to becoming eligible for retirement, you will lose any service credited under the Plan.

### **As a veteran, will my military service count as service with the City of Anniston?**

If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with us. If you leave the service of the City of Anniston for the purpose of performing qualified military service and you are reinstated to the service of the City of Anniston, you have the right to make up your contributions for the period of qualified military service and thereby receive credit for continuous service equal to the period of qualified military service. If you think you may be affected by this law, ask the City Clerk's Office for further details.

## **ARTICLE IV RETIREMENT BENEFITS**

### **When is my normal retirement age and what benefits am I eligible for at that time?**

For retirements on or after October 1, 2012, the Retirement Board will retire you from service if you have attained the age of sixty-five (65) and you will become fully vested and entitled to receive a monthly benefit calculated as described in "How is my retirement benefit calculated?" below. For retirements before October 1, 2012, the Retirement Board will retire you from service if you have attained the age of sixty (60), and you will be entitled to receive a monthly benefit equal to three percent (3%) of the average of your monthly compensation for the last three (3) years preceding your retirement, multiplied by your years of continuous service; but, any continuous service in excess of thirty (30) years will not be counted.

### **How is my retirement benefit calculated?**

- Participants hired on and after May 29, 1979 and prior to January 1, 2016. If you were hired as a sworn police officer or sworn firefighter on or after May 29, 1979 and prior to January 1, 2016, and you will attain the age of sixty (60) after you have twenty (20) years of continuous service, subject to the 75% Limitation discussed in Article II above, your monthly benefit is an amount equal to:

- (a) 2 ½% of the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by the number of full years of continuous service beginning on or after October 1, 2012, plus

- (b) 3% of the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by the number of full years of continuous service minus the years of service accounted in for in section (a) above.

Your monthly benefit is reduced by four percent (4%) for each year your total continuous service is less than twenty-five (25) years. No credit is given for service in excess of thirty (30) years.

- Participants hired on and after May 29, 1979 and active as of September 30, 2012. If you were hired on or after May 29, 1979, you were an active Participant as of September 30, 2012, and you will attain the age of sixty (60) before you have twenty (20) years of continuous service, subject to the 75% Limitation discussed in Article II above, your monthly benefit is an amount equal to:
  - (a) 2 ½% of the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by the number of full years of continuous service beginning on or after you attain the age of sixty (60), plus
  - (b) 3% of the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by the number of full years of continuous service minus the years of service accounted in for in the immediately preceding section (a) above.

No credit is given for service in excess of thirty (30) years.

- Participants hired on and after January 1, 2016. If you were hired on or after January 1, 2016, subject to the 75% Limitation discussed in Article II above, you will be eligible for a monthly benefit if you have been in continuous service for:
  - (a) Ten (10) years and have attained age fifty-five (55), or
  - (b) Twenty-five (25) years and have attained age fifty (50).

Your monthly benefit will be equal to 2 ½% of the average of your monthly compensation for the last five (5) years preceding your retirement multiplied by the number of full years of continuous service. Your monthly benefit is reduced for each full month your age is under sixty (60) with respect to (a) above or under fifty-six (56) with respect to (b) above. No credit is given for service in excess of thirty (30) years.

- Participants hired before May 29, 1979. Subject to the rules above under “When is my normal retirement age and what benefits am I eligible for at that time?” above, if you were hired as a sworn police officer or sworn firefighter before May 29, 1979, and you have been in continuous service for twenty (20) years, your monthly benefit is an amount equal to three percent (3%) of the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by the number of years of continuous service. However, credit will not be counted for continuous service that exceeds thirty (30) years.

### **What optional forms of payment are available for my benefit?**

If you terminate service on or after January 1, 1989 due to retirement or a disability, you may elect one (1) of three (3) forms of payment:



- (a) **Fifty Percent (50%) Joint and Survivor Form.** If you elect this form of benefit, you will receive a monthly benefit as described in this Handbook over your life (see “How is my retirement benefit calculated?” in this Article IV above and “What types of disability benefits are available under the Plan?” in Article V below). If you die and leave a surviving spouse, your surviving spouse will receive a monthly benefit equal to fifty percent (50%) of the monthly benefit you received at the time of your death. If you retire on or after October 1, 2012, and you subsequently die and your surviving spouse remarries, monthly benefits to the surviving spouse will cease. If you do not have a surviving spouse and you have a surviving child or children under the age of 18 years at the time of your death, such child or children will be entitled to a monthly benefit equal to twenty-five percent (25%) of the monthly benefit you received at the time of your death paid to such child’s legal guardian. Payments made to a surviving child or children under the age of 18 years will be paid equally. As each child reaches the age of 18 years, the child will cease to participate in the twenty-five percent (25%) survivor benefit, thereby increasing the share of the other child or children under the age of 18.
- (b) **One Hundred Percent (100%) Joint and Survivor Form.** If you elect this form of benefit, you will receive a reduced monthly benefit payable over your life. The reduced benefit will be the actuarial equivalent of the monthly benefit that you would otherwise receive under the Fifty Percent (50%) Joint and Survivor Form. If you die and leave a surviving spouse, your surviving spouse will receive a monthly benefit equal to the monthly benefit you received at the time of your death. If you retire on or after October 1, 2012, and you subsequently die and your surviving spouse remarries, monthly benefits to the surviving spouse will cease. If you do not have a surviving spouse and you have a surviving child or children under the age of 18 years at the time of your death, such child or children will be entitled to a monthly benefit equal to fifty percent (50%) of the monthly benefit you received at the time of your death paid to such child’s legal guardian. Payments made to a surviving child or children under the age of 18 years will be paid equally. As each child reaches the age of 18 years, the child will cease to participate in the fifty percent (50%) survivor benefit, thereby increasing the share of the other child or children under the age of 18.
- (c) **Life Only Benefit Form.** If you elect this form of benefit, you will receive a monthly benefit payable over your life. The increased benefit will be the actuarial equivalent of the monthly benefit that you would otherwise receive under the Fifty Percent (50%) Joint and Survivor Form. No death benefits are payable to your survivor or dependents upon your death.

### **How do I elect a form of payment?**

You may make an election in writing to the secretary-treasurer on a form provided by the Retirement Board within twenty (20) days after you retire or terminate employment due to a disability. Your election must be accompanied by a document provided by the Retirement Board explaining the optional forms of benefits under the Plan and executed by your spouse, if applicable. If you do not make an election, you will automatically receive the Fifty Percent (50%) Joint and Survivor Form.

### **May I change my form of benefit election?**

No. Once you have made your election for a form of benefit, it is irrevocable.

## **ARTICLE V DISABILITY RETIREMENT BENEFITS**

### **How is disability defined?**

Under the Plan, disability is defined as a permanent physical or mental disability of a Participant as further defined below. The Retirement Board shall have the authority to adopt such rules and regulations as it deems necessary to provide for procedures which shall be followed by the Retirement Board and by a Participant applying for or receiving or continuing to receive disability benefits.

The Retirement Board shall have the right at any time to cause a Participant who has made a claim of disability or has retired due to disability to be examined by a licensed medical advisor selected by the Retirement Board to assist it in ascertaining whether a Participant is entitled to a disability benefit or entitled to a continued disability benefit. The American Medical Association's Guidelines for the Evaluation of Permanent Impairment shall be used to determine the percentage of disability, if any, suffered by a Participant.

### **What types of disability benefits are available under the Plan?**

There are two types of disability: (a) line of duty disability benefits and (b) off-duty disability benefits.

#### Line of Duty Disability Benefits

For disabilities occurring on or after October 1, 2012, if you become disabled as a result of bodily injury, disease or mental disorder received in the line of duty which renders you incapable of continuing your employment as a sworn police officer or sworn firefighter performing the same duties and having the same responsibilities as those immediately prior to the time of the disability, your disability benefit is equal to the greater of:

- Forty percent (40%) of your monthly compensation at the time of your termination from service due to disability, or
- One hundred percent (100%) of your monthly retirement benefit calculated in accordance with Article IV above, except (i) the twenty (20) years of continuous service requirement is disregarded and (ii) the benefit is calculated using your actual years of continuous service. (See question "How is my retirement benefit calculated?" in Article IV above.)

For disabilities occurring on or after October 1, 2012, you may instead elect to receive a return of all of your contributions to the Plan, without interest, in lieu of the disability benefit provided above.

For disabilities occurring before October 1, 2012 and for Participants hired on or after July 1, 2002, if you become disabled as a result of injuries received in the line of duty rendering your retirement from service necessary, your disability benefit is equal to the following:

- If you are at least fifty percent (50%) disabled and have at least three (3) years of service, your disability benefit will equal three percent (3%) times the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by thirty (30).

- If you are at least fifty percent (50%) disabled and have less than three (3) years of service, your disability benefit will equal three percent (3%) times the average of your monthly compensation for all years of continuous service multiplied by thirty (30).
- If you are less than fifty percent (50%) disabled, your disability benefit will be calculated in the same manner as if you were at least fifty percent (50%) disabled and your benefit will be reduced by the percent of your disability as determined by the Retirement Board.

For disabilities occurring before October 1, 2012 and for Participants hired before July 1, 2002, if you become permanently disabled as a result of injuries received in the line of duty rendering your retirement from service necessary, your disability benefit is equal to the following:

- If you have at least three (3) years of service, your disability benefit will be equal to three percent (3%) times the average of your monthly compensation for the last three (3) years preceding your retirement multiplied by thirty (30).
- If you have less than three (3) years of service, your disability benefit will be equal to three percent (3%) times the average of your monthly compensation for all years of continuous service multiplied by thirty (30).

Off-Duty Disability Benefits.

Effective for disabilities occurring on and after October 1, 2012, the Plan does not provide a disability benefit to Participants who become physically or mentally disabled, other than as a result of injuries received in the line of duty as described above. However, you may make a request to the Retirement Board for the payment of all your contributions made to the Plan, without interest.

For disabilities occurring after June 30, 2002, and before October 1, 2012, if you become disabled, other than as a result of injuries received in the line of duty, rendering retirement from service as a sworn police officer or sworn firefighter necessary, you have at least five (5) years of continuous service, and the disability continues for at least three (3) months, you are entitled to receive a disability benefit equal to three percent (3%) multiplied by the average of your monthly compensation for the last three (3) years preceding your retirement from service multiplied by twenty-five (25); and then multiplied by the percentage of your disability, as determined by the Retirement Board.

**ARTICLE VI  
DEATH BENEFITS**

**What happens if I die while working for the City of Anniston?**

There are two types of death benefits payable under the Plan if you die while working for the City of Anniston as a sworn police officer or sworn firefighter: (a) deaths during the line of duty and (b) deaths other than during the line of duty.

Deaths during the line of duty

For deaths occurring on or after October 1, 2012, if you die in the line of duty while working for the City of Anniston and you have a surviving spouse, your surviving spouse will receive a monthly survivor benefit equal to sixty-two and one-half percent (62 ½%) of your monthly retirement benefit using a period of

twenty-five (25) years of continuous service regardless of your actual number of years of continuous service. If your surviving spouse remarries, such benefits shall cease. If you do not have a surviving spouse at the time of your death or if your surviving spouse should die, and you have a surviving child or children under the age of 18 years, such child or children will be entitled to a monthly death benefit equal to sixty-two and one-half percent (62 ½%) of your monthly retirement benefit using a period of twenty-five (25) years of continuous service regardless of your actual number of years of continuous service. As each child reaches the age of 18 years, the child will cease to participate in the sixty-two and one-half percent (62 ½%) survivor benefit, thereby increasing the share of the other child or children under the age of 18.

For deaths occurring before October 1, 2012, if you die in the line of duty while working for the City of Anniston and you have a surviving spouse, your surviving spouse will receive a one hundred percent (100%) monthly survivor benefit (as described under “One Hundred Percent (100%) Joint and Survivor Form” in Article IV above). The amount of the retirement benefit will be calculated based on thirty (30) years of service. If you do not have a surviving spouse at the time of your death or your surviving spouse should die, and you have a surviving child or children under the age of 18 years, then a benefit of fifty percent (50%) of the amount that would have been paid under the one hundred percent (100%) joint and survivor form, using thirty (30) years of service, will be paid to the legal guardian of the child or children until the youngest child reaches the age of 18 years. As each child reaches the age of 18 years, the child will cease to participate in the fifty percent (50%) survivor benefit, thereby increasing the share of the other child or children under the age of 18.

#### Deaths other than during the line of duty

For deaths other than in the line of duty after October 1, 2012, the Plan does not provide a death benefit. However, your surviving spouse or surviving child or children under the age of 18 years may make a request to the Retirement Board for the payment of all of your contributions made to the Plan, without interest.

For deaths occurring before October 1, 2012, if you die other than in the line of duty while working for the City of Anniston, you have less than twenty (20) years of service and you have a surviving spouse, your surviving spouse will be entitled to payment of all of your contributions made to the Plan, without interest. If you do not have a surviving spouse at the time of your death or if your surviving spouse dies and you have a surviving child or children under the age of 18 years, your contributions to the Plan, without interest, will be paid to the legal guardian of the child or children who are then under the age of 18 years.

For deaths occurring before October 1, 2012, if you die other than in the line of duty while working for the City of Anniston, you have at least twenty (20) years of service and you have a surviving spouse, your surviving spouse will receive a death benefit equal to a one hundred percent (100%) monthly survivor benefit based on your years of continuous service. If you do not have a surviving spouse at the time of your death or your surviving spouse should die, and if you have a surviving child or children under the age of 18 years, then a benefit of fifty percent (50%) of the amount that would have been paid under the one hundred percent (100%) joint and survivor benefit, using your actual years of continuous service will be paid to the legal guardian of the child or children until the youngest child reaches the age of 18 years. As each child reaches the age of 18 years, the child shall cease to participate in the fifty percent (50%) survivor benefit, thereby increasing the share of the other child or children under the age of 18.

#### **What happens if I do not have a surviving spouse or child under the age of 18 at the time of my death?**

If you do not have a surviving spouse or a child under the age of 18 years at the time of your death, the Retirement Board will pay a lump sum equal to your contributions made to the Plan (minus any distributions made to you, your spouse or children), without interest, to your designated beneficiary. You may designate a

beneficiary on a form provided by the Retirement Board. If you have not designated a beneficiary, payment will be made to the personal representative of your estate.

**What if I have children under the age of 18 from a prior marriage?**

If you have a child or children under the age of 18 from a prior marriage at your death and no other court-ordered provisions has been made for the child or children regarding the Plan, such child or children shall receive fifty percent (50%) of the monthly benefits as if there were no surviving spouse and the surviving spouse will receive the other fifty percent (50%). In no event will a child or children receive any benefit after attaining age 18, except as may be required by court order.

**ARTICLE VII  
REFUNDS**

**Under what circumstances are my Employee Contributions refunded?**

If you terminate employment with the City of Anniston as a sworn police officer or sworn firefighter for any reason prior to becoming eligible for a benefit from the Plan, you are entitled to receive all of your contributions, without interest, made to the Plan, and your participation in the Plan shall cease as of the date of termination. If you subsequently become employed by the City of Anniston as a sworn police officer or as a sworn firefighter, you will be treated as a new Participant and accrual of benefits shall begin as of the date of your reemployment, unless otherwise allowed by applicable law to repay such Participant's contributions to the Plan and continue participation in the Plan.

**Are Employer Contributions refunded?**

Under no circumstances are Employer Contributions ever refunded.

**ARTICLE VIII  
TAX TREATMENT OF DISTRIBUTIONS**

**What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution of amounts that have not previously been taxed in your taxable income in the year in which you receive the distribution. The tax treatment also may depend on your age when you receive the distribution.

**Can I elect a rollover to reduce or defer tax on my distribution?**

Rollover or Direct Transfer. You may reduce, or defer entirely, the tax on your distribution through use of one of the following methods:

(a) 60-day rollover. The rollover of all or a portion of the distribution to an Individual Retirement Account or Annuity ("IRA") or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to

roll over all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.

(b) Direct Rollover. For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an IRA or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

The Plan permits non-spouse designated beneficiaries to roll over distributions directly to such beneficiary's IRA.

**Tax Notice.** WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE RETIREMENT BOARD WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

## **ARTICLE IX PROTECTED BENEFITS AND CLAIMS PROCEDURES**

### **Is my benefit protected?**

Generally, your benefits under the Plan may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. You may not receive a loan of your Employee Contributions. In addition, your creditors generally may not attach, garnish or otherwise interfere with your benefits. The Plan will not recognize any domestic relations order attempting to provide your benefit, or any portion thereof, to an alternate payee.

### **How do I submit a claim for Plan benefits?**

Claims for benefits under the Plan must be filed in writing with the secretary-treasurer on forms provided by the Retirement Board in accordance with procedures established by the Retirement Board or the secretary-treasurer, or both.

### **What if my benefits are denied?**

Within thirty (30) days after any final decision of the Retirement Board, any party, including the governing body of the City of Anniston, aggrieved at the decision of the Retirement Board may appeal such decision to the Circuit Court of Calhoun County. The party making the appeal must serve notice of the appeal upon the secretary-treasurer. The appeal will be perfected by the appellant filing a notice of the appeal with the clerk of the Circuit Court. The decision of the Circuit Court may be further appealed to the Court of Civil Appeals in the same manner provided by law for making appeals in other cases.

**ARTICLE X  
AMENDMENT AND TERMINATION**

**May the Plan be amended?**

Yes. The Retirement Board has the right to amend the Plan at any time, subject to some limitations. The amendment must be consistent with the terms of the Plan and with any legislation relating to the trust, and it must be consistent with the authority granted to the Retirement Board. If the Alabama Legislature amends the Plan or makes other statutory changes that impact the Plan, the Retirement Board will amend the Plan as necessary to reflect the changes. Except as otherwise specifically provided in the Plan, no amendment to the Plan will be effective if it authorizes or permits any part of the trust, other than the part that is required to pay taxes and administrative expenses, to be used for any purpose other than for the exclusive benefit of Participants or their beneficiaries.

**What happens if the Plan is terminated?**

If the Plan is terminated, or in the event of a partial termination, all Participants' accrued benefits under the Plan will become fully vested and will not be subject to forfeiture. Subject to payment of expenses, the assets of the Plan will be distributed to the Participants remaining in the Plan and to retired Participants and their beneficiaries in cash or through the purchase of irrevocable deferred commitments from an insurer. These distributions will be allocated in the order set forth by the Alabama Legislature or by the Retirement Board, if they receive such authorization, based on the accrued benefit for each Participant as of the date of termination of the Plan.

**ARTICLE XI  
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article XI.

**General Plan Information**

“The City of Anniston Police and Firefighters Retirement Plan” is the name of the Plan.

The Plan's records generally are maintained on a twelve-month period of time, running from October 1 to September 30. Certain valuations are made on September 30.

The contributions made to the Plan will be held by the Trustee of the Plan.

The Plan will be governed by the laws of the State of Alabama, to the extent not preempted by federal law.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation because the insurance provisions under the Employee Retirement Income Security Act are not applicable to the Plan.

**City of Anniston Information**

The City of Anniston's address and employer identification number are:

1128 Gurnee Avenue

Anniston, Alabama 36201  
63-6001182

### **Retirement Board Information**

The Retirement Board (or its designees) is responsible for the day-to-day administration and operation of the Plan. For example, the Retirement Board maintains the Plan records, including your benefit information, provides you with the forms you need to complete for Plan participation and directs the payment of your benefit at the appropriate time. The Retirement Board also will allow you to review the legal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the City Clerk's Office. The Retirement Board may designate another person or persons to perform some duties of the Retirement Board.

The Retirement Board has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Retirement Board is conclusive and binding upon all persons.

The Retirement Board is comprised of five (5) members, who each serve for a term of three (3) years:

- (a) one (1) member is elected by the retirees and surviving spouses of retirees of the Plan;
- (b) one (1) member is a member of the City of Anniston Fire Department elected by the members of the Fire Department;
- (c) one (1) member is a member of the City of Anniston Police Department elected by the members of the Police Department;
- (d) one (1) member is the City of Anniston Finance Director; and
- (e) one (1) member is appointed by the City Council of the City of Anniston and such member is a qualified elector in the City of Anniston and is not an individual who is a member or relative of a member currently represented on the Retirement Board.

The address and business telephone number of the Retirement Board are:

1128 Gurnee Avenue  
Anniston, Alabama 36201  
(256) 231-7710

### **Trustee Information**

All money that is contributed to the Plan is held in a trust fund. The Trustee is responsible for the safekeeping of the trust fund. The trust fund will be the funding medium used for the accumulation of assets from which benefits will be distributed.

The Plan's Trustee is the Retirement Board.



The principal place of business of the Plan's Trustee is:  
1128 Gurnee Avenue  
Anniston, Alabama 36201

**Service of Legal Process**

The name and address of the Plan's agent for service of legal process are:

Retirement Board of The City of Anniston Police and Firefighters Retirement Plan  
c/o Secretary - Treasurer  
1128 Gurnee Avenue  
Anniston, Alabama 36201

Service of legal process may also be made upon the Trustee.