CHARLES COUNTY
SHERIFF'S OFFICE RETIREMENT PLAN

Amended and Restated Effective
July 1, 1995

Clean Working Copy
Incorporating All Amendments

January, 2011

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INTRODUCTION - SECTION 1

1.1 History of Plan

As of July 1, 1973, the County Commissioners of Charles County, Maryland (the "Commissioners") established the Sheriff's Office Retirement Plan (the "Plan") to provide retirement income and other benefits for certain of its employees and their beneficiaries.

From time to time thereafter, the Commissioners have amended this Plan in accordance with the provisions of the Plan. In particular, effective January 1, 1992, the Plan was amended to allow the Employer to "pick up" the Participants' contributions and to provide that the amount "picked up" by the Employer on behalf of the Participants be excluded from the Participants' gross income for federal tax purposes. It is intended that the "pick up" of Participants' Contributions by the Employer be in accordance with the provisions of section 414(h)(2) of the Internal Revenue Code of 1986 ("Code") and that the contributions so "picked up" shall be deemed Employer contributions, and the contribution shall continue to be excluded from the Participants' gross income for federal tax purposes.

Effective July 1, 1995, the Plan is hereby amended and restated in its entirety. However, with respect to certain provisions of this Plan that are effective later than July 1, 1995, the terms of the Plan as in effect on June 30, 1995 shall remain in effect until those later effective dates, as specified in this document.

The Plan is amended and restated effective as of July 1, 1995 to provide for participation in the Plan by Correctional Officers and Communications Dispatchers.

1.2 Preservation of Rights

Each Participant under the Plan as in effect on June 30, 1995 who is in the active employment of the Employer on that date shall continue to be a Participant under this Plan on and after July 1, 1995, in accordance with its terms.

Each former employee who is receiving retirement income payments under the Plan as in effect on June 30, 1995 shall receive such payments on and after July 1, 1995 in accordance with the terms of the Plan as in effect on June 30, 1995.

Each former employee who terminated employment prior to July 1, 1995 with a vested retirement income benefit under the Plan, and who had not commenced receiving retirement income benefits on such date, will be eligible to receive retirement

income on his or her retirement date, as determined by his or her coverage under the Plan as in effect on June 30, 1995.

No provisions of this Plan, other than those required to maintain this Plan as one which is qualified under Code section 401(a), shall operate to diminish or otherwise adversely affect the amount or terms of retirement income accrued in respect to a Participant's coverage under the Plan as in effect on June 30, 1995.

1.3 Qualification Under Internal Revenue Code

This Plan is intended to continue to qualify under Code section 401(a) as amended, so that the trust established under the Plan will be exempt from tax under Code section 501. Any modification or amendment to the Plan may be made by the Employer, retroactively if necessary, to establish and maintain such qualification.

DEFINITIONS - SECTION 2

Accrued Benefit - The yearly retirement income commencing on the Participant's Normal Retirement Date determined in accordance with Sections 4, 5 and 6 hereof as if the Participant's Termination Date occurred on the date of determination and as if the Participant had a Vesting Percentage of 100%.

Adjustment Factor - The appropriate adjustment factor(s) which may be applicable to a Participant's retirement income in accordance with the further terms of the Plan. With respect to each Participant whose Retirement Date occurs after July 1, 1995, the appropriate Adjustment Factors for determining the amount of retirement income payable under a form of payment other than the normal form of payment described in Section 8 are the applicable gender-neutral Adjustment Factors based on the following assumptions:

(A) Mortality according to the UP-1984 Group Annuity Mortality Table, with ages for Beneficiaries set back 5 years.

(B) Interest at a rate per annum of 8%.

(C) Modified Cash Refund normal form of payment.

In no event will the retirement income payable to a Participant on his or her Retirement Date, as adjusted by the applicable Adjustment Factor(s) as in effect after July 1, 1995, be less than the amount of retirement income the Participant had accrued on July 1, 1995, as adjusted by the applicable Adjustment Factor(s) as in effect in accordance with the terms of this Plan as in effect on June 30, 1995.

Beneficiary or Beneficiaries - Any person(s) entitled to receive the benefits which are payable under the Plan upon or after the death of a Participant.

Benefit Commencement Date - The first day of the first period for which the sole payment or the first in a series of payments constituting the distribution of an Accrued Benefit is made.

Cash-Out - A distribution in settlement of a benefit otherwise payable under the Plan, and which is equal to the Employee Contributions Benefit.

C/L Increase - An automatic increase (without necessity of Plan amendment) in a dollar value set forth or described in the Plan, for the purpose of reflecting increases in the cost of living to the extent prescribed in or pursuant to regulations under Code section 415(d), but only to the extent permitted by the operative Code or regulatory provision specifically governing the dollar value in question.

Code - The Internal Revenue Code of 1986, or any provision or section thereof specifically referred to in this Plan, as such Code, provision or section may be amended from time to time.

Commissioners - The County Commissioners of Charles County, Maryland.

County - The County of Charles, a body corporate and politic, duly organized and existing under the laws of the State of Maryland.

County Plan - The Charles County Retirement Plan, as amended from time to time.

Dependent Children - The children born to, or legally adopted by the Participant, or the Participant's step-child then living with the Participant. Such child shall be unmarried, primarily dependent upon the Participant for support, and under 19 years of age, or, if a full-time college or university student, under 23 years of age.

Disability - The Total and Permanent Disability or Permanent Partial Disability of a Participant.

Disability Review Board - The Committee appointed by the Commissioners in accordance with Section 11 to determine Participants' entitlement to disability benefits under this Plan.

Dual Service Participant - A Participant who has accrued credit for Service by virtue of employment for the Employer in the capacity of more than one Eligible Class.

Early Retirement Date - Any date occurring on or after the first day on which a Participant has completed at least 20 Years of Service, but prior to the date the Participant reaches a Normal Retirement Date.

Earnings - Basic compensation received from the Employer, excluding overtime payments, commissions, bonuses, and any other additional compensation, but including elective contributions that are made by the Employer on behalf of Employees that are not includible in the Employees' gross income under Code sections 125 or 132(f), contributions made to this Plan pursuant to Code section 414(h)(2), compensation deferred under an eligible deferred compensation plan within the meaning of Code section 457(b) and differential wage payments within the meaning of Code section 3401(h)(2) (pertaining to payments to an Employee performing services in the uniformed armed services).

The Earnings of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2008 shall not exceed $245,000. Annual Earnings means earnings during the Plan Year or such other consecutive 12-month period over which Earnings are calculated under the Plan (the "determination period").

The $245,000 limit on annual Earnings set forth above shall be adjusted in accordance with Code section 401(a)(17)(B) of the Code. The cost of living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

Earnings Computation Period - The full pay period closest to July 1 within the applicable Plan Year, for purposes of determining the amount of retirement income payable in accordance with the provisions of Section 4.1 of the Plan. The full pay period closest to July 1 will be determined by counting (A) the number of business days in the pay period before and including July 1 and (B) the number of business days in the pay period after July 1. If the same number or more business days in the pay period containing July 1 occur before July 1 than after July 1, the pay period containing July 1 will be the full pay period closest to July 1, even if that pay period begins before July 1.

Example: A pay period begins Saturday, June 23 and ends Friday, July 6. Five business days occur before and including July 1 and five business days occur after July 1. The pay period beginning June 23 is the full pay period closest to July 1 for this Plan Year and the Rate of Earnings in effect on June 23 is used to determine Final Average Earnings.

Example: A pay period begins Saturday, June 28 and ends Friday, July 11. Two business days occur before and including July 1 and eight business days occur after July 1. The pay period beginning July 12 is the full pay period closest to July 1 for this Plan Year and the Rate of Earnings in effect on July 12 is used to determine Final Average Earnings.

Effective Date - This Plan was originally adopted effective as of July 1, 1973. The effective date of this amendment and restatement is July 1, 1995.

Eligible Class - An individual is in the Eligible Class at any time the individual is classified as an Employee in any of the following capacities:

(A) Sworn Employee (other than the Sheriff) and Student Police Officers employed by the Sheriff's Office

(B) Correctional Officer

(C) Communications Dispatcher

(D) The Sheriff, provided that he or she irrevocably elects to participate in this Plan and make contributions pursuant to Section 7.4.

Employee - Any individual in the employ of the Employer whose customary employment is for more than 1,500 hours per year. The term Employee shall include any Leased Employee, unless:

(A) Leased Employees constitutes 20% or less of the Employer's work force of Employees who have performed services for the Employer on a substantially full-time basis for a period of at least one year and who are not highly compensated employees; and

(B) Such Leased Employee is covered by a money purchase pension plan sponsored by the leasing organization under which:

(1) non-integrated contributions by the leasing organization equal or exceed 10% of compensation; and

(2) the plan provides for full and immediate vesting; and

(3) with respect to any Leased Employee who has received compensation from the leasing organization in each of the last four Plan Years of at least $1,000, the plan provides for immediate participation.

If no such plan exists, any retirement income accrued under this Plan by a Leased Employee will be reduced by the amount of retirement income funded by the leasing organization which is attributable to the same period of employment.

Employee Contributions Benefit - The sum of the following amounts (net of any previous distributions):

(A) The contributions made by the Participant through salary reduction and "picked up" by the Employer, as described in Section 7.4; plus

(B) The contributions, plus earnings previously credited on such contributions made by the Participant, pursuant to Section 6.2(A), and picked up by another Government Employer, all of which are thereafter transferred to the Plan; plus

(C) The contributions, plus earnings previously credited on such contributions made by the Participant, pursuant to Section 6.2(A), through transfer from another Government Employer Retirement Plan which were not picked up by such Government Employer; plus

(D) The contributions made by the Participant to purchase service, pursuant to Section 6.3; plus

(E) The amounts repaid to the Plan by an Employee pursuant to Section 3.2; plus

(F) Interest of three percent on the amounts described in (A) through (E) above computed on July 1 of each year and compounded annually.

Employer - The County Commissioners of Charles County, Maryland, except with respect to Employees employed in the Eligible Class of a Sworn Employee employed by the Sheriff's Office with respect to whom the Employer is the Sheriff of Charles County.

Final Average Earnings - The highest average Rates of Earnings on any three consecutive Earnings Computation Periods during the last five Earnings Computation Periods before Retirement Date, or the date Service ceases, if earlier. If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

Fund - The fund or funds established by separate written agreement between the Commissioners and an insurance company and/or the Trustee for the purpose of accumulating contributions and paying the benefits described in this Plan.

Government Employer - The State of Maryland, as well as any political subdivision within the State of Maryland, other than the Employer.

Government Employer Retirement Plan - A retirement plan which is sponsored by the State of Maryland, or any municipality or political subdivision within the State of Maryland to which the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute, apply.

Leased Employee - Any individual who performs services for the Employer such that:

(A) the services are provided pursuant to an agreement between the Employer and any leasing organization.

(B) the individual has performed such services for the Employer on a substantially full-time basis for a period of at least one year; and

(C) the services are performed under the primary direction or control of the Employer.

For the purposes of item (B) above, an individual is considered to have performed services on a substantially full-time basis for a period of at least one year if, during any consecutive 12-month period, he or she has performed at least 1,500 hours of service for the Employer or 75% of the hours that are customarily performed by the Employer's Employees in that particular position.

Military Service - Active military duty in the Armed Forces of the United States on account of which a Participant is not eligible to receive a military pension, unless such pension is awarded on account of the Participant's disability.

Non-Sworn Participant - An Employee who has met the eligibility requirements of Section 3 of this Plan and is employed by the Employer in the capacity of either: (A) a Correctional Officer, or (B) a Communications Dispatcher.

Normal Retirement Date

(A) A Sworn Participant, whose commencement of Service occurred prior to July 1, 1986, will reach Normal Retirement Date for benefit eligibility and vesting purposes on the earlier of: (1) the Participant's 60th birthday, or (2) the later of: (a) the date the Participant completes 20 Years of Service, or (b) the Participant's Termination Date.

(B) A Sworn Participant, whose commencement of Service occurred on or after July 1, 1986, will reach Normal Retirement Date for benefit eligibility and vesting purposes on the earlier of: (1) the Participant's 60th birthday, or (2) the later of: (a) the date the Participant completes 25 Years of Service, or (b) the Participant's Termination Date.

(C) A Sworn Participant whose commencement of Service occurred prior to July 1, 1986 and who transfers service from the County Plan pursuant to Section 6.2(c) will reach Normal Retirement Date for benefit eligibility and vesting purposes on the earlier of: (1) the Participant's 60th birthday, or (2) the later of: (a) the date the Participant completes 25 Years of Service; or (b) the Participant's Termination Date.

(D) A Non-Sworn Participant will reach Normal Retirement Date for benefit eligibility and vesting purposes on the earlier of: (1) the Participant's 60th birthday, or (2) the later of: (a) the date the Participant completes 25 Years of Service, or (b) the Participant's Termination Date.

(E) A Dual Service Participant will reach a Normal Retirement Date determined pursuant to whichever subsection (A), (B), (C) or (D) of this definition of Normal Retirement Date applies, based upon the date on which such Participant commenced Service and the Eligible Class in which the Participant was classified on the date the Participant commenced Service in an Eligible Class.

(F) For all purposes under the Plan other than for purposes of determining a Participant's eligibility for benefits and Vesting Percentage, a Participant's Normal Retirement Date will occur on the first day of the month coincident with or next following the date the Participant would otherwise reach a Normal Retirement Date pursuant to (A), (B), (C), (D) or (E) above, as applicable.

Participant - Any Employee who becomes covered under this Plan.

Permanent Partial Disability - a medically determinable physical or mental impairment which can be expected to be permanent or result in death, and by reason of

which the Participant will be prevented from performing the essential requirements of his or her position with the Employer.

Plan Administrator - The committee or individual appointed by the Commissioners to carry out the functions enumerated in Section 12 of this Plan.

Plan Year - The period of 12 consecutive months commencing on each July 1.

Rate of Earnings - The rate of annual basic Earnings paid to the Participant for Service for the Employer on the applicable July 1. Notwithstanding the foregoing, the Rate of Earnings of a Participant who is or was on a leave of absence for Military Service shall be the Rate of Earnings the Participant would have been paid had the Participant not been absent from Service, provided the Participant resumes employment with the County within one year of discharge from Military Service, unless the Participant dies or incurs a Disability while on a leave of absence for Military Service, in which case the benefits payable pursuant to Section 5 or Section 8 will be payable, as applicable.

Remuneration - The Participant's wages, salaries, professional service fees and other amounts received for personal services actually rendered in the course of employment with the Employer, but not including: (i) non-taxable employer contributions under, or distributions (whether or not taxable) from, a deferred compensation plan, other than taxable payments received (by the Participant) under an unfunded, non-qualified plan, (ii) employer contributions under a simplified employee pension plan and (iii) other amounts which receive special tax benefits.

Retirement Date - The first day for which payment of a Participant's retirement income is to commence, as determined in accordance with the further terms of the Plan. If payment of a Participant's retirement income is made in accordance with the provisions of Section 9.5 of the Plan, such Participant's Retirement Date is his or her Required Payment Commencement Date.

Service - The continuous employment by an Employee with the Employer. Absence from employment on account of leave of absence authorized by the Employer pursuant to the Employer's established leave policy will be counted as continuous employment with the Employer provided that such leave of absence is of not more than two years' duration and provided further that the Employee returns to active Service with the Employer at the end of such leave of absence. The Employer's leave policy shall be applied in a uniform and nondiscriminatory manner to all Participants under similar circumstances. Absence from employment on account of active duty with the Armed Forces of the United States will be counted as continuous employment with the Employer provided that the Employee applies to return to active Service with the Employer within 90 days after he or she becomes eligible for release from such active duty.

Spouse - The lawful wife of a male Participant, or the lawful husband of a female Participant, as of the Participant's Retirement Date or date of death, if earlier.

Sworn Participant - An Employee who has met the eligibility requirements of Section 3 of this Plan and is employed by the Sheriff's Office of the County in the capacity of a Sworn Employee.

Termination Date - The date of the first to occur of: (A) a termination of employment by reason of resignation, discharge, mutual agreement, Disability, retirement or death; (B) the date on which a leave of absence expires without a return to active employment; or (C) the date on which the individual ceases to be employed by the Employer.

Total and Permanent Disability - A medically determinable physical or mental impairment which can be expected to be permanent or result in death, and by reason of which the Participant will be prevented from performing the usual duties of any occupation for gainful employment.

Trustee - Collectively, the trustee or trustees named in the trust agreement and such successor and/or additional trustees as may be named pursuant to the terms of the trust agreement.

Vesting Percentage – With respect to a Sworn Participant, the percentage which may be applied to a Sworn Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

Years of Service	Percentage
Five or more years:	100%
Less than five years:	0%

provided, however, that when an actively employed Sworn Participant attains the applicable Normal Retirement Date described in this Section 2, the Sworn Participant's Vesting Percentage will be 100%.

With respect to a Non-Sworn Participant, the percentage which may be applied to a Non-Sworn Participant's Accrued Benefit in accordance with the further terms of the Plan, as determined below:

Years of Service	Percentage
20 or more years:	100%
Less than 20 years:	0%

provided, however, that when an actively employed Non-Sworn Participant attains the applicable Normal Retirement Date described in this Section 2, the Non-Sworn Participant's Vesting Percentage will be 100%.

Year of Service - Subject to Section 6.4, a twelve month period during which an Employee is employed by the Employer on a full-time basis for the entire year.

PARTICIPATION - SECTION 3

3.1 Eligibility for Participation

Except as otherwise provided below, an Employee's participation in this Plan, and the agreement to make contributions hereunder, as described in Section 7.4, is mandatory as a condition of employment with the Employer:

(A) Continuing Participation

Each individual who was employed by the Employer as a Deputy Sheriff, who was a Participant in this Plan on June 30, 1995 and who had not previously reached a Termination Date, will continue to be a Participant in this Plan on and after July 1, 1995.

(B) Voluntary Participation

Every individual who was employed by the Employer as a Correctional Officer or Communications Dispatcher as of June 30, 1995 may elect to participate in the Plan effective July 1, 1995 and to continue participation until his or her Termination Date. Such election shall be irrevocable, shall be made on a written application supplied by the County and shall contain agreement to make, as a condition of employment with the County, Participant contributions as provided in Section 7.4.

(C) Mandatory Participation

Every other individual, other than the Sheriff, who becomes an Employee in an Eligible Class on or after July 1, 1995 shall become a Participant as a condition of his or her employment on the first day of the month following the date he or she first performs Service as an Employee. Participation by the Sheriff is not mandatory as a condition of employment. No individual shall become a Participant, however, if the individual is not an Employee in an Eligible Class on the date his or her participation is to begin.

3.2 Re-Employment

(A) Re-Employment in an Eligible Class. Subject to Section 6.2, an Employee who reaches a Termination Date, but who is subsequently re-employed by the Employer in an Eligible Class within 12 months of the Termination Date, shall not be considered a new Employee for purposes of the Plan, provided:

(1) At or after such Termination Date, the Employee did not elect to receive a refund of his Employee Contributions Benefit, and

(2) The Employee has not reached his Normal Retirement Date on the date of his re-employment.

An Employee who is not considered to be a new Employee upon re-employment by the Employer will receive credit for all Years of Service performed before the initial Termination Date and after the re-employment date as if the Service had been performed consecutively without the interruption of service.

(B) Re-Employment With No Accumulation of Prior Service. If the re-employed Employee does not meet any of the requirements set forth in Section 3.2(A), he shall be treated as a new Employee of the Employer as of the date he is re-employed, and his Years of Service earned prior to the date of his re-employment shall not increase the Accrued Benefit earned and Years of Service credited after the date of re-employment. Likewise, the Years of Service earned subsequent to the Employee's re-employment shall not increase the Accrued Benefit and Years of Service earned prior to the initial Termination Date.

(C) Re-Employment by Employer. The annual retirement income of a Participant who: (1) ceased to be employed by the Employer, (2) began receiving benefit payments pursuant to this Plan and (3) was re-employed by the Employer, shall be adjusted so that the Accrued Benefit earned during the period of the Participant's re-employment shall not exceed the Participant's Employee Contributions Benefit earned during the period of re-employment.

3.3 Enrollment

Participation hereunder shall be automatic when the requirements of Section 3.1 have been met; provided, however, that the County may, in its discretion, require each eligible Employee to execute a written application for participation containing such items as may be desired by the County including, but not limited to, the Employee's consent to be bound by all the terms and conditions of the Plan and all amendments thereto.

3.4 Change of Employment Category

If a Participant ceases to be employed by the Employer in an Eligible Class, but continues in the employ of the Employer, the Participant's Service shall be deemed to have ceased for purposes of this Plan.

NORMAL RETIREMENT INCOME - SECTION 4

4.1 Normal Retirement Benefit

Except as otherwise provided in this Section 4, a Participant shall retire on his or her Normal Retirement Date. A Participant who retires on his or her Normal Retirement Date shall be entitled to receive an annual, level retirement income, beginning with the first day of the month coincident with or otherwise next following his or her Normal Retirement Date and continuing for the remainder of his or her life; provided, however, if a Participant who receives benefits in the Modified Cash Refund Form pursuant to this Section 4.1, and does not elect an optional form of benefit under Section 10, dies before receiving payments equal in value to the Participant's Employee Contributions Benefit, determined at the time of his or her Termination Date, the balance of the value of the Participant's accumulated contributions shall be paid to his or her Beneficiary, or if there is no validly designated Beneficiary, in accordance with Section 8.4. Subject to Section 4 and subject to the limitations set forth in Sections 4.5 and 6.2, the amount of the monthly retirement income shall be equal to one of the following:

(A) Sworn Participants

(1) Amount of Benefit - The annual retirement income for Sworn Participants shall be equal to:

(a) three percent, multiplied by the Participant's Final Average Earnings, then multiplied by the lesser of: (i) 20, or (ii) the number of Years of Service (and fractional years) earned by the Participant for either Military Service Credit described in Section 6.2(F) or as an Employee in the Eligible Class of Deputy Sheriff, plus

(b) two percent, multiplied by the Participant's Final Average Earnings, then multiplied by the number of Years of Service earned by the Participant in excess of 20 years, but not in excess of the lesser of: (i) ten, or (ii) the number of Years of Service (and fractional years) earned by the Participant for either Military Service Credit described in Section 6.2(F) or as an Employee in the Eligible Class of Deputy Sheriff in excess of 20 years, plus

(c) one percent, multiplied by the Participant's Final Average Earnings, if the Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(A)(1)(c).

(2) Maximum Benefit

Notwithstanding the foregoing, in no event will a Participant's annual retirement income calculated pursuant to this Section 4.1(A) exceed 80% multiplied by the Participant's Final Average Earnings.

(B) Non-Sworn Participants

(1) Amount of Benefit - The annual retirement income for Non-Sworn Participants shall be equal to:

(a) 2.25 percent, multiplied by the Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Participant as an Employee in the Eligible Class of Correctional Officer, or

(b) two percent, multiplied by the Participant's Final Average Earnings, then multiplied by the number of Years of Service (and fractional years) earned by the Participant as an Employee in the Eligible Class of Communications Dispatcher, plus

(c) one percent, multiplied by the Participant's Final Average Earnings, if the Participant earned at least 500, but less than 600 hours of unused sick leave as of his or her Termination Date, plus an additional 0.1% multiplied by the Participant's Final Average Earnings for each additional 100 hours of earned, but unused, sick leave; provided, however, that the Participant's annual retirement income shall not increase by more than four percent multiplied by Final Average Earnings, by virtue of this Section 4.1(B)(1)(c).

(2) Military Service - If applicable, a Non-Sworn Participant will receive additional credit for Military Service as described in Section 6.2(F).

(3) Maximum Benefit - Notwithstanding the foregoing, in no event will a Participant's annual retirement income calculated pursuant to this Section 4.1(B) exceed 75% multiplied by the Participant's Final Average Earnings.

(C) Dual Service Participants

The annual retirement income for Dual Service Participants shall be calculated as follows:

(a) The annual retirement benefit determined pursuant to Section 4.1(A) or 4.1(B) hereof, whichever reflects the Eligible Class in which the Participant was classified at the time or times the Participant transferred to the different Eligible Class,

determined on the basis of the Participant's Final Average Earnings as if the Participant's Retirement Date were the date of transfer to the different Eligible Class, plus

(b) The annual retirement benefit determined pursuant to section 4.1(A) or 4.1(B) hereof, whichever reflects the Eligible Class in which the Participant was classified as of the Participant's Retirement Date, determined on the basis of the Participant's Final Average Earnings as of the Participant's Retirement Date.

(D) Notwithstanding Section 1.2 of the Plan, the "temporary retirement income" of Participants who retired prior to July 1, 1995, as determined under Section 4.5 of the Plan as in effect on June 30, 1995, will not cease to be paid to the Participants upon the Participants' attainment of age 65 or death. The "temporary retirement income" will continue to be paid in the benefit form elected at the time of the Participants' retirement, without actuarial reduction.

4.2 Early Retirement Benefit

A Participant may elect to retire on any date on or after the first date which qualifies as an Early Retirement Date, in which case the Termination Date shall be deemed to be the Participant's Early Retirement Date and the Participant shall be entitled to receive an annual early retirement benefit equal to the benefit computed pursuant to Section 4.1 (based upon the Participant's actual Years of Service and Final Average Earnings at his or her Early Retirement Date), but subject to actuarial reduction for payment prior to the date which would have been the Participant's Normal Retirement Date. The actuarial reduction for these purposes shall be in accordance with Table I which is incorporated into this Plan by reference.

Early retirement benefits shall commence on the first day of the month coincident with or otherwise next following the Participant's Normal Retirement Date, unless the Participant elects to have his or her benefits commence on the first day of any prior month coincident with or following his or her Early Retirement Date.

Except as otherwise provided in Section 8 and Section 9.3, the benefits payable pursuant to this Section 4.2 shall be payable in the normal form provided by Section 4.1, unless an optional form of payment has been elected pursuant to Section 10.

4.3 Delayed Retirement

In the event a Participant remains employed by the Employer in an Eligible Class after reaching his or her Normal Retirement Date, then, subject to the limitations set forth in Section 4.5, and except as otherwise provided in Section 9.5, the Participant shall be entitled to receive, commencing on the first day of the month coincident with or otherwise next following his or her Termination Date, the benefit to which he or she

would have been entitled pursuant to Section 4.1 if he or she had retired on the applicable Normal Retirement Date, but adjusted by including any additional Years of Service which have accrued since the Participant's Normal Retirement Date (up to the maximum number of years described in Section 4.1 and subject to the maximum benefit requirements set forth in Section 4.1), and (notwithstanding any provision in the definition of Final Average Earnings to the contrary) by taking into account any increases in Final Average Earnings which may be generated by increases in Compensation earned since the Participant's Normal Retirement Date.

4.4 Other Terminations of Employment

If a Participant reaches a Termination Date before reaching an Early or Normal Retirement Date, or for reasons other than death, the Participant may either:

(A) elect to receive a Cash-Out of his or her Employee Contributions Benefit, as provided in Section 10.4, in which case such Cash-Out shall be made within an administratively reasonable period of time following the Participant's Termination Date and the Participant's election, or

(B) elect to receive a benefit equal to the benefit computed pursuant to Section 4.1 (based upon the Participant's actual Years of Service and Final Average Earnings at his Termination Date), payable as of the first day of the month following the Participant's 60th birthday, without actuarial reduction, or, subject to Section 9.4 and 9.5, any later date as may be elected by the Participant. Except as otherwise provided in Section 8, the benefits payable pursuant to this Section 4.4 shall be payable in the normal form provided by Section 4.1 and Section 9, unless an optional form of payment has been elected pursuant to Section 10.

4.5 Maximum Limitation on Benefits

Notwithstanding any Plan provisions to the contrary:

(A) To the extent necessary to prevent disqualification under Code section 415, and subject to the remainder of this Section 4.5, the maximum monthly benefit to which any Participant may be entitled at any time (the "Maximum Benefit") shall be equal to one-twelfth (1/12th) of the amount set forth in Code section 415(b)(1)(A), as adjusted by C/L Increases, (the "Monthly Dollar Limit"). The rate of benefit accrual shall be frozen or reduced accordingly to comply with the limitations.

(B) The Dollar Limit shall be subject to actuarial adjustment as follows:

(1) If the benefit is payable in any form other than a single life annuity or a qualified joint and survivor annuity (as defined for purposes of Code section 415), the

Maximum Benefit shall be reduced so that it is the Actuarial Equivalent of the single life annuity.

(2) (i) With respect to a benefit beginning before age 62, the Monthly Dollar Limit shall be reduced to the Actuarial Equivalent of a Dollar Limit applicable to a benefit beginning at age 62.

(ii) Notwithstanding the foregoing, however, in no event shall the Monthly Dollar Limit applicable to benefits beginning before age 62 be reduced for purposes of this Section 4.5 for Participants who have been credited with at least 15 Years of Service:

a. As a full-time employee of the Employer in a position providing police protection services;

b. In Military Service; or

c. In a combination of a. and b., above.

(3) With respect to a benefit beginning after age 65, the Monthly Dollar Limit shall be increased so that it is the Actuarial Equivalent of a Monthly Dollar Limit applicable to a benefit beginning at age 65.

(4) For purposes of this Section 4.5(B), "Actuarial Equivalent" shall be as defined as a form of benefit differing in time, period or manner of payment from a specific benefit provided under the Plan, but having the same value when computed based upon the following:

1983 Group Annuity Mortality Table (50/50)
5% per annum interest rate

(C) The Dollar Limit shall be reduced (but not by more than 90%) by 1/10th for each Year of Service less than ten, considering only those Years of Service during any part of which the Participant was participating in the Plan (including those periods for which the Participant elected to transfer service pursuant to Section 6.2).

(D) "Limitation Year" shall be defined as the calendar year, except as otherwise provided by adoption of a written resolution by the County.

(E) In addition to the foregoing, the Maximum Benefit shall be reduced, and the rate of benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent disqualification of the Plan under Code section 415 with respect to any Participant who is also a Participant in: (1) any other tax-qualified pension plan maintained by the County, including a defined benefit plan in which an individual medical benefit account (as described in Code section 415(l)) has been established for the Participant; (2) any welfare plan maintained by the County in which a separate account (as described in Code section 419A(d)) has been established in the name of the Participant to provide post-retirement medical benefits; and/or (3) any retirement or welfare plan, as aforesaid, maintained by a related employer, as described in Code section 414(b), (c), (m) or (o).

(F) Applicable Mortality Tables.

(1) This subsection shall apply to distributions with annuity starting dates on or after December 31, 2002.

(2) Notwithstanding any other plan provisions to the contrary, the applicable mortality table used for purposes of adjusting any benefit or limitation under Code section 415(b)(2)(B), (C), or (D) as set forth in Section 4.5 of the Plan is the table prescribed in Revenue Ruling 2001-62.

(3) For any distribution with an annuity starting date on or after the effective date of this section and before the adoption date of this section, if application of the amendment as of the annuity starting date would have caused a reduction in the amount of any distribution, such reduction is not reflected in any payment made before the adoption date of this section. However, the amount of any such reduction that is required under 415(b)(2)(B) must be reflected actuarially over any remaining payments to the Participant.

4.6 Cost of Living Adjustment

(A) Amount of Adjustment - Subject to the limitations set forth in Section 4.5, the annual retirement income, as otherwise computed pursuant to Section 4.1 and Section 6.2(F), of any Participant shall be subject to a cost of living adjustment whereby, as of each May 1 (the "Valuation Date") which occurs during the period beginning on the first Valuation Date occurring at least 12 months subsequent to the Participant's Benefit Commencement Date and ending on the last day as of which benefits are paid to either the Participant or his or her Beneficiary, the Participant's then monthly retirement income shall be multiplied by a fraction, the numerator of which is the Consumer Price Index (as defined herein) as of the January 1 preceding such Valuation Date, and the denominator of which is the Consumer Price Index (as defined herein) as of the January 1 preceding the immediately preceding Valuation Date; provided, however, that no such cost of living adjustment shall cause a Participant's annual retirement income as of any May 1, to increase more than four percent over the annual retirement income payable as of the preceding May 1.

(B) Benefit Decrease - If the Consumer Price Index decreases between Valuation Dates, the corresponding decrease in the Participant's or Beneficiary's annual benefit shall not be greater than either: (i) four percent, multiplied by the Participant's or Beneficiary's annual benefit as of the earlier Valuation Date, or (ii) such amount which would cause the Participant or Beneficiary's benefit following the adjustment to be less than the Participant's annual benefit on the Benefit Commencement Date.

(C) Consumer Price Index - The Consumer Price Index to be used in the index for all urban consumers (CPI-U, all items (1967=100), published by the Bureau of Labor Statistics; and the CPI-U as of any Valuation Date means the index reading on the last day

of January preceding such Valuation Date. In the event the Bureau of Labor Statistics abandons publication of the CPI-U, the County shall adopt any other index which, in its judgment, provides an accurate measure of cost-of-living changes.

(D) Notwithstanding Section 1.2 of the Plan, the annual retirement income of a Participant who retired prior to July 1, 1995 and whose annual adjustments for cost of living were limited so as not to cause the Participant's annual retirement income, as determined at the time of the Participant's Retirement Date, to increase by more than 150% shall be adjusted effective July 1, 1995. The adjustment shall equal the Participant's annual retirement income as of June 30, 1995 multiplied by a fraction, the numerator of which is the Consumer Price Index (as defined herein) as of January 1, 1995 and the denominator of which is the Consumer Price Index (as defined herein) as of January 1, 1994. The adjustment described in this Section 4.6(D) shall be subject to the limitations set forth in Section 4.5.

DEFERRED RETIREMENT OPTION PROGRAM - SECTION 4A

4A.1 Definitions. In this section, the following words have the meanings indicated:

(A) "DROP" means the Deferred Retirement Option Program established pursuant to this Section.

(B) "DROP Account" means the account established for the DROP Participant in accordance with Section 4A.7.

(C) "DROP Effective Date" means April 1, 2007.

(D) "DROP Participant" means a Participant in the Plan who:

(1) is eligible to participate in DROP as provided in this Section 4A; and

(2) elects to participate in DROP as provided in this Section 4A.

4A.2 Eligibility

A Participant in the Plan is eligible to participate in DROP if the Participant:

(A) Is a Sworn Employee other than the Sheriff; and

(B) Either:

(1) Has attained either the age or service requirement for the Participant's Normal Retirement Date, as of the DROP Effective Date, or

(2) Attains either the age or service requirement for the Participant's Normal Retirement Date after the DROP Effective Date.

4A.3 Election

An eligible Participant may elect to participate in DROP for a period of five years.

4A.4 Application

An eligible Participant who elects to participate in DROP shall:

(A) complete a written election form to the employee designated by the Retirement Plan Committee (the "DROP Coordinator") on a form approved by or acceptable to the Retirement Plan Committee, stating:

(1) the Participant's intention to participate in DROP;

(2) the date, which shall be the first day of a month, when the Participant desires to begin participation in DROP; and

(3) such other information required by the Retirement Plan Committee to implement DROP with respect to the Participant, including a binding letter of resignation accepted by the Sheriff, in accordance with the Sheriff's Office policies and procedures then in effect, setting forth the date the Participant intends to terminate employment following completion of the five year DROP period;

and

(B) submit the application to the DROP Coordinator no later than the first day of the month that is three months prior to the first day of the month coincident with the date the Participant elects to begin participation in DROP. If the due date for the election falls on a Saturday, Sunday or day when the County's offices are closed, the due date shall be the next day during which the County's offices are open.

4A.5 Irrevocability of Election

A Participant's election to participate in DROP is irrevocable as of the effective date of the Participant's participation in DROP.

4A.6 Termination of Participation

Participation in DROP terminates when the DROP Participant reaches a Termination Date.

4A.7 Payment of Retirement Benefit, Accrual of Service Credit, Disposition of Other Benefits During DROP Participation.

(A) As of the effective date of participation in DROP, the DROP Participant's normal retirement benefit as provided for in Section 4.1, with the adjustment for unused sick leave pursuant to Section 4.1(A)(1)(c), shall be determined.

(B) During the period of the DROP Participant's participation in DROP, the Trustees shall:

(1) Credit the DROP Participant's monthly retirement income determined pursuant to Section 4.1, with the adjustment for unused sick leave pursuant to Section 4.1(A)(1)(c) determined as of the DROP Participant's date of participation in DROP, to a DROP Account for the benefit of the DROP Participant;

(2) Credit the County pick-up contributions made on behalf of the DROP Participant pursuant to Section 7.4(A) to a DROP Account for the benefit of the DROP Participant;

(3) Credit the DROP Participant's DROP Account with seven percent interest, compounded annually as of each July 1 following the DROP Participant's effective date of participation in DROP; and

(4) Annually adjust the DROP Participant's credit to the DROP account for monthly retirement income under Section 4A.7(B)(1) for cost of living increases in accordance with Section 4.6.

(C) A DROP Participant will not accrue credit for Years of Service during the period of DROP participation.

(D) A DROP Participant's Earnings during the period of DROP participation:

(1) Shall be subject to the County pick up contributions provided for in Section 7.4(A); and

(2) Shall not be used to increase the DROP Participant's Final Average Earnings.

(E) If during the period of a DROP Participant's participation in DROP, the Participant reaches a Termination Date by reason of Total and Permanent Disability in accordance with Section 5, the Participant shall receive the benefit calculated pursuant to Section 5, based upon the Participant's actual Years of Service, if applicable, and Final Average Earnings earned through the Termination Date and calculated as if the DROP Participant had not elected to participate in DROP. A DROP Participant who reaches a Termination Date by reason of Total and Permanent Disability will forfeit his or her DROP Account. The benefits payable pursuant to this Section 4A.7(E) shall commence being paid when benefits would otherwise be payable pursuant to Section 5.

(F) If during the period of a DROP Participant's participation in DROP, the Participant reaches a Termination Date by reason of death, the Participant's Beneficiary or surviving spouse or children, as applicable, will receive the benefit described in Section 8, based upon the Participant's actual Years of Service, if applicable, and Final Average Earnings earned through the Termination Date and calculated as if the DROP Participant had not elected to participate in DROP. The DROP Account of a DROP Participant who reaches a Termination Date by reason of death will be forfeited.

4A.8 Payment of Retirement Income and DROP Account At Termination Date

(A) Upon the termination of a DROP Participant's employment with the County, for reasons other than death or disability, the Trustees shall pay to the Participant the amount accrued in the DROP Account for the DROP Participant, determined in accordance with Section 4A.7, as adjusted for interest determined pursuant to Section 4A.7(B)(3) through the last day of the month preceding the date of payment, as elected by the DROP Participant, in the form of:

(1) An Eligible Rollover Distribution, pursuant to Section 10.3; or

(2) A lump sum distribution, reduced by any withholding taxes.

(B) Upon the termination of a DROP Participant's employment with the County for reasons other than death or disability, upon, or prior to, the fifth anniversary of the DROP Participant's participation in DROP, the Participant will receive the monthly retirement income determined in accordance with Section 4.1, or in an optional form of payment as elected by the Participant pursuant to Section 10.1, as adjusted for cost of living increases pursuant to Section 4.6 and as adjusted for hours of unused sick leave, pursuant to Section 4.1(A)(c), based upon the DROP Participant's unused sick leave as of the DROP Participant's Termination Date. The DROP Participant's DROP Account will not be affected by the changes in the DROP Participant's unused sick leave during the period of participation in DROP.

4A.9 Limitations; Other Benefits of Employment; Segregation of Assets

(A) The benefits payable pursuant to this Section 4A shall be adjusted, if necessary, to conform to the limitations on the accrual of benefits pursuant to Section 4.5.

(B) During the period of a DROP Participant's participation in DROP, the DROP Participant shall continue to be eligible to participate in any health and welfare plan and deferred compensation plan, and receive any other benefits otherwise available to Sheriff's Office employees who are Sworn Participants and shall continue to be subject to the personnel laws, regulations and policies applicable to an Employee.

(C) The DROP Account is maintained solely for purposes of accounting for the DROP Participant's benefit from DROP. The Trustees shall be under no obligation to segregate funds from the Plan assets for the Participant's DROP Account.

DISABILITY RETIREMENT INCOME - SECTION 5

5.1 Disability Benefits - The Plan shall pay disability retirement benefits determined in accordance with the following provisions:

(A) Line of Duty Total and Permanent Disability: If a Participant (regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Total and Permanent Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) 66-2/3%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amounts the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Total and Permanent Disability, plus

(c) 100% of the amounts the Participant receives by virtue of participation in any long term disability plan sponsored by the Employer, plus

(d) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(B) Line of Duty Permanent Partial Disability: If a Participant (other than a Participant employed in the Eligible Class of Communications Dispatcher and regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Permanent Partial Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Participant's disability, but shall be

no less than 15% and no greater than 50%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Permanent Partial Disability, plus

(c) 100% of the amount the Participant receives by virtue of participation in any long term disability plan sponsored by the Employer, plus

(d) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(C) Non-Line of Duty Total and Permanent Disability: If a Participant reaches a Termination Date by reason of a Total and Permanent Disability, after earning at least five Years of Service, and the Total and Permanent Disability was not sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Total and Permanent Disability, plus

(c) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

(D) Non-Line of Duty Permanent Partial Disability: If a Participant (other than a Participant employed in the Eligible Class of Communications Dispatcher) reaches a Termination Date by reason of a Permanent Partial Disability, after earning at least five Years of Service, and the Permanent Partial Disability was not sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Permanent Partial Disability, plus

(c) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

Notwithstanding the foregoing, a Disability which is not a Total and Permanent Disability and which is not sustained in the line of duty, shall not be deemed to be a Permanent Partial Disability unless it is determined to be a catastrophic disability.

"Catastrophic disability" means 100% loss of use of a limb, total loss of hearing in both ears, or blindness.

For purposes of this Section 5, "blindness" means, at a minimum, a physician's diagnosis of blindness within the meaning of Code section 63(f)(4), or any successor statute.

5.2 General Provisions Pertaining to All Disability Benefits

(A) Unless otherwise required by law, disability benefits shall not be payable on account of any injury or disease which:

(1) Resulted from or consists of stress, chronic alcoholism or addiction to narcotics;

(2) Was contracted, suffered or incurred while the Participant was engaged in, or resulted from his or her having engaged in, a felonious act;

(3) Was intentionally self-inflicted; or

(4) Was contracted, suffered or incurred while the Participant served in the armed forces.

5.3 General Provisions Pertaining Solely to Line of Duty Disability Benefits

Unless otherwise required by law, disability benefits shall not be payable on account of a disability which is the natural and proximate result of, or an aggravation of, a physical or mental condition which existed at the time the Participant commenced Service in an Eligible Class.

CREDITED SERVICE - SECTION 6

6.1 Credit for Service

Except as otherwise provided in this Section 6 or in Section 3, a Participant will receive credit only for Years of Service.

6.2 Credit for Service With Other Employers

(A) Transfer of Credited Service - From Another Government Employer

(1) Conditions for Transfer

A Participant may elect to receive credit for service (whether or not it would be considered a Year of Service under this Plan had it been performed for the Employer) transferred from another Government Employer provided there is no break in employment between the Participant's employment with such other Government Employer and commencement of Service for the Employer, but only to the extent and under the conditions the Plan is required to permit the Employee to make such an election under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute, but without regard to Section 37-204, or any successor statute.

(2) Amount of Credited Service

For service transferred pursuant to Section 6.2(A)(1), the Participant shall receive credit for Years of Service to the extent required under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute. Notwithstanding the foregoing, the provisions of this Section 6.2(A) shall not apply to any person who becomes a Sworn Participant on or after July 1, 1996.

(B) Transfer of Credited Service for County - Non-Sworn Participants

(1) Conditions for Transfer

A Non-Sworn Participant may elect to receive credit for service (whether or not it would be considered a Year of Service under this Plan) previously credited to the Participant under the County Plan, provided: (a) there is no break in employment between the Participant's employment for the County as an Employee eligible to participate in the County Plan and the Non-Sworn Participant's employment for the Employer in an Eligible Class, (b) the County Plan provides for the transfer of credit for service and funds to this Plan, and (c) there is a complete forfeiture of benefits and service credits under the County Plan.

Credit for Years of Service shall be granted to any Non-Sworn Participant who irrevocably elects, within the later of: (a) one year of first performing Service as an Employee in the Eligible Class of Corrections Officer or Communications Dispatcher, or (b) 90 days after June 25, 1996, to transfer to this Plan the present value of the Non-Sworn Participant's accrued benefit under the County Plan, including the amount of any Participant contributions made to the County Plan, together with interest previously credited by the County Plan. If such service is transferred and recognized under the Plan, the number of Years of Service credited and the amount of the benefit payable to the Non-Sworn Participant pursuant to Sections 4.1 shall be adjusted to reflect the transfer.

(2) Amount of Credited Service

For service transferred pursuant to Section 6.2(B)(1), the Participant shall receive credit for Years of Service to the extent required under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute.

(C) Transfer of Credited Service for County - Sworn Participants

(1) Conditions for Transfer

A Sworn Participant may elect to receive credit for service (whether or not it would be considered a Year of Service under this Plan) previously credited to the Participant under the County Plan, provided: (a) there is no break in employment between the Participant's employment for the County as an Employee eligible to participate in the County Plan and the Sworn Participant's employment for the Employer in an Eligible Class, (b) the County Plan provides for the transfer of credit for service and funds to this Plan , and (c) there is a complete forfeiture of benefits and service credits under the County Plan.

Credit for Years of Service shall be granted to any Sworn Participant who irrevocably elects, within one year of first performing Service as an Employee in the Eligible Class of a Sworn Employee of the Sheriff's Office, to transfer to this Plan the present value of the Sworn Participant's accrued benefit under the County Plan, including the amount of any Participant contributions made to the County Plan, together with interest previously credited by the County Plan. If such service is transferred and recognized under the Plan, the number of Years of Service credited and the amount of the benefit payable to the Sworn Participant pursuant to Sections 4.1 shall be adjusted to reflect the transfer.

(2) Amount of Credited Service

The Years of Service transferred pursuant to Section 6.2(C)(1) shall be calculated in accordance with the following provisions:

(a) The Sworn Participant shall receive full credit for Years of Service for purposes of determining the Participant's Vesting Percentage. For purposes of determining whether the Participant has reached a Normal Retirement Date or Early Retirement Date, the Sworn Participant will receive full credit for Years of Service transferred to a maximum of five years. For purposes of determining the amount of the benefit payable to the Participant pursuant to Section 4.1, the Participant shall receive credit for Years of Service to the extent required under the provisions of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute

(D) Retirement Within Five Years of Service Transfer

Notwithstanding any other provision of this Section 6.2, other than this Section 6.2(D), if a Participant retires (within the meaning of Title 37 of the State Personnel and Pensions Article of the Annotated Code of Maryland, or any successor statute) within five years after the date of transferring service into this Plan pursuant to any provision of this Section 6.2, the portion of the Participant's Accrued Benefit payable with respect to the transferred service credit may not be greater than the benefits that would have been payable by the other Government Employer Retirement Plan or the County Plan with respect to that service if the Participant had remained a participant in the other Government Employer Retirement Plan or the County Plan.

(E) Transfers of Credited Service to Other Plans

If a Participant's terminates employment for the Employer in an Eligible Class, but either: (1) remains an Employee and becomes a Participant in the County Plan, or (2) ceases to be an Employee but becomes an employee of a Government Employer and becomes eligible to participate in a Government Employer Retirement Plan, the Participant may elect to transfer service earned under this Plan to such other Government Employer Retirement Plan.

(F) Military Service

An Employee may elect to receive credit for up to three additional Years of Service, on the basis of Military Service as follows (subject to any applicable law which mandates additional benefits):

(1) If a Participant's service with the Employer is interrupted by Military Service, the Participant will receive credit for Years of Service to the extent of the amount of Military Service (to a maximum of three Years of Service, unless a greater amount of service credit is required by law), provided that the Participant resumes employment with the County within one year of discharge from Military Service, and provided the Participant repays to the Plan the amount of any Cash-Out, made to the Participant on account of the Participant's Military Service, plus interest compounded monthly at the rate of 7.25% per year.

(2) If a Participant's Military Service precedes the date the Participant commenced Service for the Employer, the Participant may elect to receive credit for Years of Service, for benefit accrual purposes only, to the extent of the amount of Military Service (to a maximum of three years) provided that the Participant earns 10 Years of Service other than with respect to credit received for Military Service.

(3) A Participant may not receive additional service credit for Military Service if the Participant is entitled to receive a benefit (except for disability benefits, Social Security benefits or benefits under the National Railroad Retirement, National Guard or military reserve) from another retirement system, on account of the Military Service.

(4) Notwithstanding Section 1.2 of the Plan, the annual retirement income of a Participant who retired prior to July 1, 1995 and who elected effective July 1, 1995 to receive credit for up to three additional Years of Service for Military Service shall be increased effective July 1, 1995 to reflect the additional credit, and shall be adjusted for cost of living in accordance with Section 4.6 effective beginning May 1, 1996.

Notwithstanding anything contained in this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

(G) Adjustments to Monthly Retirement Income

A Participant's monthly retirement income calculated pursuant to Section 4.1 shall be adjusted with respect to service transferred pursuant to Section 6.2(A). A Participant's monthly retirement income shall be reduced by the actuarial equivalent of the accumulated contributions that would have been deducted from the participant's compensation, plus interest, if the participant had earned the service transferred pursuant to Section 6.2(A) as a Participant. For purposes of this Section 6.2(G), the rate of interest shall equal the rate set forth in the definition of "Adjustment Factor" in Section II. The actuarial equivalent of the accumulated contributions will be determined using the Adjustment Factors set forth in Section II.

6.3 Purchase of Credited Service

A Participant who is employed by the Employer in the Eligible Class of either Correctional Officer or Communications Dispatcher is eligible to purchase credit for Years of Service under this Plan, provided:

(A) Credit for such Service has not previously been recognized under Section 6.2 because the Participant did not make the participant contributions required to be made to the County Plan,

(B) The Participant made an irrevocable election on or about July 1, 1995 to purchase credit for service hereunder and agreed to make payments to the Plan of amounts equal to the amount of contributions which would have been paid by the Participant to the County Plan if the Participant had, at the time of participation in that Plan, elected to make Participant contributions, plus interest at the rate of 7.25% compounded annually, and

(C) The Participant pays over to the Plan an amount equal to the amount determined under Section 6.3(B), plus interest on any unpaid balance, compounded monthly at the rate of 7.25 percent. Payments may be made in the form of either a lump sum or installments over a period not longer than the greater of: (1) three years, or (2) a period of time which will allow the Participant to purchase credit for service without violating the restrictions of Section 4.5, or a combination of both forms of payment.

6.4 Fractional Credit for Service

For purposes of determining: (A) whether a Participant has reached a Normal Retirement Date or Early Retirement Date, (B) the Participant's Vested Percentage or (C) the amount of a Participant's annual retirement income pursuant to Section 4, a Participant shall receive fractional credit equal to 1/12th of a Year of Service for each calendar month during which the Participant was an Employee for at least one-half of the month.

FUNDING OF BENEFITS - SECTION 7

7.1 Payment of Contributions

The funding of the Plan and payment of benefits hereunder shall be provided for through the medium of the Fund. The Fund shall accept transfer of funds from the County Plan consistent with the elections made by Participants pursuant to Section 6.2 of the Plan. The County, from time to time, shall make contributions to the Fund in amounts determined, in accordance with generally accepted actuarial principles, to be sufficient to support the contributions required under Section 7.4, and the contributions and transfers made pursuant to Section 7.5, and to fund the benefits provided by the plan.

7.2 Disposition of Forfeitures

Any forfeiture arising under the provisions of the Plan shall be used to reduce the then current or future costs of funding the benefits provided in the Plan.

7.3 Actuarial Examination

The County shall, at least once every Plan Year, cause the liabilities of the Plan to be evaluated by a qualified actuary who shall report to the County as to the amount of the Fund assets in relation to the said liabilities and the amount of the annual County contribution sufficient to meet the requirements of Section 7.1.

7.4 Pick-Up Contributions

Under limited circumstances described below, Participant contributions and monies from other retirement plans may be transferred to the Fund.

(A) County Pick-Up Contributions

With respect to pay periods ending prior to July 3, 1999 and in accordance with rules established by the County, each Participant shall make contributions to the Plan equal to 7% of Earnings. With respect to pay periods beginning July 3, 1999 and thereafter and in accordance with rules established by the County, each Sworn Participant shall make contributions to the Plan equal to 8% of Earnings. With respect to pay periods beginning July 3, 1999 and thereafter and in accordance with rules established by the County, each Non-Sworn Participant shall make contributions to the Plan equal to 7% of Earnings. The Participant contributions referred to in this Section 7.4 shall be picked up by the County, as described in Code section 414(h)(2), deducted from the pay of the contributing Participants as salary reduction contributions, and paid by the County to the Fund with reasonable promptness after the total of such contributions during any month has been determined, and in any event by the end of the succeeding month. The

contributions made pursuant to this Section 7.4 shall be made a part of the Participant's Employee Contributions Benefit, and as such, a part of the Participant's Accrued Benefit.

(B) Suspension of Contributions

Participants' salary reduction contributions shall be automatically suspended for any payroll period during which he or she is not employed as an Employee in an Eligible Class or during which the Employee is on an unpaid leave of absence.

(C) Withdrawals of Pick-Up Contributions

A Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(D) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 6.4, then, the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(E) Vesting of Pick-Up Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions, picked up by the County and made or transferred to the Plan, shall be fully vested at all times.

(F) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of the Participant's death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

(G) Plan Termination

In the event of a termination of the Plan, distribution to each Participant of the portion of his or her Accrued Benefit attributable to contributions picked up by the County shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund, other than those attributable to contributions made pursuant to Section 7.5

7.5 Other Participant Contributions

In accordance with Section 6.3 of this Plan, other Participant contributions may be accepted by the Plan.

(A) Characterization

The contributions made pursuant to this Section 7.5 shall be distinct from those made pursuant to Section 7.4 as to the character of such contributions. Whereas Section 7.4 contributions shall be classified as County contributions picked up from the pay of Participants, contributions made pursuant to this Section 7.5 shall be after-tax contributions either made directly by the Participant or, in some cases, transferred from a retirement plan sponsored by another government employer.

(B) Procedures

All Participant contributions or transfers made pursuant to this Section 7.5 shall be paid to the Fund or, in the case of Participant contributions made in the form of payroll deductions, withheld by the County and remitted to the Fund.

(C) Separate Accounting

Participant contributions, whether made directly or transferred from another retirement plan shall be made a part of the Participant's Employee Contributions Benefit, which shall be a part of the Accrued Benefit of the Participant.

(D) Withdrawals of Participant Contributions

A Participant who has reached a Termination Date may elect, at any time, to receive a Cash-Out of the Participant's Employee Contributions Benefit, by filing a written notice of such election with the Plan Administrator. Such Cash-Out shall constitute full payment of all benefits due to such Participant under the Plan.

(E) Forfeiture of Remaining Accrued Benefit

In the event of a Cash-Out to a Participant pursuant to this Section 7.5, then the entire remaining portion of the Participant's Accrued Benefit shall be forfeited.

(F) Vesting of Participant Contributions

Notwithstanding any provisions of this Plan to the contrary, Participant contributions made to the Plan pursuant to this Section 7.5 shall be fully vested at all times.

(G) Payment of Benefits

Subject to the right of withdrawal described above, the benefits purchased from the Participant's contributions shall be payable at the same time, in the same manner, and, in the event of his or her death, to the same Beneficiary or Beneficiaries, as is the remainder of the Participant's Accrued Benefit.

(H) Plan Termination

In the event of a termination of the Plan, distribution of the portion of each Participant's Accrued Benefit attributable to Participant contributions shall, notwithstanding any other provision of Section 14, be treated as a priority distribution ahead of any other distribution to Participants based upon the remainder of the Fund.

7.6 No Rollover or Transfer Contributions

Notwithstanding the provisions of Section 7.5, and except as otherwise may be required by Section 6.2, no Participant may cause this Plan to accept a rollover or transfer of funds from other qualified retirement plans, deferred compensation plans, tax deferred annuities or individual retirement accounts.

DEATH BENEFITS - SECTION 8

8.1 Preretirement Spouse Benefit

(A) Eligibility

Upon the death of a Participant prior to his or her Retirement Date or Normal Retirement Date, whichever is earlier, the Participant's Spouse will receive a Preretirement Spouse Benefit as described below, if all of the following applicable requirements were met on the date of the Participant's death:

(1) The Participant had not attained his or her Retirement Date or Normal Retirement Date, whichever is earlier,

(2) The Participant had been married to a Spouse for at least one year, and

(3) The Participant had not terminated Service for the Employer in an Eligible Class.

Upon the death of a Participant whose Spouse does not survive him or her, or in the event of the Spouse's death after the Participant's death, each Dependent Child shall be eligible to have an equal share of the Participant's Spouse Benefit provided for him or her.

(B) Amount of Benefit

In the case of a Participant whose death is directly related to an on-duty cause, the annual retirement income will be equal to 66-2/3% of the Participant's Final Average Earnings, less any survivor benefits payable under the federal Social Security Act.

In the case of a Participant whose death is not directly related to an on-duty cause, the yearly amount will be equal to 100% of the retirement income the Participant would have received in accordance with Section 4.1 of this Plan, based on Service earned as of the first day of the month on or next preceding the date of the Participant's death.

If the surviving Spouse is ten or more years younger than the Participant, the benefit payable to the surviving Spouse will be reduced by one percent for each full year in excess of nine years that the surviving Spouse is younger than the Participant.

If the Preretirement Spouse Benefit is to be provided to more than one Dependent Child, the benefit shall be divided equally among the Participant's Dependent Children.

(C) Payment of Benefit

The Preretirement Spouse Benefit will be payable on a monthly basis and each payment will be equal to 1/12th of the annual benefit. The initial monthly payment will be made as of the first day of the month next following the Participant's or Spouse's death, as the case may be, with subsequent monthly payments being made as of the first day of the month thereafter, until the earlier of the following dates:

(1) The date of the Spouse's death, but only if the Participant is not survived by Dependent Children,

(2) The date of the Spouse's remarriage, or

(3) The earlier of: (1) the date a Dependent Child receiving benefits ceases to qualify as a "Dependent Child" pursuant to Section 2, or (2) the date of such Dependent Child's death, but only with respect to payments being made to such Dependent Child.

When the final retirement income payment has been made under the Preretirement Spouse Benefit (including payments to Dependent Children, if any) the Participant's Beneficiary will receive a refund equal to the excess, if any, of (1) over (2), below, where:

"(1)" Is the Participant's Employee Contributions Benefit together with interest computed thereon to the date of the Participant's death, and

"(2)" Is the sum of the retirement income payments made through the date of the Participant's death.

However, no such refund will be paid if the Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

In the event that, as a result of implementation of a Qualified Domestic Relations Order, as defined in Code section 414(p), more than one individual is to be treated as the Spouse of a Participant for purposes of this Preretirement Spouse Benefit, the total amount that will be paid as a Preretirement Spouse Benefit to such individuals will not exceed the amount payable if there were only one Spouse. In such situation, the amount payable to each individual shall be based on the life expectancy of each such individual.

8.2 Other Death Benefits

(A) Death Before Retirement Date

(1) If a Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is married as of the date of death, the Participant's Spouse will be eligible to receive retirement income if the Preretirement Spouse Benefit described in Section 8.1 is in effect.

(2) If a Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier, and is not married or the Participant's Spouse is not eligible to receive retirement income payments under the Preretirement Spouse Benefit, the Participant's Beneficiary will receive a Cash-Out of his or her Employee Contributions Benefit together with interest computed thereon to the date of the Participant's death. However, no such refund will be paid if the Participant had previously elected to receive a Cash-Out of his or her Employee Contributions Benefit.

(B) Death After Normal Retirement Date

(1) If a Participant dies on or after his or her Normal Retirement Date (determined without regard as to whether the Participant had reached a Termination Date), but before his or her Retirement Date and an optional form of payment is in effect upon such Participant's death pursuant to Section 10, any benefit payable will be paid in accordance with such form.

(2) If a Participant who is not married dies on or after his or her Normal Retirement Date (determined without regard as to whether the Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Participant's Beneficiary will receive a Cash-Out of the Participant's Employee Contributions Benefit together with interest computed thereon to the date of the Participant's death.

(3) If a Participant who is married dies on or after his or her Normal Retirement Date (determined without regard to whether the Participant had reached a Termination Date), but before his or her Retirement Date and no optional form of payment is in effect, the Participant's Spouse will receive a benefit equal to the benefit the Spouse would have received if the Participant had reached a Termination Date on the day before his or her death and had elected to receive payment of benefits in the form of a Joint and Survivor Benefit Option with a 100% benefit continuing to the Participant's Spouse.

8.3 Death Benefits Following Disability

(A) If a Participant dies while receiving disability benefits pursuant to Section 5 of this Plan, one-half on the Participant's annual disability retirement income will continue to be paid:

(1) To the Participant's Spouse if the Participant is married on the date of death, until the first day of the month preceding the earlier of: (a) the Spouse's death, or (b) the Spouse's remarriage prior to his or her attaining age 60, or

(2) If the Participant is not married on the date of death, or if the Participant's Spouse dies after beginning to receive the annual disability retirement income, but before all of the Participant's Dependent Children attain age 18, the annual disability retirement income will be equally divided among the Participant's surviving children under the age of 18 and paid to the surviving children under the age of 18 until the youngest of the Dependent Children of the Participant attains age 18. Payments to a surviving child of the Participant will cease as of the first day of the month preceding such child's eighteenth birthday and the annual disability retirement income will then be paid to the remaining child or divided among the remaining children of the Participant who is or are under the age of 18. Payment of the annual disability retirement income will continue until the first day of the month preceding the date the Participant's youngest child attains age 18.

(B) If a Participant dies while receiving disability benefits pursuant to Section 5 of this Plan, and is not survived by either a Spouse or a least one child under the age of 18, no death benefits will be payable.

8.4 Beneficiary

If a death benefit may become payable to a Beneficiary of a Participant, the Participant shall designate a Beneficiary and may change from time to time the designation of Beneficiary by filing a written notice with the Employer.

If a death benefit becomes payable upon the death of the Participant, and is not automatically paid to the surviving Spouse or children of the Participant pursuant to another provision of this Plan, it shall be paid to the Beneficiary most recently designated by the Participant, if then living. If a designated Beneficiary is not living at the time such a death benefit becomes payable, or if no Beneficiary has been designated, the death benefit shall be paid to the Participant's Spouse, if living; otherwise in equal shares to surviving children of the Participant; and in the event none of the these individuals survives the Participant, the death benefit shall be paid to the executor or administrator of the Participant's estate.

NORMAL FORM OF PAYMENT - SECTION 9

9.1 Normal Form of Payment - Modified Cash Refund

The normal form of payment is the Modified Cash Refund form. This form of payment provides that payments will be made to a Participant in a level amount during the Participant's lifetime. Upon the Participant's death, there will be paid to his or her Beneficiary an amount equal to the excess, if any, of the Participant's Employee Contributions Benefit, together with interest computed thereon to his or her Retirement Date, over the sum of all retirement income payments made to the Participant through the date of the Participant's death.

9.2 Optional Forms of Payment

In lieu of receiving retirement income payments in the Modified Cash Refund form, a Participant may elect to receive a benefit of equal value, as determined by application of the Adjustment Factors and based on one of the optional forms of payment provided in accordance with Section 10.

9.3 Election of Option

The Participant may elect or revoke an election to receive payment in an optional form during the 90-day period before his or her Retirement Date by filing a written election with the Employer. However, a Participant may not elect more than one option to be effective at one time. The Participant's election becomes irrevocable upon his or her Retirement Date. If a Participant elects an optional form of payment, the value of retirement income payable to the Participant, as determined by application of the Adjustment Factors, must be more than 50% of the value of retirement income payable to the Participant had the option not been elected, as determined by application of the Adjustment Factors, unless the alternate recipient is the Participant's Spouse.

9.4 Payment of Retirement Income to Participant

A Participant's retirement income will be payable monthly with each payment equivalent to 1/12th of the annual amount. The first of such monthly payments will be made at the Participant's Retirement Date, with subsequent monthly payments being made on the first day of each month thereafter until the Participant's date of death.

Unless the Participant elects otherwise, the payment of retirement income shall commence not later than the 60th day after the latest of the close of the Plan Year in which:

(A) The Participant attains the earlier of: (1) age 65, or (2) the Participant's Normal Retirement Date,

(B) Occurs the tenth anniversary of the year in which the Participant commenced participation in the Plan, or

(C) The Participant reaches a Termination Date.

9.5 Minimum Distribution Requirements - Lifetime Benefits

Notwithstanding any other provision in the Plan to the contrary, distribution shall be made only in accordance with regulations prescribed by the Internal Revenue Service under Code section 401(a)(9). To the extent required thereby, distribution of benefits shall comply with the following limitations:

(A) Except as otherwise provided below, distribution shall begin not later than the calendar year (hereinafter referred to as the "Commencement Year") in which the Participant reaches age 70-1/2 or in which the Participant subsequently retires. Distribution shall be made over the life of the Participant or the lives of the Participant and the Participant's Beneficiary, and/or over a period certain not extending beyond the life expectancy of the Participant or the joint life and last survivor expectancy of the Participant and the Participant's Beneficiary, all as described in Treasury Regulation § 1.401(a)(9)-1, or, if shorter, the alternate period described in Treasury Regulation § 1.401(a)(9)-2.

(B) A required distribution shall be deemed to have been made during the Commencement Year if actually made by the following April 1, but such delayed distribution shall not change the amount of such distribution, and the distribution otherwise required during the subsequent calendar year shall be calculated as if the first distribution had been made on the last day of the Commencement Year.

(C) Benefits paid prior to the Commencement Year shall reduce the aggregate amount subject to (but shall not otherwise negate) the minimum distribution requirements described herein.

(D) Nothing contained in this Section 9.5 shall prevent distribution of annuity benefits providing for non-increasing payments (except as otherwise permitted in Treasury Regulation 1.401(a)(9)-1) payments beginning not later than the Commencement Year (except as provided in (C) above) and payable at least annually over a period permitted by this Section 9.5 (for which purpose, if benefit commencement under the annuity precedes the Commencement Year, each relevant life expectancy shall be based on the individual's attained age as of the birthday occurring in the calendar year in which benefit commencement occurs). Any benefits accruing after the Commencement Year shall be treated as a separate identifiable component distributable in accordance with this Section 9.5 beginning in the Payment Year following the year of accrual.

(E) If the provisions of this Section 9.5 require the commencement of benefits to a Participant who has not yet reached a Termination Date, distribution shall be made or commenced in accordance with this Section 9.5 as if the Participant had retired on the last day of the Commencement Year. However, notwithstanding the commencement of benefits pursuant to this Section 9.5, all other aspects of the Participant's Plan participation shall continue in accordance with the remaining provisions of the Plan. The equivalent value of any additional benefits which may accrue to the Participant pursuant to Section 4.3 after benefits have been paid or commenced by reason of this Section 9.5 shall increase the amount of periodic benefit payments being received by the Participant under the Plan.

(F) With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Code in accordance with the Treasury Regulations under Section 401(a)(9) of the Code that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations promulgated under Section 401(a)(9) of the Code, or such other date as may be specified in guidance published by the Internal Revenue Service.

(G) Notwithstanding any other provision in the Plan to the contrary, distributions shall be made in accordance with a reasonable, good faith interpretation of Code section 401(a)(9).

9.6 Minimum Distribution Requirements - Death Benefits

All death benefits payable pursuant to this Plan shall be distributed only in accordance with regulations prescribed by the Internal Revenue Service under Code section 401(a)(9). To the extent required thereby, such benefits shall be distributed in full not later than the last day of the calendar year containing the fifth anniversary of the death of the Participant, except as follows:

(A) Unless the Participant or the Participant's Beneficiary irrevocably elects pursuant to any elective provision which may be then present in the Plan (which election must be made prior to the earliest date on which distribution would be otherwise required pursuant to this Section 9.6) to have the aforesaid five year limit apply, benefits payable to or for the benefit of the Participant's Beneficiary, and which begin not later than the last day of the calendar year containing the first anniversary of the Participant's death, may be distributed over the life of the Beneficiary or a period certain not extending beyond the life expectancy of the Beneficiary, under a method of distribution which meets the requirements of Section 9.5 (but with life expectancy based upon the Beneficiary's attained age as of the Beneficiary's birthday in the calendar year in which falls: (i) the date on which non-annuity benefits are required to commence pursuant to this Section 9.6, or (ii) if earlier, the date on which annuity benefits actually commence).

(B) If the Participant's Beneficiary is a surviving Spouse, then, unless the Participant or the Participant's Spouse irrevocably elects pursuant to any elective provision which may be then present in the Plan (which election must be made prior to the earliest date on which distribution would be otherwise required pursuant to this Section 9.6) to have the aforesaid five year limit apply, benefits payable to or for the benefit of the Spouse, and which begin not later than the later of the last day of the calendar year containing the first anniversary of the Participant's death, or the last day of the calendar year in which the Participant would have reached age 70-1/2, may be distributed over the life of the surviving Spouse or a period certain not extending beyond the life expectancy of the surviving Spouse, under a method of distribution which meets the requirements of Section 9.5 (but with life expectancy based upon the Spouse's attained age as of the Spouse's birthday in the calendar year in which falls: (i) the date on which non-annuity benefits are required to commence pursuant to this Section 9.6, or (ii) if earlier, the date on which annuity benefits actually commence).

(C) If benefits are payable in accordance with Section 9.6(B), and the surviving Spouse dies after the Participant but prior to: (1) the date on which non-annuity benefits are required to commence pursuant to Section 9.6(B), or (2) the date on which annuity distributions meeting the requirements of Section 9.6(B) actually commence, then, in either case, the aforesaid five year limit, and the alternate limit set forth in Section 9.6(A), are to be applied as if the Spouse were the Participant, so that such limits shall be measured from the death of the Spouse.

(D) If annuity benefits meeting the requirements of Section 9.5 had commenced prior to the Participant's death, then the death benefits payable pursuant to this Plan may be distributed without regard to the aforesaid five year limit, but must be distributed to the Participant's Beneficiary at least as rapidly as they would have been under the pre-death method of distribution.

(E) Notwithstanding any other provision in the Plan to the contrary, distributions shall be made in accordance with a reasonable, good faith interpretation of Code section 401(a)(9).

9.7 RESERVED

9.8 TEFRA Transition Rule Election

Notwithstanding the other requirements of this Section 9, distribution on behalf of any Participant may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(A) The distribution by the Plan is one which would not have disqualified such Plan under Code section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984;

(B) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by the Participant's Beneficiary;

(C) Such designation was in writing, was signed by the Participant or the Beneficiary, and was made before January 1, 1984;

(D) The Participant had an Accrued Benefit under the Plan as of December 31, 1983; and

(E) The method of distribution designated by the Participant or the Beneficiary specifies: (1) the time at which distribution will commence, (2) the period over which distributions will commence and be made, and (3) in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority. The method of distribution selected must assure that at least 50% of the present value of the amount available for distribution would be payable within the life expectancy of the Participant.

A distribution upon death will not be covered by this transition rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

If a designation is revoked, any subsequent distribution must satisfy the requirements of Code section 401(a)(9), as amended. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary not named in the designation will not be considered to be a revocation of the designation for these purposes, provided such substitution or addition does not alter the period over which distributions are to be made under the designation either directly or indirectly.

RETIREMENT INCOME: OPTIONAL FORMS OF PAYMENT - SECTION 10

10.1 Contingent Pensioner Option

(A) The Participant who elects payment in the form of a Contingent Pensioner Option will receive a reduced amount of retirement income during his or her lifetime, so that after the Participant's death, retirement income will continue to be paid for the life of the Contingent Pensioner designated by the Participant. Payment will be made to the Contingent Pensioner, in an amount equal to 100%, 66-2/3% or 50% of the amount of the Participant's monthly retirement income, subject to the Participant's election.

(B) If the Contingent Pensioner Option is in effect on the Participant's Retirement Date, the amount of retirement income payable to the Participant will be determined by multiplying the amount which would otherwise be payable to the Participant, assuming the Modified Cash Refund form of payment was in effect, by the appropriate Adjustment Factor.

(C) The Contingent Pensioner Option will be inoperative if the designated Contingent Pensioner dies before the Participant's Retirement Date or the Participant dies before his or her Retirement Date and the terms of Section 10.1(D) are not applicable.

(D) If a Participant who has elected payment in the form of the Contingent Pensioner Option dies on or after his or her Normal Retirement Date but before his or her Retirement Date, his or her Contingent Pensioner will receive retirement income payments beginning on the first day of the month next following the Participant's death and continuing for the balance of his or her life. These retirement income payments will be equal to the amount which would have been payable to the Participant had the Participant retired on the first day of such month with the Contingent Pensioner Option in effect, but subject to the continuation percentage (100%, 66-2/3% or 50%) elected by the Participant.

10.2 Years Certain and Life Option

(A) The Participant who elects payment in the form of a Years Certain and Life Option will receive a reduced amount of retirement income during his or her lifetime, so that if the Participant's death occurs within the years certain period commencing upon the Participant's Retirement Date as specified in the election, retirement income payments will be paid to the Beneficiary designated by the Participant for the balance of the years certain period. The Participant may designate a years certain period of 10, 15 or 20 years. Payments to the designated Beneficiary pursuant to the Years Certain and Life Option will be equal to 100% of the payments made to the Participant during the Participant's lifetime.

(B) If the Years Certain and Life Option is in effect on the Participant's Retirement Date, the amount of retirement income payable to the Participant will be

determined by multiplying the amount which would otherwise be payable to the Participant, assuming the Modified Cash Refund form of payment was in effect, by the appropriate Adjustment Factor.

(C) The Years Certain and Life Option will be inoperative if the Participant dies before his or her Retirement Date or Normal Retirement Date, whichever is earlier.

(D) If a Participant who has elected the Years Certain and Life Option dies on or after his or her Normal Retirement Date, but before his or her Retirement Date, the Participant's Beneficiary will receive payments beginning on the first day of the month next following the Participant's death and continuing until the end of the years certain period elected by the Participant. These retirement income payments will be in the same amount as would have been payable had the Participant retired hereunder on such first day of the month with the Years Certain and Life Option in effect.

10.3 Eligible Rollover Distributions

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. For purposes of this Section 10.3, the following terms shall have the meanings indicted below:

(A) 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: 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; any distribution to the extent such distribution is required under Code section 401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(B) 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), or a qualified trust described in Code section 401(a), that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse of a Participant or former Participant, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity. With respect to distributions made after December 31, 2001, an "Eligible Retirement Plan" shall also mean an annuity contract described in Code section 403(b) and an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or

any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. With respect to distributions made after December 31, 2007, an eligible retirement plan also includes a Roth IRA described in Code section 408A. The definition of "Eligible Retirement Plan" shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Code section 414(p).

(C) Distributee - A Distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p), are Distributees with regard to the interest of the spouse or former spouse.

(D) Direct Rollover - A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

10.4 Cash-Out Option

The Cash-Out Option is a Cash-Out of the Participant's Employee Contributions Benefit in lieu of all other benefits under the Plan.

10.5 Distributions to Non-spouse Beneficiaries

This section applies to distributions made on or after July 1, 2009. Notwithstanding any provision of the plan to the contrary that would otherwise limit the options of the beneficiary of a deceased participant who is not a Distributee (within the meaning of section 10.3(C)), the Plan Administrator shall, upon the request of such a beneficiary, transfer a lump sum distribution to the trustee of an individual retirement account established under Code section 408 in accordance with the provisions of Code section 402(c)(11).

FIDUCIARY RESPONSIBILITY PROVISIONS - SECTION 11

11.1 Authority of Fiduciaries

The Commissioners have appointed certain named fiduciaries of this Plan, including the Plan Administrator and the Disability Review Board. The named fiduciary or fiduciaries, as the case may be, shall have the authority to control and manage the operation of this Plan and shall be responsible for establishing and carrying out a funding policy and method consistent with the objectives of this Plan. If more than one fiduciary has been named, this authority and responsibility shall be jointly and severally shared.

11.2 Standard of Care and Liability of the Fiduciary

(A) The fiduciary shall

(1) Discharge the fiduciary's duties solely in the interest of the participants and for the exclusive purposes of providing benefits to the participants and for reasonable expenses of administering the Plan;

(2) Discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

(3) Cause the investments of the Plan to be diversified so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so;

(4) Perform its duties in accordance with the terms of the Plan and other governing instruments insofar as consistent with applicable law; and

(5) Perform its duties in accordance with all applicable laws.

(B) The fiduciary shall not

(1) Utilize the Plan's assets in furtherance of the fiduciary's own interest or account;

(2) Act in a transaction involving the Plan on behalf of a person or represent a person, if the interest of the person are adverse to the interest of the Plan or the Plan's participants; or

(3) Receive any consideration for the fiduciary's own account from a person dealing with the Plan in connection with a transaction involving Plan assets;; or

(C) Limitation of Duties and Liability

The fiduciary shall be under no duty to defend or engage in any suit with respect to the Fund unless the fiduciary shall have first agreed in writing to do so and shall have been fully indemnified to its satisfaction. To the extent not prohibited by applicable law, the fiduciary shall not be responsible in any way for any action or omission of the County with respect to its duties and obligations as set forth in this Plan. To the extent not prohibited by applicable law, the fiduciary shall also not be responsible for any action or omission of any of their agents, or a custodian, or with respect to reliance upon the advice of counsel (whether or not such counsel is also counsel to the plan), provided that such agents, custodian or counsel were prudently chosen by the fiduciary and that the fiduciary relied in good faith upon the action of such agent or custodian, or the advice of such counsel. Notwithstanding the foregoing, the fiduciary shall not be relieved from responsibility or liability for any responsibility, obligation or duty imposed upon it under the Plan or under applicable law.

(D) A fiduciary who commits a material breach of any of its duties with respect to this Plan:

(1) Is personally liable to the Plan for any losses resulting from the breach;

(2) Shall restore to the Plan any profits derived by the fiduciary with respect to the breach; and

(3) Is subject to such other equitable or remedial relief deemed appropriate by a court of competent jurisdiction.

(E) The fiduciary is a party to this Plan solely for the purposes set forth in this Plan and to perform the acts set forth herein.

11.3 Allocation of Responsibilities Among Fiduciaries

The Commissioners may allocate fiduciary responsibilities (other than trustee responsibilities) among named fiduciaries if there is more than one. Provision may be made for named fiduciaries to designate persons other than named fiduciaries to carry out fiduciary responsibilities under the Plan. If any fiduciary responsibility of a named fiduciary is allocated to any person or a person is designated to carry out such responsibility, then such named fiduciary shall not be liable for any act or omission of such person in carrying out such responsibility.

11.4 Miscellaneous

No fiduciary guarantees the Fund in any manner against investment loss or depreciation of asset value.

Any person or group of persons may serve in more than one fiduciary capacity with respect to this Plan. A named fiduciary (or a fiduciary designated by a named fiduciary) may employ one or more persons to render advice with regard to any responsibilities such fiduciary has under the Plan. A person who is a named fiduciary with respect to control and management of the assets of the Plan may appoint an investment manager or managers to manage any assets of the Plan. Unless it shall agree to accept additional fiduciary responsibility, an insurance carrier's liability as a fiduciary is limited to that arising from its management of any assets of the Plan held by the insurance carrier in one or more of its separate accounts.

PLAN ADMINISTRATION - SECTION 12

12.1 Administrative Authority

Except as otherwise specifically provided herein, the Commissioners shall have the sole responsibility for and the sole control of the operation and administration of the Plan.

The Commissioners shall have the power and authority to take all action and to make all decisions and interpretations which may be necessary or appropriate in order to administer and operate the Plan, including, without limiting the generality of the foregoing, the power, duty and responsibility to:

(A) Resolve and determine all disputes or questions arising under the Plan, including the power to determine the rights of employees, Participants and Beneficiaries, and their respective benefits, and to remedy any ambiguities, inconsistencies or omissions,

(B) Adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the Plan and as are consistent with the Plan,

(C) Implement the Plan in accordance with its terms and such rules and regulations,

(D) Direct the Trustees with respect to the eligibility of any employee as a Participant and the crediting and distribution of the Fund, which are to be made only upon the basis of instructions from the Commissioners pursuant to the terms of the Plan, and

(E) Establish and carry out a funding policy and method consistent with the objectives of the Plan, pursuant to which the Commissioners shall determine the Plan's liquidity and financial needs and communicate them to the Trustees (or other fiduciaries who are charged with determining investment policy).

(F) Establish and delegate to various committees or review boards the power to carry out any of the functions enumerated in this Section 12.1.

12.2 Appointment of Plan Administrator

The Commissioners shall appoint a Retirement Plan Committee (the "Committee") to act as Plan Administrator of this Plan. The persons designated as a

member of the Committee shall signify acceptance of this position in writing. The Plan Administrator, and each member thereof, is a fiduciary with respect to this Plan.

Except to the extent that the County has retained any power or authority, or allocated duties and responsibilities to another administrator or other fiduciary, the Committee shall have full power and authority to administer and operate the Plan in accordance with its terms and in particular the authority contained in this Section 12, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the Plan, including, but not limited to, the Trustees, other fiduciaries, insurance companies, investment advisors, other advisors and specialists, Participants, Beneficiaries and their representatives, in accordance with the following provisions:

(A) Individuals serving on the Committee

Subject to the right of the Commissioners to remove Committee members and appoint additional members, the Committee shall consist of those individuals who hold the following positions:

(1) County Administrator, as Chairperson;
(2) Deputy County Administrator of Fiscal Services;
(3) Sheriff, or his or her designee; and
(4) Personnel Director.

In addition, the Commissioners shall appoint an Employee to serve on the Committee.

(B) Compensation; Acceptance of Duties and Responsibilities

Subject to his or her right to resign at any time, each member of the Committee shall serve without compensation paid from the Fund at the pleasure of the Commissioners, and the Commissioners may appoint, and may revoke the appointment of, additional members to serve with the Committee as may be determined to be necessary or desirable from time to time. Each member of the Committee, by accepting his or her appointment to the Committee, shall be deemed to have accepted all of the duties and responsibilities of such appointment, and to have agreed to the faithful performance of his or her duties thereunder.

(C) Organization and Voting of the Committee

(1) The Committee shall adopt such formal organization and method of operation as it shall deem desirable for the conduct of its affairs.

(2) The Committee shall act as a body, and the individual members of the Committee shall have no powers and duties as such, except as provided herein.

(3) The Committee shall act by vote of a majority of its members at the time in office (other than those disqualified from voting pursuant to Section 12.2(E) hereof) either at a meeting or in writing without a meeting.

(D) Finality of Decisions

Except as set forth in Section 13, the determination of the Committee on any matter pertaining to the Plan within the powers and discretion granted to it shall be final and conclusive on the County, the Employer, the Trustees, all Participants and Beneficiaries and all those persons dealing in any way or capacity with the Plan.

(E) Fiduciary's Benefits

Nothing in the Plan shall be construed so as to prevent any fiduciary from:

(1) Receiving any benefit to which the fiduciary may be entitled as a Participant or Beneficiary; or

(2) Receiving any reasonable compensation for services rendered, or for the reimbursement of expenses properly incurred in the performance of his or her duties under the Plan (except that no person so serving who receives compensation as an Employee shall receive compensation from the Plan, except for reimbursement of expenses properly incurred); or

(3) Serving as a fiduciary in addition to being an officer, employee, agent, or other representative of the County, the Employer, or any related entity.

Notwithstanding the foregoing, the fiduciary shall not be entitled to vote or act upon, or execute on behalf of the Plan documents specifically relating to, his or her own participation in the Plan.

12.3 Duties and Authority of Committee

The Committee shall administer the Plan on behalf of the Employer in a nondiscriminatory manner for the exclusive benefit of Participants and their Beneficiaries.

The Plan Administrator shall perform all such duties as are necessary to operate, administer, and manage the Plan in accordance with the terms thereof, including but not limited to the following:

(A) To determine all questions relating to a Participant's coverage under the Plan,

(B) To maintain all necessary records for the administration of the Plan,

(C) To compute and authorize the payment of retirement income and other benefit payments to eligible Participants and Beneficiaries,

(D) To interpret and construe the provisions of the Plan and to make regulations which are not inconsistent with the terms thereof,

(E) To advise or assist Participants regarding any rights, benefits, or elections available under the Plan,

(F) To review and interpret reports from the Trustees and other consultants to the Plan,

(G) To review recommendations made by the investment advisers to the Plan regarding investment or reinvestment of Plan assets, communicate those recommendations to the Commissioners, and communicate the recommendations to the Trustee,

(H) To represent the Commissioners, as needed, in correspondence to the Trustee, an insurance company, fund managers, or other advisers and consultants to the Plan,

(I) To follow investment policies adopted by the Commissioners,

(J) To supervise the fund managers,

(K) To report to the Commissioners any violations of policies or regulations adopted by the Commissioners, and

(L) To take whatever actions are necessary to operate the Plan and to maintain the Plan as a retirement program which is at all times in full and timely compliance with any law or regulation pertaining to this Plan

The Commissioners shall grant the Plan Administrator all reasonable powers necessary or appropriate to accomplish the duties of Plan Administrator.

Notwithstanding the foregoing, the Committee shall have no power to:

(M) Amend or terminate the Plan,

(N) Determine the amount of Employer contributions,

(O) Exercise authority to direct the Trustees with respect to the investment of the Fund,

(P) Affect the employer-employee relationship between the Employer and any Employee,

(Q) Retain and/or discharge the Trustees, or

(R) Grant or deny a Participant's initial claim for disability benefits, which powers will be granted to a Disability Review Board.

12.4 Expenses and Assistance

All reasonable expenses necessary to operate and administer the Plan shall be borne by the Fund, but if not paid by the Fund, shall be paid by the County. The County shall furnish the Plan Administrator with such clerical and other assistance as is required in the performance of duties relating to this Plan.

12.5 Participants and Other Payees - Data

Participants and other persons affected by the Plan shall furnish the Plan Administrator, upon request, such documents, evidence or information which the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The Plan Administrator may cause to be withheld any benefit payment otherwise due the Participant or other person, until the required document, evidence, or other information is so furnished.

12.6 Resignation and Removal of Plan Administrator

Any member of the Committee may resign at any time by delivering to the Commissioners a written notice of resignation to take effect at a date specified therein. Such date should not be less than 30 days after the delivery of the resignation, unless waived by the Commissioners.

The Committee, or any member thereof, may be removed as Plan Administrator with or without cause by the Commissioners through delivery to him or her of written notice of removal to take effect at a date specified in the notice.

12.7 Appointment of Successor Plan Administrator

In the event the office of Plan Administrator is vacant or in the event the Committee consists of less than three members, the Commissioner shall promptly designate a successor Plan Administrator or Committee member who must signify acceptance of this position in writing. In the event no successor is appointed, the Commissioners or other governing body of the Employer shall function as the Plan Administrator until a new Plan Administrator has been appointed and has accepted the appointment.

12.8 Liability of Plan Administrator

All representatives of the County and all members of the Committee shall use ordinary care and diligence in the performance of their duties pertaining to this Plan, but no such individual shall incur any liability:

(A) By virtue of any contract, agreement, bond or other instrument made or executed by the individual or on the individual's behalf in his or her official capacity with respect to the Plan;

(B) For any act or failure to act, or any mistake or judgment made, in his or her official capacity with respect to the Plan, unless resulting from his or her gross negligence or willful misconduct; or

(C) For the neglect, omission or wrongdoing of any other person involved with the Plan.

The Plan shall indemnify and hold harmless each such individual from the effects and consequences of his or her acts, omissions and conduct in his or her official capacity with respect to the Plan, except to the extent that such effects and consequences shall result from his or her own willful misconduct or gross negligence; provided, however, that any person who shall claim the right to any payment or damage as a result of the actions of any individual in connection with the performance of the individual's duties pertaining to the Plan shall be entitled to look only to the Fund created pursuant to this Plan for payment. Such person shall have no other right, claim or demand therefor against the County.

12.9 Liability Insurance

(A) The Plan may purchase, from Plan assets, and as an expense of the Plan, liability insurance for the Plan and/or for its fiduciaries to cover liability or losses occurring by reason of an act or omission of a fiduciary, providing such insurance

contract permits recourse by the insurer against the fiduciary in the case of breach of fiduciary obligation by such fiduciary.

(B) Any fiduciary may purchase, from and for his or her own account, insurance to protect himself or herself in the event of a breach of fiduciary duty and the County may also purchase insurance to cover the potential liability of one or more persons who serve in a fiduciary capacity with regard to the Plan.

12.10 Specialized Advice, Assistance and Delegation of Committee

The Plan Administrator may appoint any persons or firms, or otherwise act to secure specialized advice or assistance, as it deems necessary or desirable in connection with the administration and operation of the Plan. The Plan Administrator shall be entitled to rely conclusively upon, and shall be fully protected in any action or omission taken by it in good faith reliance upon, the advice or opinion of such firms or persons.

The Plan Administrator shall have the power and authority to delegate from time to time by written instrument all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to the specified employee of the Employer who shall be designated by the Personnel Director of the County to assist the Plan Administrator (the "Coordinator"), and in the same manner to revoke any such delegation of duties, powers or responsibilities. The Plan Administrator may also delegate all or any part of its duties, powers or responsibilities under the Plan, both ministerial and discretionary, as it deems appropriate, to a committee or committees established for the purpose of carrying out the functions of the Plan Administrator.

Any action of the Coordinator in the exercise of such delegated duties, powers or responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Plan Administrator.

Further, the Plan Administrator may authorize the Coordinator to execute any certificate or document on behalf of the Plan Administrator, in which event any person notified by the Plan Administrator of such authorization shall be entitled to accept and conclusively rely upon any such certificate or document executed by such person as representing action by the Plan Administrator until such third person shall have been notified of the revocation of such authority.

The Plan Administrator shall not be liable for any act or omission of any person to whom the Plan Administrator's duties, powers or responsibilities have been delegated, nor shall any person to whom any duties, powers or responsibilities have been delegated have any liabilities with respect to any duties, powers or responsibilities not delegated to him or her.

CLAIMS PROCEDURES/MISCELLANEOUS - SECTION 13

13.1 Filing a Claim for Benefits

A Participant or Beneficiary shall notify the Plan Administrator of a claim for benefits under the Plan. Such request may be in any form adequate to give reasonable notice to the Plan Administrator, shall set forth the basis of such claim, and shall authorize the Plan Administrator to conduct such examinations as may be necessary to determine the validity of the claim and to take such steps as may be necessary to facilitate the payment of any benefits to which the Participant or Beneficiary may be entitled under the Plan.

13.2 Denial of Claim

Whenever a claim for benefits by any Participant or Beneficiary has been denied, written notice prepared in a manner calculated to be understood by the Participant or Beneficiary will be provided, setting forth the specific reasons for the denial and explaining the procedure for an appeal and review of the decision by the Plan Administrator.

13.3 Governing Law

The Plan shall be governed and construed in accordance with the laws of the state of Maryland to the extent not preempted by federal law.

13.4 Masculine and Feminine, Singular and Plural

In construing the text of this Plan, the masculine shall include the feminine; the singular shall include the plural; the plural, the singular wherever the context shall plainly so require.

13.5 Reference to Laws

Any reference herein to any section of the Code or any other statute or law shall be deemed to include any successor statute or law of similar import.

13.6 No Assignment

All retirement income payments and other payments are provided for the Participant or other payee for the support and benefit of such payee, and shall not be assigned or anticipated, and shall be free from the claims of all creditors to the fullest extent permitted by law. This provision shall not apply with respect to any benefit payable pursuant to a Domestic Relations Order. All or part of the Participant's accrued retirement income may be distributed to an alternate payee(s) pursuant to a Qualified Domestic Relations Order within the meaning of Code section 414(p).

13.7 Limitation

Participation in the Plan shall not grant any Participant the right to be retained in the service of the Employer or any other rights other than those to which he or she is entitled under relevant law or regulations.

13.8 Divestment of Benefits for Cause Precluded

In no event may a Participant be divested for cause of retirement income or other benefits which he or she is eligible to receive under this Plan.

13.9 Clerical Error

If any fact pertaining to eligibility for or amounts of benefits payable under the Plan to a Participant or other payee has been misstated, or in the event of clerical error, the benefits will be adjusted on the basis of the correct facts.

13.10 Fund for Exclusive Benefit of Participants

The Fund is for the exclusive benefit of Participants and other persons who may become entitled to benefits hereunder and may also be used to pay any reasonable expenses arising from the operation of the Plan. Prior to the satisfaction of all liabilities for benefits provided hereunder, no contribution made to the Fund will be refunded to the Employer unless such contribution was made by reason of mistake of fact. Such refund must be made within one year from the date the contribution was made.

13.11 Disposition of Credits and Forfeitures

No credit or forfeitures arising from the operation of the Plan may be used to increase the benefit of any Participant or group of Participants, but will instead be taken into account in determining contributions to be made by the Employer.

AMENDMENT AND TERMINATION OF PLAN -- SECTION 14

14.1 Amendment - General

The Employer reserves the right to amend or modify the Plan in whole or in part from time to time. No such amendment may decrease the amount of retirement income accrued hereunder by a Participant prior to the later of the effective date or adoption date of the amendment, or may eliminate or restrict the availability of an optional form of payment (including early retirement provisions) with respect to a Participant's retirement income accrued prior to the later of the effective date or adoption date of the amendment. However, the Employer may make any amendment or modification (of retroactive effect, if necessary) to establish and maintain the Plan's qualification under Code section 401(a).

14.2 Amendment - Merger or Consolidation of Plan

This Plan may be amended by the Employer to provide for the merger or consolidation of the Plan with another retirement plan or for the transfer of assets and liabilities hereunder to another retirement plan.

In the event of a merger, consolidation, or transfer of assets as described above, each Participant affected by such an amendment shall receive retirement income under such other retirement plan after the merger, consolidation or transfer (determined as if that plan had then terminated), which is at least as great as the retirement income the Participant would have received under this Plan immediately prior to the merger, consolidation or transfer (determined as if this Plan had then terminated). Any optional forms of payment, including early retirement provisions, applicable to a Participant's retirement income accrued under this Plan prior to a merger, consolidation or transfer shall continue to apply to such prior accrued retirement income after the merger, consolidation or transfer, unless the following requirements are met:

(A) The Participant makes a voluntary, fully informed election to transfer his or her benefits to such other plan;

(B) In the absence of an election to transfer benefits to the other plan, the Participant is eligible to receive an immediate distribution from this Plan.

(C) Assets may be transferred from this Plan to a defined contribution plan maintained by the Employer only if the requirements specified above are met.

14.3 Partial Termination of Plan

In the event a partial termination of the Plan occurs with respect to a specified group or groups of Participants, the Employer shall cause to be allocated and segregated for the benefit of such Participants a proportionate interest in the Fund. Such proportionate interest shall be determined by an enrolled actuary and applied by the Employer to provide retirement income to such Participants in accordance with the following terms of this Section. Any retirement income so provided shall be nonforfeitable.

14.4 Termination of Plan

The Employer intends to continue the Plan indefinitely but reserves the right to terminate it at any time. The date when the Plan is terminated shall be referred to in this Section as the "Plan Termination Date."

As of the Plan Termination Date, retirement income accrued on account of Participants' coverage hereunder shall be nonforfeitable. However, no Participant or other individual shall have recourse toward the satisfaction of any benefit accrued under the Plan other than from the Fund. After any final expenses have been withdrawn from the Fund, the Employer shall cause the amount remaining in the Fund to be allocated according to the following categories in the order given:

(A) First, there shall be allocated an amount necessary to provide for payment of each Participant's Employee Contributions Benefit.

(B) Second, the amounts remaining in the Fund shall be allocated to provide retirement income described below, to the extent possible, for Participants in each of the following groups in the given order:

(1) Participants with a retirement Date after the Normal Retirement Date and any Spouse age 60 and over.
(2) Other Participants age 60 or over.
(3) Participants age 55 to 59, inclusive.
(4) Participants age 45 to 54, inclusive.
(5) Participants under age 45.

The age referred to above is the Participant's attained age, latest birthday, on the Plan Termination Date.

The total retirement income to be provided for such a Participant under this Section will be in the amount determined as provided in Section 4. For a Participant who is in the employ of the Employer and has not attained a Normal Retirement Date

on the Plan Termination Date, such determination will be made as if his or her Termination Date occurred on the date of discontinuance and as if the Participant had a Vesting Percentage of 100%. The right of a Participant to the retirement income provided under this Section shall be nonforfeitable.

The amount necessary to provide the retirement income specified in each of the above categories shall be determined in accordance with annuity purchase rate assumptions selected by the Employer in accordance with such governmental regulations as may apply.

Amounts allocated on a Participant's behalf under any category shall be appropriately adjusted if:

(A) An amount has been allocated on such Participant's behalf under a prior category, and/or

(B) All or portion of a Participant's retirement income has been guaranteed under an insurance company contract prior to the Plan Termination Date.

If under this Section the amount available for allocation to any group is not sufficient to provide for such retirement income for the Participants in the group, a pro rata allocation of the amount available will be made for such Participants to provide reduced retirement income to the extent possible.

In lieu of the allocation provided for in the preceding paragraphs of this Section, the Employer may request subject to the approval of an insurance company, another method of allocation.

After the assets of the Fund have been withdrawn and allocated in accordance with the preceding terms of this Section, any amount remaining in the Fund will be returned to the Employer.

TABLE I

CHARLES COUNTY
SHERIFF'S OFFICE RETIREMENT PLAN

EARLY ANNUITY COMMENCEMENT DATE PERCENTAGES
DISTRIBUTIONS FOR SWORN PARTICIPANTS

		YEARS					
		0	1	2	3	4	5
MONTHS	0		97.00%	94.00%	91.00%	88.00%	85.00%
	1	99.75%	96.75%	93.75%	90.75%	87.75%	
	2	99.50%	96.50%	93.50%	90.50%	87.50%	
	3	99.25%	96.25%	93.25%	90.25%	87.25%	
	4	99.00%	96.00%	93.00%	90.00%	87.00%	
	5	98.75%	95.75%	92.75%	89.75%	86.75%	
	6	98.50%	95.50%	92.50%	89.50%	86.50%	
	7	98.25%	95.25%	92.25%	89.25%	86.25%	
	8	98.00%	95.00%	92.00%	89.00%	86.00%	
	9	97.75%	94.75%	91.75%	88.75%	85.75%	
	10	97.50%	94.50%	91.50%	88.50%	85.50%	
	11	97.25%	94.25%	91.25%	88.25%	85.25%	

(continued on next page)

TABLE I

CHARLES COUNTY
SHERIFF'S OFFICE RETIREMENT PLAN

EARLY ANNUITY COMMENCEMENT DATE PERCENTAGES
DISTRIBUTIONS FOR NON-SWORN PARTICIPANTS

		YEARS					
		0	1	2	3	4	5
MONTHS	0		91.6%	83.2%	74.8%	67.6%	60.4%
	1	99.3%	90.9%	82.5%	74.2%	67.0%	
	2	98.6%	90.2%	81.8%	73.6%	66.4%	
	3	97.9%	89.5%	81.1%	73.0%	65.8%	
	4	97.2%	88.8%	80.4%	72.4%	65.2%	
	5	96.5%	88.1%	79.7%	71.8%	64.6%	
	6	95.8%	87.4%	79.0%	71.2%	64.0%	
	7	95.1%	86.7%	78.3%	70.6%	63.4%	
	8	94.4%	86.0%	77.6%	70.0%	62.8%	
	9	93.7%	85.3%	76.9%	69.4%	62.2%	
	10	93.0%	84.6%	76.2%	68.8%	61.6%	
	11	92.3%	83.9%	75.5%	68.2%	61.0%	

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AMENDMENT 2012-1
TO THE
CHARLES COUNTY SHERIFF'S OFFICE RETIREMENT PLAN

Effective July 1, 1995, the County Commissioners of Charles County, Marvland amended and restated the Charles County Sheriff's Office Retirement Plan (the "~~Plan~~").

The Plan, as amended and restated, and as subsequently amended, is hereby further amended effective as provided herein, as follows:

FIRST CHANGE

Section 5.1 shall be amended to read as follows effective July 1, 2012:

5.1 Disability Benefits - The Plan shall pay disability retirement benefits determined in accordance with the following provisions:

(A) Line of Duty Total and Permanent Disability: If a Participant (regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Total and Permanent Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) 66-2/3%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amounts the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Total and Permanent Disability, plus

(c) amounts received by the Participant by virtue of participation in any long term disability plan sponsored by the Employer, subject to coordination of benefits pursuant to the long term disability plan, such that the Participant receives prorated benefits from both this Plan and the long term disability plan, plus

(d) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(B) Line of Duty Permanent Partial Disability: If a Participant (other than a Participant employed in the Eligible Class of Communications Dispatcher and regardless of the number of his or her Years of Service) reaches a Termination Date by reason of a Permanent Partial Disability, incurred as a result of an accident or injury which has been determined to have been sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Participant's disability, but shall be no less than 15% and no greater than 50%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Permanent Partial Disability, plus

(c) amounts received by the Participant by virtue of participation in any long term disability plan sponsored by the Employer, subject to coordination of benefits pursuant to the long term disability plan, such that the Participant receives prorated benefits from both this Plan and the long term disability plan, plus

(d) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

If less than three Rates of Earnings are available, the average will be determined using the Rates of Earnings that are available.

(C) Non-Line of Duty Total and Permanent Disability: If a Participant reaches a Termination Date by reason of a Total and Permanent Disability, after earning at least five Years of Service, and the Total and Permanent Disability was not sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Total and Permanent Disability, plus

(c) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

(D) Non-Line of Duty Permanent Partial Disability: If a Participant (other than a Participant employed in the Eligible Class of Communications Dispatcher) reaches a Termination Date by reason of a Permanent Partial Disability, after earning at least five Years of Service, and the Permanent Partial Disability was not sustained in the line of duty, the Participant shall be entitled to receive an annual disability retirement income equal to:

(1) a percentage, as determined by the Disability Review Board, which shall be dependent on the extent and degree of the Participant's disability, but shall be no less than 15% and no greater than 40%, multiplied by the Participant's Final Average Earnings for the three years prior to the Participant's Termination Date, reduced by

(2) the following offsetting income:

(a) 50% of the amount the Participant receives in the form of disability benefits under the federal Social Security Act, plus

(b) 100% of the amount the Participant receives under the Maryland Workers' Compensation Act as compensation for the accident or injury underlying the Participant's Permanent Partial Disability, plus

(c) 35% of the amount by which the Participant's annual earned income exceeds the Rate of Earnings the Participant would earn from the Employer if the Participant were still actively employed in the Eligible Class and the rank and grade in which the Participant was employed as of his or her Termination Date.

Notwithstanding the foregoing, no benefits shall be payable pursuant to this provision until the Participant is no longer eligible to receive benefits by virtue of participation in any long term disability plan sponsored by the Employer.

Notwithstanding the foregoing, a Disability which is not a Total and Permanent Disability and which is not sustained in the line of duty, shall not be deemed to be a Permanent Partial Disability unless it is determined to be a catastrophic disability. "Catastrophic disability" means 100% loss of use of a limb, total loss of hearing in both ears, or blindness.

For purposes of this Section 5, "blindness" means, at a minimum, a physician's diagnosis of blindness within the meaning of Code section 63(f)(4), or any successor statute.

The County Commissioners of Charles County, Maryland hereby cause this Amendment 2012-1 to the Charles County Sheriff's Office Retirement Plan to be executed this 26th day of June, 2012.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

Candace Quinn Kelly

Candace Quinn Kelly, President

Reuben B. Collins, II, Vice President

Ken Robinson, Commissioner

Debra M. Davis, Commissioner

Bobby Rucci, Commissioner

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AMENDMENT 2012-2
TO THE
CHARLES COUNTY SHERIFF'S OFFICE RETIREMENT PLAN

Effective July 1, 1995, the County Commissioners of Charles County, Maryland amended and restated the Charles County Sheriff's Office Retirement Plan (the "Plan").

The Plan, as amended and restated, and as subsequently amended, is hereby further amended effective as provided herein, as follows:

FIRST AND ONLY CHANGE

The definition of "Spouse" in Section 2 shall be amended to read as follows effective November 1, 2012:

Spouse - The husband or wife of a Participant, married in a union recognized as "marriage" by the State of Maryland, or by the state or country in which the ceremony was performed, as of the Participant's Retirement Date or date of death, if earlier.

The County Commissioners of Charles County, Maryland hereby cause this Amendment 2012-2 to the Charles County Sheriff's Office Retirement Plan to be executed this 10th day of December, 2012.

COUNTY COMMISSIONERS OF CHARLES COUNTY, MARYLAND

Candace Quinn Kelly, President

Reuben B. Collins, II, Vice President

Ken Robinson, Commissioner

Debra M. Davis, Commissioner

Bobby Rucci, Commissioner

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