

DEFINED BENEFIT PENSION PLAN FOR
EMPLOYEES OF REGIONAL SCHOOL DISTRICT NO. 13

SUMMARY PLAN DESCRIPTION

EFFECTIVE JULY 1, 2010

TABLE OF CONTENTS

INTRODUCTION TO YOUR PLAN

ARTICLE I
PARTICIPATION IN THE PLAN

Am I eligible to participate in the Plan?..... 1
When am I eligible to participate in the Plan? 2
Must I contribute a portion of my Annual Earnings in order to participate in the Plan?..... 2
When is my Entry Date? 2
What happens if I'm a Participant, terminate employment and then I'm rehired? 3

ARTICLE II
DETERMINATION OF BENEFITS

What kind of Plan is this? 3
What about my benefit under the Money Accumulation Pension Plan ("MAP Plan")?..... 3
What is my "Normal Retirement Benefit"? 3
How much will I be paid when I retire? 3
Is there a limit on how much can be paid? 4
What compensation is used to determine my Plan benefits? 4
Is there a limit on the amount of compensation which can be considered? 4
How are my Average Annual Earnings determined? 4
How is my Credited Service determined? 4

ARTICLE III
RETIREMENT BENEFITS

What benefits will I receive at normal retirement? 5
What benefits will I receive at early retirement? 5
What benefits will I receive at late retirement?..... 5
What happens if I leave the School District's workforce before I retire? 6
What is my vested interest in my Accrued Benefit? 6

ARTICLE IV
DISABILITY BENEFITS

Are disability benefits provided? 6

ARTICLE V
FORM OF BENEFIT PAYMENT

How will my benefits be paid?..... 7
May I elect another form of benefit?..... 7
May I delay the receipt of benefits? 7

ARTICLE VI
DEATH BENEFITS

What happens if I die while working for the School District?..... 8
Who is the Beneficiary of my death benefit? 8
How will the death benefit be paid to my Beneficiary? 8

ARTICLE VII
TAX TREATMENT OF DISTRIBUTIONS

What are my tax consequences when I receive a distribution from the Plan? 8
Can I reduce or defer tax on my distribution if I elect the Partial Lump Sum Option? 8

ARTICLE VIII
HOURS OF SERVICE

What is an Hour of Service? 9
How are Hours of Service Credited?..... 9

ARTICLE IX
PROTECTED BENEFITS AND CLAIMS PROCEDURES

Is my benefit protected? 9
Are there any exceptions to the general rule? 10
Can the Plan be amended? 10
What happens if the Plan is terminated? 10
How do I submit a claim for Plan benefits? 10

What if my benefits are denied?..... 10

ARTICLE X
GENERAL INFORMATION ABOUT THE PLAN

General Plan Information 10

Plan Administrator Information 11

DEFINED BENEFIT PENSION PLAN FOR
EMPLOYEES OF REGIONAL SCHOOL DISTRICT NO. 13

SUMMARY PLAN DESCRIPTION

INTRODUCTION TO YOUR PLAN

The Defined Benefit Pension Plan for Employees of Regional School District No. 13 (the "Plan") has been adopted to provide you with income for retirement. This Summary Plan Description ("SPD") contains valuable information regarding when you may become eligible to participate under the Plan, your Plan benefits, your distribution options and many other features of the Plan. You should take the time to read this SPD in order to get a better understanding of your rights and obligations under the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Plan Administrator. The name and address of the Plan Administrator can be found in the Article of this SPD entitled "GENERAL INFORMATION ABOUT THE PLAN."

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language under this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

This SPD describes the current provisions of the Plan, as designed to comply with applicable legal requirements. The Plan is subject to federal laws, the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service ("IRS"). We may also amend or terminate this Plan at any time. If the provisions of the Plan that are described in this SPD change, we will notify you.

ARTICLE I
PARTICIPATION IN THE PLAN

Am I eligible to participate in the Plan?

Employees, defined as those working at least 1,000 hours in a plan year from July 1-June 30 (for example, employees scheduled to work twenty (20) hours or more per week during the plan year are eligible, as are employees who work 1,000 or more hours during the school year) of the Regional School District No. 13 ("School District") other than employees who are covered by the Connecticut Teachers Retirement system, whose (1) unions have negotiated to be covered by the Plan, or (2) if not represented by a union are listed by job title in Section 1.12 of this Plan defining "Eligible Employee" are eligible to participate in the Plan.

When am I eligible to participate in the Plan?

You will be eligible to participate in the Plan once you satisfy the requirements below. However, you will actually enter the Plan once you reach the Entry Date as described in the next question.

You will be eligible to participate in the Plan on the latest of:

- (a) July 1, 1990;
- (b) the date you have completed one (1) Year of Service with the School District; and
- (c) the date you have attained age twenty-one (21).

You will have completed a Year of Service if, at the end of your first twelve (12) consecutive months of employment with us, you have been credited with at least 1,000 Hours of Service. If you have not been credited with at least 1,000 Hours of Service by the end of your first twelve (12) consecutive months of employment, you will have completed a Year of Service at the end of any following year during which you were credited with at least 1,000 Hours of Service.

You should review the Article in this SPD entitled "HOURS OF SERVICE" for an explanation of an Hour of Service.

Must I contribute a portion of my Annual Earnings in order to participate in the Plan?

Yes. Effective July 1, 2010, you must contribute five percent (5%) of your Annual Earnings in order to participate in the Plan. This is called your "Participant Contribution."

Effective July 1, 2010, your Participant Contributions will be made on a pre-tax basis so you will not pay income tax on your Participant Contributions.

Your Participant Contributions are credited with interest. Effective July 1, 2010, your Participant Contributions will be credited with interest per Plan Year at the rate of 120 percent of the Federal mid-term rate(s) as in effect under Code Section 1274(d) for the month of July for said Plan Year.

When is my Entry Date?

You may begin participating under the Plan once you have satisfied the eligibility requirements and completed and delivered to the School District a payroll deduction order.

If you complete the payroll deduction order within thirty-one (31) days of the date you meet the eligibility requirements, your Entry Date will be the date you met the eligibility requirements. Otherwise, your Entry Date will be the first day of the month following the date you submit your payroll deduction order.

What happens if I'm a Participant, terminate employment with the School District and then I'm rehired?

Generally, if you are no longer a Participant because you terminated employment, and are rehired, you will need to satisfy the eligibility requirements once again.

However, a rehired employee, who was a Participant in the Plan but who has not previously taken a distribution of his/her vested benefit, is eligible to re-enter the Plan on the date of reemployment and need only complete a payroll deduction order.

ARTICLE II
DETERMINATION OF BENEFITS

What kind of Plan is this?

This Plan is a type of retirement plan commonly referred to as a Defined Benefit Pension Plan ("DBPP"). The DBPP will provide you with a retirement benefit for life unless you elect otherwise. The amount of your retirement payments are based upon your "Normal Retirement Benefit" explained in the next question.

Each year the School District is required to contribute an amount to the Plan which is actuarially determined. The amount of the contribution may vary from year to year, depending on, for example, participant turnover, benefit payments and investment gains or losses of the trust fund.

What about my benefit under the Money Accumulation Pension Plan ("MAP Plan")?

Effective July 1, 2010, the MAP Plan will be merged into the Defined Benefit Pension Plan. Therefore, beginning on July 1, 2010, your entire benefit will be paid from the DBPP and the MAP Plan will cease to exist. Prior to that date, a portion of your benefit was paid from the MAP Plan and the balance from the DBPP.

What is my "Normal Retirement Benefit"?

At your Normal Retirement Date, you will be entitled to a monthly benefit which is called your "Normal Retirement Benefit." The amount you actually receive at your Normal Retirement Date is your Accrued Benefit which is explained in the question "HOW MUCH WILL I BE PAID WHEN I RETIRE?" found in this Article.

Effective July 1, 2010, your "Normal Retirement Benefit" will be determined based on a retirement benefit formula equal to the sum of 1.50% of your Average Annual Earnings, times years of Credited Service prior to July 1, 2010 plus 2% of your Average Annual Earnings times years of Credited Service on or after July 1, 2010.

How much will I be paid when I retire?

At your Normal Retirement Date, you will be entitled to your "Normal Retirement Benefit." However, the amount you actually receive each month is the amount of your "Normal Retirement Benefit" you have earned (or accrued) while employed with us. This amount is your Accrued Benefit.

Your Accrued Benefit is that portion of your “Normal Retirement Benefit” you have earned as of a particular date based on your Average Annual Earnings and Credited Service as of such date.

In no event will your benefit exceed seventy percent (70%) of your Average Annual Earnings.

Furthermore, unless you are eligible for a disability benefit, no benefit will commence prior to the date you retire or terminate employment with the School District.

Is there a limit on how much can be paid?

The law imposes a certain limit on the amount of benefits that can be paid to you. In general, the maximum annual benefit that can be paid to you at retirement may not exceed \$195,000 for the year beginning in 2010. This dollar amount may be adjusted after 2010 for cost-of-living increases. In addition, this limit may need to be adjusted depending upon when you receive your benefits. The Plan Administrator will automatically apply this limit if it applies to you at the time you are entitled to benefits.

What compensation is used to determine my Plan benefits?

For the purposes of the Plan, compensation has a special meaning. Annual Earnings is defined as your basic annual compensation earned during the twelve-month period from July 1 through June 30, but excludes overtime payments and any other form of additional compensation.

Is there a limit on the amount of compensation which can be considered?

The Plan, by law, cannot recognize compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2010 is \$245,000. This amount will be adjusted after 2010 for cost-of-living increases.

How are my Average Annual Earnings determined?

Your “Normal Retirement Benefit” is based on Average Annual Earnings.

“Average Annual Earnings” means the highest average Annual Earnings you received in any three (3) consecutive Plan Years out of the last ten (10) Plan Years prior to the date your benefit is being determined.

How is my Credited Service determined?

“Credited Service” is defined as a Plan Year during which you work one thousand (1,000) hours or more for the School District.

Credited Service shall include service with the School District prior to July 1, 1990, the Effective Date of the predecessor Plan, but only if you become a Participant at your earliest eligibility date.

Credited Service shall **not** include:

- (a) service for those years you were eligible to participate but did not make Participant Contributions, and
- (b) service during periods of Total and Permanent Disability.
- (c) service as an employee of the Town of Durham.

ARTICLE III RETIREMENT BENEFITS

What benefits will I receive at normal retirement?

You will be entitled to your Normal Retirement Benefit under the Plan when you reach your Normal Retirement Date. Payment of your benefits will, at your election, begin as soon as administratively feasible following your Normal Retirement Date. However, if you continue working after your Normal Retirement Date, payment of your benefits will be deferred until your Late Retirement Date.

Your Normal Retirement Date is the later of (a) the first day of the month coincident with or next following your sixty-fifth (65th) birthday and (b) the fifth (5th) anniversary of the date you commenced participation under the Plan.

What benefits will I receive at early retirement?

You may retire on your Early Retirement Date. Your Early Retirement Date is the first of the month coincident with or next following the later of (a) your fifty-fifth (55th) birthday and (b) completion of ten (10) years of Credited Service.

The benefit you receive at your Early Retirement Date shall equal your Accrued Benefit reduced by five percent (5%) for each year your Early Retirement Date precedes your Normal Retirement Date.

What benefits will I receive at late retirement?

You may remain employed past your Plan's Normal Retirement Date and retire instead on your Late Retirement Date. Your Late Retirement Date is the first day of the month coincident with or next following the date you choose to retire after first having reached your Normal Retirement Date. On your Late Retirement Date, you will be entitled to one hundred percent (100%) of your Accrued Benefit. Actual benefit payments will begin as soon as administratively feasible following your Late Retirement Date.

The benefit you will receive at your Late Retirement Date shall equal your Accrued Benefit based on your Average Annual Earnings and Credited Service as of your Late Retirement Date.

There are other laws that may require the Plan to begin distributions to you while you are still employed. If distributions are made to you before you actually retire, your Late Retirement Benefit will be adjusted for these distributions.

What happens if I leave the School District's workforce before I retire?

The Plan is designed to encourage you to stay with us until retirement. Payment of your Accrued Benefit under the Plan is only available upon your death, disability or retirement.

If your employment terminates for reasons other than those listed above, you will be entitled to receive only your vested percentage (your ownership rights) of your Accrued Benefit.

What is my vested interest in my Accrued Benefit?

Your vested percentage in your Accrued Benefit is determined under the following schedule and is based on your years of Credited Service. You will always, however, be one hundred percent (100%) vested at your Normal Retirement Date.

Vesting Schedule

<u>Years of Credited Service</u>	<u>Nonforfeitable Percentage</u>
Less than 4	0%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

If you terminate with less than four (4) years of Credited Service, you will forfeit all rights to benefits under the Plan except for the return of your vested account balance under the MAP Plan and your Participant Contributions (including those made to the MAP Plan and to the DBPP Plan) with Credited Interest.

ARTICLE IV
DISABILITY BENEFITS

Are disability benefits provided?

If you have completed ten (10) years of Credited Service, you may receive disability benefits on your Disability Retirement Date. Your Disability Retirement Date is the first of the month coincident with or next following the date you have a Total and Permanent Disability. You are considered to have a Total and Permanent Disability if, and only if, you are awarded disability benefits by the Social Security Administration. Your disability benefit equals your Accrued Benefit reduced for early commencement prior to your Normal Retirement Date. Your disability benefit will cease if you are no longer eligible to receive disability benefits from the Social Security Administration.

ARTICLE V
FORM OF BENEFIT PAYMENT

How will my benefits be paid?

There are various methods by which benefits may be distributed to you from the Plan. The method depends on your marital status, as well as the elections you make. All methods of distribution, however, have equivalent values. The rules under this Article apply to all distributions you will receive from the Plan by reason of early, normal or late retirement.

Generally, benefits are paid in the Modified Cash Refund Form of annuity. Under this form of benefit payment, you will receive level payments for your life. Upon your death, your Beneficiary will receive a lump sum payment equal to the excess, if any, of your Participant Contributions with Credited Interest over the sum of the benefit payments paid to you.

May I elect another form of benefit?

In lieu of receiving your benefits in the Modified Cash Refund Form of annuity, you may elect to receive your benefit in one of the following forms:

- a monthly pension payable over your life with a guarantee that you and your designated Beneficiary together will receive a total of at least 120 monthly payments;
- a monthly pension payable over your life and upon your death, a monthly amount equal to 50% of the amount payable during your life will be paid to your designated Beneficiary (50% joint and survivor annuity);
- a monthly pension payable over your life and upon your death, a monthly amount equal to 66 $\frac{2}{3}$ % of the amount payable during your life will be paid to your designated Beneficiary (66 $\frac{2}{3}$ % joint and survivor annuity);
- a monthly pension payable over your life and upon your death, a monthly amount equal to 100% of the amount payable during your life will be paid to your designated Beneficiary (100% joint and survivor annuity); or
- a Partial Lump Sum Option, effective July 1, 2010, equal to the sum of (a) your Participant Contributions and (b) your balance under the MAP Plan, if any, as of July 1, 2010, together with Credited Interest.

The balance of your benefit not paid as a lump sum will be paid under one of the monthly annuity forms described above.

May I delay the receipt of benefits?

Yes, you may delay the receipt of benefits. However, distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 $\frac{1}{2}$ or, if later, the date you retire. You should see the Plan Administrator if you feel you may be affected by these rules.

ARTICLE VI
DEATH BENEFITS

What happens if I die while working for the School District?

If you die before completing ten (10) years of Credited Service, your Beneficiary will receive a death benefit equal to the sum of (a) your Participant Contributions and (b) your balance, if any, under the MAP Plan as of July 1, 2010, together with Credited Interest.

If you die after completing ten (10) years of Credited Service, unless you previously elected the 10-year certain and life annuity described in Article V, your spouse will receive a monthly survivor's benefit calculated under the terms of the Plan document.

Who is the Beneficiary of my death benefit?

If you are married at the time of your death, your spouse will be the Beneficiary of the death benefit. If you are not married, your Beneficiary will be your children, if any, or otherwise, your estate, unless an election is made to change the Beneficiary.

How will the death benefit be paid to my Beneficiary?

Unless you previously elected an alternative form of benefit, the death benefit payable to your spouse will be in the form of an annuity, that is, periodic payments over the life of your spouse.

ARTICLE VII
TAX TREATMENT OF DISTRIBUTIONS

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

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution.

Can I reduce or defer tax on my distribution if I elect the Partial Lump Sum Option?

You may reduce, or defer entirely, the tax due on your partial lump sum distribution through use of one of the following methods:

- (a) The rollover of all or a portion of the distribution to a traditional Individual Retirement Account ("IRA") or another qualified employer plan. This will result in no tax being due until you begin withdrawing funds from the traditional IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of twenty percent (20%). This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct transfer option described in paragraph (b) below would be the better choice.

- (b) For most distributions, you may request that a direct transfer of all or a portion of your Partial Lump Sum Settlement be made to either a traditional Individual Retirement Account (“IRA”) or another qualified employer plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the traditional IRA or other qualified employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer, e.g., a distribution of less than \$200 will not be eligible for a direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases twenty percent (20%) of the distribution amount will be withheld for federal income tax purposes.

WHENEVER YOU RECEIVE A DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

ARTICLE VIII HOURS OF SERVICE

What is an Hour of Service?

You will be credited with an Hour of Service for:

- (a) each hour for which you are directly or indirectly compensated by the School District for the performance of duties to the School District during the Plan Year;
- (b) each hour for which you are directly or indirectly compensated by the School District for reasons other than performance of duties (such as vacation, holidays, sickness or personal days during the Plan Year); and
- (c) each hour for back pay awarded or agreed to by the School District.

You will not be credited for the same Hours of Service both under (a) or (b), as the case may be, and under (c).

How are Hours of Service credited?

You will be credited with your actual Hours of Service.

ARTICLE IX PROTECTED BENEFITS AND CLAIMS PROCEDURES

Is my benefit protected?

As a general rule, your interest in your Accrued Benefit, including your vested interest, may not be alienated. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors may not attach, garnish or otherwise interfere with your Accrued Benefit.

Are there any exceptions to the general rule?

The Plan Administrator must honor a “domestic relations order.” A “domestic relations order” is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a domestic relations order is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Plan Administrator will determine the validity of any domestic relations order received.

Can the Plan be amended?

Yes. After consulting with any affected unions, we have the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of Participants or their Beneficiaries.

What happens if the Plan is terminated?

Although we intend to maintain the Plan indefinitely, we reserve the right to terminate the Plan. Upon termination, you will become one hundred percent (100%) vested in the present value of your Accrued Benefit, and benefits will be distributed to you in any manner permitted by the Plan as soon as practicable. (See the question “How will my benefits be paid?” found in the Article of this SPD entitled “FORM OF BENEFIT PAYMENT.”)

How do I submit a claim for Plan benefits?

Benefits will be paid to you and your Beneficiaries without the necessity of formal claims. However, if you think an error has been made in determining your benefits, then you or your Beneficiaries may make a request for any Plan benefits to which you believe you are entitled. Any such request should be in writing and should be made to the Plan Administrator.

What if my benefits are denied?

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review.

**ARTICLE X
GENERAL INFORMATION ABOUT THE PLAN**

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

General Plan Information

Defined Benefit Pension Plan for Employees of Regional School District No. 13 is the name of the Plan.

The amended provisions of the Plan became effective on July 1, 2010, which is called the Effective Date of the Plan. The predecessor Plan was effective July 1, 1990.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on July 1 and ends on June 30.

Plan Administrator Information

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. The Board of Education of the School District has appointed a Pension Committee to handle many of these responsibilities. For example, the Plan Administrator maintains the Plan records, including your benefit information, provides you with the forms you need to complete for Plan participation and directs the payment of your benefit at the appropriate time. The Plan Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan and your participation, you should contact the Plan Administrator. The Plan Administrator may designate another person or persons to perform some duties of the Plan Administrator.

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

The name, address and business telephone number of the Plan Administrator are:

Regional School District 13
c/o Pension Committee
135A Pickett Lane
Durham Ct. 06422

860) 349-7200

