An Ordinance establishing the Firefighters' Retirement Plan of the City of St. Louis; providing retirement, disability and death benefits for the firefighters of the City and their covered dependents, including severability and effective date clauses, and provisions pertaining to the repeal of Chapter 4.18 of the Revised Code of the City of St. Louis and the ordinances referenced therein, relating to The Firemen's Retirement System of St. Louis.

WHEREAS, in 1959 the City adopted Ordinance 49623, establishing The Firemen's Retirement System of St. Louis, effective January 1, 1960, under the general authority of Senate Bill 314, approved by the Missouri General Assembly.

WHEREAS, as a result of a series of amendments and actions by the trustees of The Firemen's Retirement System of St. Louis ("FRS"), the retirement plan originally adopted by the City has been transformed into an unsustainable system with many unaffordable secondary benefits, which must be funded by City.

WHEREAS, the City is required to fund FRS to the extent investment returns and other revenues are insufficient to fund benefit obligations.

WHEREAS, FRS incurred actuarial investment losses totaling more than $256 million during the eleven-year period from 2001 through 2011, resulting in an unfunded liability in excess of $117 million.

WHEREAS, during the same period of time, the City's required annual payment to FRS increased by 586 percent, from $3,365,007 to $23,072,000 (not including service of debt incurred to fund contributions).

WHEREAS, the cost of funding FRS currently totals more than fifty-six percent of the total firefighter's payroll, compared to 10.3 percent in 2001 (not including service of debt incurred to fund contributions), and approximately 12.7 percent of payroll to fund the pension plan for other City employees.

WHEREAS, firefighter pension costs now consume nearly a third of the Fire Department's budget;

WHEREAS, these dramatic increases in FRS costs have created a severe budgetary hardship on the City, which lacks the financial resources to sustain this level of funding without drastically reducing other essential services, including services related to fighting fires.

WHEREAS, service-related disability benefits under the FRS are more generous than ordinary retirement benefits and have become a significant expense that is ultimately borne by the City.

WHEREAS, the City is committed to funding the entire amount certified by the actuary for the plan each year.

WHEREAS, given that there have historically been hundreds of applicants for each opening for entry level firefighter positions in the fire department, the City believes it can attract and retain qualified firefighters, and maintain a pension plan that is very competitive in the marketplace, with a reduced level of contributions for pensions.

WHEREAS, the City wishes to reform the current retirement plan for its firefighters, in order to (i) assure that firefighters receive all benefits accrued and earned to date; (ii) make modifications for future benefits in a manner that provides substantial retirement income benefits at an early retirement age of fifty-five, typical for firefighters generally; (iii) maintain a pension benefit that is competitive in the marketplace that will attract and retain qualified firefighters; (iv) preserve the long-term financial sustainability of the plan and the City; (v) and reduce the financial burden on taxpayers funding the system.

WHEREAS, for the above reasons, and others, the City has determined that it would be in the best interest of the City to replace the current Firemen's Retirement System with a new plan.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. Pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri, the City of St. Louis hereby establishes the pension plan prescribed in this Ordinance, known as the Firefighters' Retirement Plan, as set forth as follows.

SECTION TWO.

Chapter 4.19

FIREFIGHTERS' RETIREMENT PLAN

Sections:

4.19.010 Establishment of the Plan.

A. Establishment of Plan. Pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri and the laws of the State of Missouri, the City of St. Louis hereby establishes the pension plan prescribed in this Ordinance, known as the Firefighters' Retirement Plan (the "Plan"), to provide retirement, disability and death benefits for the firefighters of the City and their covered dependents.

B. Structure of Plan**.** The provisions of subsections 4.19.050(A) through (G) govern pension benefits accrued by Participants hired on and after June 1, 2012. Before June 1, 2012, the benefits of Participants accrued under the Firemen's Retirement System of St. Louis pursuant to Chapter 4.18 of the Revised Code (the "Prior Plan"). Benefit accruals under the Prior Plan were frozen as of June 1, 2012 by a separate Board Bill and Ordinance. The assets and liabilities of the Prior Plan are merged into this Plan, as provided in subsection 4.19.010(E). Subsections 4.19.060(A) through (G) contain rules relating to accrual of benefits of Participants hired before June 1, 2012 and payment of pension benefits accrued under the Prior Plan ("Grandfathered Benefits").

C. Type of Plan**.** This Plan and the Trust established pursuant to this Plan are intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended from time to time.

D. Effective Date. This Ordinance is effective on and after June 1, 2012.

E. Merger of Prior Plan. Contingent upon the enactment and effectuation of Board Bill 270, which froze the accrual of benefits under the Prior Plan, the assets of the Prior Plan are hereby merged into the Trust Fund established under this Plan and shall be held and administered by the Trustees pursuant to the provisions of this Plan. The ordinances that are referenced and comprise Chapter 4.18 of the Revised Code of the City of St. Louis, as amended, have been repealed, the firemen's pension fund heretofore created by said ordinances and Chapter is dissolved, and the City Treasurer is directed to hold the cash securities and other assets of the said fund as of June 1, 2012, as assets of the Trust Fund under the Firefighters' Retirement Plan of St. Louis hereby created and established. The City Treasurer shall take any action necessary or appropriate to effectuate such direction effective June 1, 2012. Upon the consummation of such merger of assets, the liabilities of the Prior Plan shall be assumed by and paid pursuant to the terms of this Plan, and the provisions of the Prior Plan shall be repealed in their entirety.

4.19.020 Definitions.

A. Accrued Benefit. The amount from time to time payable to a Participant in the form of a single life annuity beginning on the Normal Retirement Date of the Participant determined in accordance with the Plan, as if the Participant had incurred a Termination of Employment at such time.

B. Actuarial Equivalent. The actuarial equivalent amount determined on the basis of the RP 2000 combined healthy mortality, sex distinct, projected to 2015 (static table) Mortality Table and an assumed annual rate of investment return of 7.625%.

C. Accumulated Contributions. The sum of all amounts deducted from the compensation of a Participant and credited to his individual account, together with interest thereon, less any previous withdrawals from such account.

D. Actuary. An actuary, enrolled by the Joint Board for the Enrollment of Actuaries, selected by the Board of Trustees.

E. Annuity Starting Date. The first day of the first period for which an amount (other than a disability benefit payable under Section 4.19.070) is paid in accordance with the Plan.

F. Average Final Compensation. The average monthly compensation of the Participant during his last five years of Covered Employment; or if he has less than five years of such service, the average compensation paid during his entire period of Covered Employment. The Final Average Compensation of a Grandfathered Participant shall be based on the last two years of Covered Employment, instead of the last five years. Compensation means the regular annual rate of compensation that a Participant would earn on the basis of the stated compensation for his rank or position.

G. Board of Aldermen. The Board of Aldermen of the City.

H. Board of Trustees. The Board of Trustees provided for in Section 4.19.130 to hold and invest the assets of the Trust Fund.

I. City. The City of St. Louis, Missouri.

J. Code. The Internal Revenue Code of 1986. Reference to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

K. Covered Employment. All service performed for the fire department of the City for which an Employee is compensated while classified by the fire department as an Employee performing services as a firefighter (without regard to any retroactive reclassification).

L. Early Retirement Age. The date on which a Participant completes at least twenty Years of Service.

M. Early Retirement Date. The first day of the month next following the date the Participant incurs a Termination of Employment after his Early Retirement Age but before his Normal Retirement Age.

N. Employee. Any officer or employee of the Fire Department of the City employed by the City for the duty of fighting fires, but does not include anyone employed in a clerical or other capacity not involving firefighting duties.

O. Full-Time Student. A person enrolled in a degree program at a college, university, community college, or vocational or technical school with a schedule of at least twelve hours per semester.

P. Grandfathered Participant. A Participant of the Prior Plan who was employed as of May 31, 2012.

Q. Interest. The short-term Applicable Federal Rate, as published by the Internal Revenue Service for the December immediately preceding the calendar year, for the purpose of interest for each calendar year for refund of Accumulated Contributions.

R. Normal Retirement Age. The date on which a Participant first attains fifty-five years of age.

S. Normal Retirement Date. The first day of the month next following the date the Employee incurs a Termination of Employment after his Normal Retirement Age and after completing at least twenty Years of Service.

T. Participant. An Employee or former Employee who shall have become entitled to participate in this Plan and who continues to have rights to benefits under this Plan, or whose beneficiaries may be eligible to receive benefits under this Plan.

U. Plan. The Firefighters' Retirement Plan, the terms and provisions of which are set forth in this Ordinance, as amended from time to time.

V. Plan Year. The twelve-month period beginning October 1.

W. Retirement Date. The first day as of which a retirement benefit is payable to a Participant in accordance with this Plan, and may be either a Normal Retirement Date or an Early Retirement Date.

X. Termination of Employment. Separation from the service of the City.

Y. Trust Agreement. The trust agreement entered into between the City and the Trustee in accordance herewith for the purpose of holding and investing the Trust Fund.

Z. Trust Fund. The Trust Fund as described in subsection 4.19.120(A) hereof.

AA. Trustee or Trustees. The person or persons serving as trustee of the Trust Fund or any successor(s) thereto; provided that, to the extent that the Trust Fund is invested in an Annuity Contract, the insurance company shall be the Trustee.

BB. Widow(er). The person to whom the Participant is lawfully married at the time benefit payments to the Participant from this Plan commence, provided that a former spouse will be treated as the Widow(er) to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Code.

4.19.030 Eligibility and Contributions.

A. Entry Date**.** On and after June 1, 2012, an Employee shall be eligible to participate in the Plan on the first day such Employee is employed in Covered Employment.

B. Employee Contributions. The Board of Trustees shall certify to the chief of the fire department, and the chief of the fire department shall cause to be deducted from the compensation of each Participant each pay period, and remitted to the Trustee, nine percent of the compensation of each Participant. Such contributions shall be credited to the Accumulated Contributions account of the Participant. Such contributions shall be treated as before-tax ("pick-up") contributions under Section 414(h) of the Code.

The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any Participant shall be reduced thereby. Every Participant shall be deemed to consent to the deductions made and provided for herein, and payment of salary or compensation less the deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for services rendered during the period covered by the payment except as to benefits provided by this Plan.

C. Exclusive Plan. All Employees shall be Participants as a condition of their employment and shall receive no pension or retirement allowance from any other pension or retirement system supported wholly or in part by the City or the state because of Years of Service for which they are entitled to benefits under this Plan, nor shall they be required to make contributions under any other pension or retirement system of the City or the state.

4.19.040 Service.

A. Year of Service. The term "Year of Service," means each full 365 consecutive day period of time that elapses from June 1, 2012, or the date the Employee first performs duties in Covered Employment for which such Employee is paid or entitled to payment by the City, whichever is later, and ending on the date of Termination of Employment, during which the Employee is employed in Covered Employment. Less than whole periods of such time shall be credited as a partial year based on the applicable portion of a 365 day period; and nonconsecutive periods of such time shall be aggregated, where applicable, in determining the number of Years of Service of a Participant. The period of service of an Employee on an approved paid leave of absence shall continue until the end of such leave of absence. An Employee shall be credited for no more than one month for an unpaid leave of absence.

B. Prior Plan Service. Conditional upon and effective upon the merger of assets of the Prior Plan into the Trust Fund in accordance with subsection 4.19.010(E), complete and partial years of service credited under the Prior Plan for periods before June 1, 2012, shall count as Years of Service under this Plan.

C. Absence in Military Service. If, at any time since first becoming a Participant in the Plan, a Participant has served in the armed forces of the United States, in any war or period of armed hostilities between the armed forces of the United States and those of a foreign power, and has subsequently been reinstated as a firefighter within ninety days after his discharge, he shall be granted credit for such service as if his service in the Fire Department of the City had not been interrupted by his induction into the armed forces of the United States, and as if he had made the required contributions during such service. If earnable compensation is needed for such period in computation of benefits it shall be calculated on the basis of the compensation payable to the officers of his rank during the period of his absence. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to military service will be provided in accordance with Section 414(u) of the Code.

D. Accumulated Contributions**.** An Employee shall not be credited for any service with respect to which the Employee had no contributions withheld; and shall not be credited for any service with respect to which the Employee withdrew or received a refund of Accumulated Contributions.

4.19.050 Retirement Benefits.

A. Normal Retirement Benefit. Subject to the conditions and limitations of the Plan, a Participant who incurs a Termination of Employment on or after his Normal Retirement Age and after completing at least twenty Years of Service will be entitled to a monthly retirement income payable to the Participant for his lifetime commencing at his Normal Retirement Date in an amount equal to two percent of the Participant's Average Final Compensation for each Year of Service up to twenty-five years, and two and one-half percent of the Participant's Average Final Compensation for each Year of Service over twenty-five years, up to a maximum of seventy-five percent of Average Final Compensation. The monthly amount of the retirement income of such a Participant shall not be increased actuarially to reflect an Annuity Starting Date deferred beyond the Normal Retirement Age of the Participant.

B. Early Retirement. Each Participant who incurs a Termination of Employment after completing at least twenty Years of Service but before his Normal Retirement Age of fifty-five, shall be entitled to a monthly retirement income payable to the Participant for his lifetime commencing on the first day of the month after he attains fifty-five years of age, calculated as for normal retirement in accordance with subsection 4.19.050(A), based on his Average Final Earnings and his Years of Service as of his Early Retirement Date.

In lieu of a deferred retirement income commencing at age fifty-five, a Participant who remains an Employee until his Early Retirement Age may elect to receive his retirement income beginning on his Early Retirement Date; or on the first day of any month thereafter prior to age fifty-five, provided that the monthly amount payable at age fifty-five shall be actuarially reduced from age fifty-five to the pension commencement date in accordance with subsection 4.19.020(B).

A Participant entitled to an early retirement pension in accordance with the preceding paragraphs of this subsection (B) may elect to receive a refund of his Accumulated Contributions with Interest in lieu of any early retirement pension benefit.

C. Vested Terminated Pension. Each Participant who remains an Employee until he has completed at least ten but fewer than twenty Years of Service shall be entitled to a monthly retirement income calculated as for normal retirement in accordance with Section 4.19.050(A), based on his Average Final Earnings and his Years of Service as of his Termination of Employment, payable to the Participant for his lifetime commencing when the Participant attains sixty-two years of age, or upon his Termination of Employment, if later.

A Participant entitled to a deferred vested pension in accordance with the preceding paragraph of this subsection (C) may elect to receive a refund of his Accumulated Contributions with Interest in lieu of any deferred vested pension benefit.

D. Unvested Participant. A Participant who incurs a Termination of Employment before completing ten Years of Service shall receive a refund of his Accumulated Contributions with Interest in lieu of any pension benefit.

E. Cost of Living Increases. Following a Participant's Annuity Starting Date, benefits paid to such Participant pursuant to subsections (A) and (B) of this Section (but not any other provisions) shall be increased as each October 1, with the first increase in the October following his retirement and subsequent increases in each October thereafter, by an amount equal to the lesser of three percent or the increase in the Consumer Price Index ("CPI") for the previous calendar year; up to a maximum aggregate increase of twenty-five percent. For purposes of this subsection, CPI shall mean the CPI for all urban consumers for the United States, or its successor index, approved by the Board of Trustees, such as the index as defined and officially reported by the Department of Labor.

F. Limitation on Compensation. Notwithstanding any other provision of this Plan, in no event shall the compensation of a Participant taken into account under this Plan for any Plan Year exceed the maximum amount permitted in Section 401(a)(17) of the Code for that Plan Year, as adjusted from time to time, as applicable to governmental plans. If the period for determining compensation in a Plan Year is less than the full Plan Year, the maximum amount for that Plan Year shall be reduced proportionately.

G. Overpayment Recoupment**.** In the event a Participant is paid more than the amount to which the Participant is properly entitled under the terms of the Plan the amount of future payments from the Plan to the Participant may be reduced until such overpayment has been corrected.

4.19.060 Grandfathered Pension Benefits.

A. Grandfathered Benefits – General**.** The provisions of this Section are contingent upon and effective upon the consummation of the merger of the assets of the Prior Plan into the Trust Fund under this Plan; and are intended to apply to Grandfathered Participants and to preserve the retirement income pension benefits accrued under the Prior Plan as of May 31, 2012, as specifically provided in subsections (B) through (G) of this Section.

B. Benefits in Pay Status on June 1, 2012**.** Retirement income benefits being paid to Participants of the Prior Plan as of May 31, 2012, shall continue to be paid under this Plan in accordance with the terms and conditions of the Prior Plan.

C. Grandfathered Normal Retirement Benefit**.** Subject to the conditions and limitations of the Plan, a Grandfathered Participant who incurs a Termination of Employment on or after his Normal Retirement Age of fifty-five years and after completing at least twenty Years of Service will be entitled to a monthly retirement income payable to the Participant for his lifetime commencing at his Normal Retirement Date in an amount equal to two percent of the Participant's Average Final Compensation for each Year of Service up twenty-five years, and five percent of the Participant's Average Final Compensation for each Year of Service over twenty-five years, up to a maximum of seventy-five percent of Average Final Compensation. The monthly amount of the retirement income of such a Participant shall not be increased actuarially to reflect an Annuity Starting Date deferred beyond the Normal Retirement Age of the Participant.

Solely for purposes of computing such Grandfathered Benefit, sick leave accumulated before September 26, 2010 shall be credited as Years of Service to no more than a total of thirty Years of Service for purposes of vesting and to allow such a Participant to receive a monthly retirement income benefit in excess of seventy-five percent of Average Final Compensation. Notwithstanding anything to the contrary herein, sick leave of a Participant who is participating in DROP shall be subject to the provisions of subsection 4.19.060E.

A Grandfathered Participant who receives such a retirement income benefit shall receive a refund of his contributions to the Prior Plan made before June 1, 2012, without interest; contributions to the Plan made on and after June 1, 2012 are not refundable. All refundable contributions are payable at the time of his pension commencement date.

D. Early Retirement Benefit. A Grandfathered Participant who incurs a Termination of Employment after completing twenty Years of Service, but before attaining his Normal Retirement Age of fifty-five years, shall be entitled to a monthly retirement income payable to the Participant for his lifetime commencing on the first day of the month after he attains fifty-five years of age, calculated as for normal retirement in accordance with the preceding paragraph, based on his Average Final Compensation and his Years of Service as of his

Termination of Employment. In lieu of a deferred retirement income commencing at age fifty-five, such a Participant may elect to receive his retirement income beginning on his Termination of Employment; or on the first day of any month thereafter prior to age fifty-five, provided that the monthly amount otherwise payable at age fifty-five that is attributable to Years of Service after June 1, 2012 shall be actuarially reduced from age fifty-five to the pension commencement date in accordance with subsection 4.19.020(B).

Solely for purposes of computing such Grandfathered Benefit, sick leave accumulated before September 26, 2010 shall be credited as Years of Service to no more than a total of thirty Years of Service for purposes of vesting and to allow such a Participant to receive a monthly retirement income benefit in excess of seventy-five percent of Average Final Compensation. Notwithstanding anything to the contrary herein, sick leave of a Participant who is participating in DROP shall be subject to the provisions of subsection 4.19.060E.

A Grandfathered Participant who receives such a retirement income benefit shall receive a refund of his contributions to the Prior Plan made before June 1, 2012, without interest; contributions to the Plan made on and after June 1, 2012 are not refundable. All refundable contributions are payable at the time of his pension commencement date.

For example, a Participant with ten Years of Service on May 31, 2012, who retires on May 31, 2022, at age fifty with a total of twenty Years of Service, with annualized Average Final Compensation of $80,000 for the last two years as of May 31, 2022, would be entitled to a deferred pension benefit of $32,000 (40% of $80,000) per year beginning at age fifty-five, or an immediate pension beginning at age fifty of $26,272. (The $16,000 attributable to the ten Years of Service before June 1, 2012 is unreduced; the $16,000 attributable to the ten Years of Service after May 31, 2012 is actuarially reduced from $16,000 to $10,272.)

A Grandfathered Participant who incurs a Termination of Employment before completing twenty Years of Service shall receive a refund of his Accumulated Contributions with Interest in lieu of any pension benefit.

E. DROP. Grandfathered Participants who have completed at least twenty Years of Service may elect to continue active employment and defer receipt of the retirement benefit for a period not to exceed five years. Any Grandfathered Participant who has at least twenty Years of Service may elect in writing before retirement to participate in the deferred retirement plan program (“DROP”). A Grandfathered Participant electing to participate in the DROP program shall continue in active employment and shall not receive any direct retirement benefit payments during the time of participation. Upon the start of participation in the DROP program, the Grandfathered Participant shall make contributions at the rate of one percent of compensation, instead of nine percent. During the period of participation in the DROP program, the amount that the Grandfathered Participant would have received as a retirement income benefit (Normal Retirement Benefit under subsection C or reduced Early Retirement Benefit under subsection D, whichever is applicable) shall be deposited monthly in the Grandfathered Participant's DROP account, which shall be established in his name by the Board of Trustees. Years of Service earned during the period of participation in the DROP program shall not be credited and shall not be counted in determination of any service-based retirement benefit.

A Grandfathered Participant who elects to stop participation in the DROP program shall make contributions at the rate of nine percent of compensation. Service rendered after restoration of the Grandfathered Participant to non-DROP participation status shall be counted as Years of Service. No Grandfathered Participant ending participation in the DROP program and returning to non-DROP participation status shall make any withdrawal from his or her DROP account until after Termination of Employment. If after return to non-DROP participation status, a Grandfathered Participant retires, the Grandfathered Participant's retirement benefit shall be computed on the combination of the Grandfathered Participant's pre-DROP retirement benefit (based on Average Final Compensation at the beginning of the DROP period and any applicable reduction for commencement before age fifty-five) plus an additional benefit earned by the Grandfathered Participant after returning to non-DROP participation status. Post-DROP Years of Service shall be the only years used in computing the additional benefit; however, total Years of Service shall be used to determine the appropriate accrual level of additional benefit, two percent or five percent, for each year of post-DROP service. Upon retirement the Grandfathered Participant shall receive retirement income benefits plus the amount which has accumulated in his or her DROP account. The amount in the Grandfathered Participant's DROP account shall be payable, at the Grandfathered Participant's option, either as a lump sum payment or as a series of periodic payments of reasonably equal amounts over a period of up to ten years.

If a Grandfathered Participant dies before Termination of Employment while participating in the DROP program, the funds in his DROP account shall be payable to the Grandfathered Participant's designated beneficiary under either of the following options:

(1) A lump sum payment equal to the amount in the Grandfathered Participant's DROP account shall be paid to the Grandfathered Participant's beneficiary or the Grandfathered Participant's estate. The death benefits for the beneficiary under the provisions of Section 4.09.080 shall be based on the Grandfathered Participant's compensation and Years of Service before the Grandfathered Participant's participation in the DROP program.

or

(2) The beneficiary may waive any claim to the Grandfathered Participant's DROP account, in which case any death benefits payable to the beneficiary under the provisions of Section 4.09.080 shall be calculated as if the Grandfathered Participant had continued as an employee and had not participated in the DROP program. Any funds in a DROP account which has been waived as provided in this paragraph shall become funds of the Plan.

If a Grandfathered Participant who has elected to participate in the DROP program subsequently applies for and receives benefits for a disability benefit under the provisions of Section 4.19.070, the Grandfathered Participant shall forfeit all rights, claims or interest in his DROP account and the Grandfathered Participant's benefits shall be calculated as if the Grandfathered Participant had continued in employment and had not elected to participate in the DROP program. Any funds in a DROP account which has been forfeited as provided in this Plan shall become funds of the Plan.

A Grandfathered Participant's DROP account shall earn interest (or loss) equal to the percentage rate of return of the Trust Fund's investment portfolio as certified annually by the actuary in the yearly evaluation report. The interest shall be credited annually to the Grandfathered Participant's account beginning with the start of the second fiscal year of participation.

No Participant may elect to participate in the DROP program more than once.

Notwithstanding anything to the contrary in this Chapter, a Grandfathered Participant who is participating in the DROP program may elect upon Termination of Employment to have placed in his or her DROP account a dollar amount equal to the number of his sick leave hours accumulated before September 26, 2010 multiplied by his or her hourly rate of pay at the time of

Termination of Employment; or to place one-half of such dollar amount in the Grandfathered Participant's DROP account, to have one-fourth of this dollar amount added to the Grandfathered Participant's Average Final Compensation, and to have the remaining one-fourth of this dollar amount remain as time and added to the Grandfathered Participant's Years of Service before June 1, 2012.

F. Cost of Living Increases. The grandfathered benefit payable in accordance with subsections (C) and (D) of this Section shall be increased annually, as approved by the Board of Trustees beginning with the first increase in the October following retirement of the Participant and subsequent increases in each October thereafter, at the rates designated as follows:

(1) One and one-half percent per year, compounded each year, up to age sixty for those retiring with twenty to twenty-four Years of Service,

(2) Two and one-fourth percent per year, compounded each year, up to age sixty for those retiring with twenty-five to twenty-nine Years of Service,

(3) Three percent per year, compounded each year, up to age sixty for those retiring with thirty or more Years of Service,

(4) After age sixty, five percent per year for five years or until a total maximum increase of twenty-five percent is reached.

Each increase, however, is subject to a determination by the Board of Trustees that the consumer price index (United States Average Index) as published by the United States Department of Labor shows an increase of not less than the approved rate during the latest twelve-month period for which the index is available at date of determination. If the increase is in excess of the approved rate for any year, the excess shall be accumulated as to any retired Participant and increases granted in subsequent years subject to the maximum allowed for each full year from October following his retirement but not to exceed a total increase of twenty-five percent. If the Board of Trustees determines that the index has decreased for any year, the benefits of any retired Participant that have been increased shall be decreased but not below his initial benefit. No annual increase shall be made of less than one percent and no decrease of less than three percent except that any decrease shall be limited by the initial benefit.

In addition to the above, Grandfathered Participants may share in ad hoc COLAs, if any, to which they were entitled as of May 31, 2012 in accordance with the terms and conditions of the Prior Plan.

G. Limitation on Benefits. Subsections 4.19.050(F) and (G) shall apply to all benefits, including grandfathered benefits.

4.19.070 Disability Income.

A. Disability Benefits – General. The disability income provisions of subsections (B) through (G) of this Section apply to Participants who incur a Termination of Employment on account of disability after May 31, 2012. Contingent upon and effective upon the consummation of the merger of assets of the Prior Plan into the Trust Fund, disability benefits being paid to Participants in the Prior Plan as of May 31, 2012 shall continue to be paid in accordance with the provisions of the Prior Plan, including the cost of living adjustment provisions of the Prior Plan.

B. Disability – Line of Duty.

(1) A Participant who incurs a Termination of Employment because of a Total and Permanent Disability resulting from bodily injury incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call that renders the Participant totally and permanently unable to engage in any gainful employment in any occupation, shall be entitled to receive a monthly disability

income equal to seventy-five percent of his Average Final Compensation, while so disabled. A disability that is caused by lung disease is presumed to have been incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call, unless rebutted by evidence such as (but not limited to) habitual smoking.

(2) A Participant who incurs a Termination of Employment because of a Total and Permanent Disability resulting from bodily injury incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call that renders the Participant totally and permanently unable to continue his employment as a firefighter, but not other gainful employment as described in paragraph B(1) of this Section, shall receive a disability income while so disabled equal to twenty-five percent of his Average Final Compensation; plus an additional two and seventy-five one hundredth percent (2.75%) of Average Final Compensation for each Year of Service in excess of ten years, up to twenty-five Years of Service; with a benefit of seventy-five percent of Average Final Compensation for a Participant with at least twenty-five Years of Service at the time of such a Termination of Employment. A disability that is caused by lung disease is presumed to have been incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call, unless rebutted by evidence such as (but not limited to) habitual smoking.

A Participant who receives such a disability benefit shall receive a refund of his contributions to the Prior Plan made before June 1, 2012, without interest; contributions to the Plan made on and after June 1, 2012 are not refundable. All refundable contributions are payable at the time of his disability commencement date.

C. Disability – Other. A Participant who incurs a Termination of Employment after completing at least five Years of Service because of a Total and Permanent Disability that is not described in subsection (B) (outside the line of duty) that renders the Participant totally and permanently unable to engage in any gainful employment in any occupation shall be entitled to receive a monthly disability income equal to the greater of twenty-five percent of his Average Final Compensation or ninety percent of the benefit accrued under the formula in subsection 4.19.050(A) as of the time of such a Termination of Employment, while so disabled.

A Participant who receives such a disability benefit shall receive a refund of his contributions to the Prior Plan made before June 1, 2012, without interest; contributions to the Plan made on and after June 1, 2012 are not refundable. All refundable contributions are payable at the time of his disability commencement date.

D. Cost of Living Increases. Following commencement of disability income payments to a Participant, benefits paid to such Participant pursuant to subsection (B) or subsection (C) of this Section shall be increased as of each October 1, with the first increase in the October following commencement of disability income payments and each October thereafter, by an amount equal to the lesser of three percent or the increase in the Consumer Price Index ("CPI") for the previous calendar year; up to a maximum aggregate increase of twenty-five percent. For purposes of this Section, CPI shall mean the CPI for all urban consumers for the United States, or its successor index, approved by the Board of Trustees, such as the index as defined and officially reported by the Department of Labor.

E. Total and Permanent Disability. An Employee shall be deemed to be Totally and Permanently Disabled when, on the basis of qualified medical evidence, he is found by the Board of Trustees to be totally and permanently prevented from performing the duties described in the applicable paragraph of subsection (B) or (C) of this Section.

F. Discontinuance of Disability Benefits. If, based on qualified medical advice, it is reasonably possible for a disabled beneficiary to recover for the condition that caused him to be Totally and Permanently Disabled, once each year during the first five years following the commencement of disability income, and once in every three year period thereafter, the Board of Trustees shall require the disability beneficiary to undergo a medical examination to be made at a place designated by the Board of Trustees, and to be made by a physician or physicians designated by the Board of Trustees. Should any disability beneficiary refuse to submit to a medical examination, his disability income shall be discontinued until his withdrawal of the refusal, and if his refusal continues for one year all rights in and to his disability income shall be revoked by the Board of Trustees.

Payment of disability benefits under this Section shall be discontinued upon the earliest of the following:

(1) the refusal of the Participant to undergo a medical examination;

(2) the time as of which the Board of Trustees finds the Participant is no longer Totally and Permanently Disabled; or

(3) the death of the Participant.

After the Board of Trustees finds the Participant is no longer Totally and Permanently Disabled and during such time as the Participant is not receiving a disability benefit pursuant to this Section, the Participant shall be entitled to a pension benefit in the amount and at the time or times determined in accordance with Sections 4.19.050 and 4.19.060, as applicable, based on Average Final Compensation and Years of Service at Termination of Employment.

G. Adjustment of Disability Income. If the disability beneficiary is engaged, or is able to engage, in a gainful occupation other than firefighter paying more than the difference between his disability income and the then current rate of pay for the rank held by the Participant at the time of retirement (indexed as described below), the amount of his disability income shall be reduced to an amount which together with the amount earnable by him in such other occupation shall equal the amount of such current rate of pay. If his earning capacity is later changed, the amount of his disability income may be further modified. The then current rate of pay for the rank held by the Participant at the time of retirement shall be increased as of each October 1, with the first increase in the October following commencement of disability income payments and each October thereafter, by an amount equal to the lesser of three percent or the increase in the CPI (as defined in subsection D of this Section) for the previous calendar year; up to a maximum aggregate increase of twenty-five percent.

A disabled beneficiary shall submit a copy his annual federal income tax return to the Board of Trustees for each calendar year for which the beneficiary is eligible of a disability benefit under this Section. Payment of disability benefits of a beneficiary shall be discontinued if the beneficiary fails to submit a copy of his federal income tax return to the Board of Trustees by the 15th day of October immediately following the end of calendar year. The Board of Trustees shall audit the validity of at least two percent of such tax returns.

H. Tuition Reimbursement. Except for a disability described in paragraph B(1) or paragraph C of this Section, a Participant receiving disability benefits under this Section may receive reimbursement for educational tuition expenses for attending a college, university, community college, or vocational or technical school as a Full-Time Student upon proof of payment to such institution in an amount not to exceed the tuition for a state resident at the

University of Missouri – St. Louis. A Participant receiving disability benefits shall apply for such tuition reimbursement no later than three years after the Participant first becomes entitled to a disability benefit under this Plan. Such right to reimbursement shall cease when the disabled Participant ceases to be a Full-Time Student, fails to provide verified proof of achievement of a grade point average of two on a four-point scale or the equivalent on another scale for each academic term, or if the disabled Participant is restored to active service as a firefighter, but in no event shall such education reimbursement be available after the end of the five-year period beginning when the Participant first becomes entitled to a disability benefit under this Plan.

4.19.080 Death Benefits.

A. Active Participants or Participants Receiving Retirement or Disability Income. Upon the receipt of proper proof of the death of a Participant, or a Participant of the Prior Plan, while an Employee, or who incurred a Termination of Employment while in service and was receiving a retirement income benefit or a disability benefit at the time of his death, provided no other benefits are payable, there shall be paid a retirement allowance to the widow(er) of the Participant or Participant of the Prior Plan during her or his widowhood of twenty-five percent of the deceased Participant's Average Final Compensation, or two hundred dollars per month, whichever is greater, plus ten percent of such compensation to or for the benefit of each unmarried dependent child of the deceased Participant who is either under age eighteen or who is totally and permanently mentally or physically incapacitated regardless of age, but not in excess of three children, and paid as the Board of Trustees in its discretion directs. Any widow who is receiving retirement benefits upon application to the Board of Trustees shall be made, constituted, appointed and employed by the Board as a special consultant on the problems of retirement, aging, and other state matters, for the remainder of her life, and upon request of the

Board, give opinions, and be available to give opinions in writing, or orally, in response to such request, as may be required, and for such services shall be compensated monthly, in an amount, which when added to any monthly retirement benefits being received, shall not exceed fifty percent of the deceased Participant's average final compensation or two hundred dollars ($200.00) whichever is greater. This compensation shall be consolidated with any other retirement benefits payable to such widow and shall be paid in the manner and from the same fund as her other retirement benefits under this chapter, and shall be treated in all aspects under the laws of this state as retirement benefits paid pursuant to this chapter.

If no widow(er) benefits are payable pursuant to this Section, such total benefit as would have been paid had there been a widow(er) (twenty-five percent of compensation) shall be divided among the unmarried dependent children under age eighteen and such unmarried children, regardless of age, who are totally and permanently mentally or physically incapacitated, and paid to, or for the benefit of, each such child, as the Board of Trustees in its discretion directs, until the respective child attains the age of eighteen or is no longer incapacitated, whichever is applicable.

Any benefit payable to, or for the benefit of, a child or children under the age of eighteen years pursuant to this Section shall be paid beyond the age of eighteen years through the age of twenty-five years in such cases where the child is a Full-Time Student at a regularly accredited college, business school, nursing school, school for technical or vocational training or university, but such benefit shall cease whenever the child ceases to be a Full-Time Student. A college or university shall be deemed to be regularly accredited which maintains membership in good standing in a national or regional accrediting agency recognized by any state college or university.

B. Accidental Death in Line of Duty**.** Upon the receipt of evidence and proof that a Participant died as the result of an accident or exposure at any time, or place, provided that at such time or place the Participant was in the actual performance of his duty as a firefighter and, in the case of an exposure, while in response to an emergency call, or was acting pursuant to orders, there shall be paid in lieu of all other benefits the following benefits:

(1) A retirement income to the widow(er) during the person's widowhood of fifty percent of the deceased Participant's Average Final Compensation, plus ten percent of such compensation to or for the benefit of each unmarried dependent child of the deceased Participant, who is either under the age of eighteen, or who is totally and permanently mentally or physically incapacitated, regardless of age, but not in excess of a total of three children, including both classes, and paid as the Board of Trustees in its discretion directs.

(2) If no widow(er) benefits are payable pursuant to subdivision (1), the total income that would have been paid had there been a widow(er) shall be divided among the unmarried dependent children under the age of eighteen and such unmarried children, regardless of age, who are totally and permanently mentally or physically incapacitated, and paid to, or for the benefit of, each such child, as the Board of Trustees in its discretion directs, until the respective child attains the age of eighteen or is no longer incapacitated, whichever is applicable.

(3) Any benefit payable to, or for the benefit of, a child or children under the age of eighteen years pursuant to subdivisions (1) and (2) of this Section shall be paid beyond the age of eighteen years through the age of twenty-five years in such cases where the child is a Full-Time Student at a regularly accredited college,

business school, nursing school, school for technical or vocational training or university, but such benefit shall cease whenever the child ceases to be a student. A college or university shall be deemed to be regularly accredited which maintains membership in good standing in a national or regional accrediting agency recognized by any state college or university.

(4) Wherever any dependent child designated by the Board of Trustees to receive benefits pursuant to this Section is in the care of the widow(er) of the deceased Participant, the child's benefits may be paid to the widow(er) of the child.

(5) The widow(er) of a Participant who receives such a death benefit shall receive a refund of the contributions of the Participant to the Prior Plan made before June 1, 2012, without interest, if any; and a refund of one-half of the contributions of the Participant to the Plan made after 2011, without interest, payable at the time of his or her death benefit commencement date.

The benefit of a widow(er) entitled to a death benefit in accordance with subsection B(1) whose Participant spouse died on the scene of a fire as a direct and proximate cause of an accident that occurred while the Participant was engaged in the actual performance of his duty as a firefighter shall be increased from fifty percent to sixty-two and one-half percent.

C. Funeral Expenses**.** In addition to any other benefit to which an active or retired fire fighter may be entitled, whenever an active or retired firefighter shall die, the Board of Trustees shall pay from the Trust a sum of two thousand dollars to the widow(er) or family for funeral expenses.

D. Accumulated Contributions. A beneficiary shall be repaid the total amount of the contributions to the Prior Plan before June 1, 2012, without interest, made by a deceased

Participant who died while employed in Covered Employment, upon receipt of proof of the death of the Participant; contributions to the Plan made on and after June 1, 2012 are not refundable.

4.19.090 Limitations of Benefits.

A. Limitation on Benefits**.** In no event shall the annual benefit under this Plan and all other defined benefit plans maintained by the City exceed the lesser of:

(1) The amount specified in Section 415(b)(1)(A) of the Code, as adjusted for any applicable increases in the cost of living in accordance with Section 415(d) of the Code, as in effect on the last day of the Plan Year; and

(2) One-hundred percent of the average compensation of such Participant for his high three consecutive Plan Years as provided in Section 415 of the Code.

Notwithstanding anything to the contrary in this Section, the annual benefit, when paid in the form of a joint and survivor annuity, can be as great as that of a Single Life Annuity for the Participant, not in excess of the limitations contained in the first sentence of this Section, plus a survivor annuity at the same level for the Participant's Spouse.

For purposes of this Section, Section 415 of the Code, which limits the benefits and contributions under qualified plans, is hereby incorporated by reference; provided that the repeal of Section 415(e) of the Code, which is effective for limitation years beginning on or after April 1, 2000, shall apply only to a Participant whose Accrued Benefit increases on or after April 1, 2000. The reduced limitation for early retirement benefits shall be determined in accordance with applicable regulations using the Actuarial Equivalent assumptions prescribed in subsection 4.19.020(B), except as otherwise required by Section 415(b)(2)(E) of the Code. The cost-of-living adjustments under Section 415(d) of the Code to the limits under Section 415(b) of the Code are hereby incorporated by reference as provided under Section 1.415(a)-1(d)(3)(v) of the

Treasury Regulations. Pursuant to Treas. Reg. Section 1.415(b)-1(c)(5), no adjustment shall be required to a benefit that is paid in a form that is not a straight life annuity to take into account the inclusion of an automatic benefit increase feature in such form of benefit. In no event will the amount payable in any limitation year to a Participant under a form of benefit with an automatic benefit increase feature be greater than the Code Section 415(b) limit applicable at the annuity starting date, as increased in subsequent years pursuant to Section 415(d) of the Code and Treas. Reg. §1.415(d)-1. In the case of a Participant who received a portion of his or her benefit in the form of a lump sum (a DROP), the annuity equivalent of such lump sum portion, calculated in accordance with Treas. Reg. §1.415(b)-1(b) taking into account the cost of living adjustments assumed in calculating such lump sum, shall be treated as an amount payable in the applicable limitation year for purposes of such test.

For purposes of this Section, "City" means the City and any corporation or other business entity that from time to time is, along with the City, a Participant of a controlled group as defined in Section 414 of the Code, as modified by Section 415(h) of the Code (fifty percent control test); and effective April 1, 1998, "Compensation" means wages paid by the City within the meaning of Section 3401(a) of the Code (for purposes of income tax withholding at the source) but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed, plus the amount of salary reduction as a result of an election pursuant to a plan or plans governed by Section 125, Section 401(k) or Section 403(b) of the Code and, effective on and after April 1, 2001, Section 132(f)(4) of the Code (inclusively).

4.19.100 Payment of Benefits.

A. Claim for Benefits. No pension or other benefit shall be payable under this Plan to any Participant or beneficiary except as expressly provided for in this Section. The Board of Trustees shall authorize payments under this Plan.

No pension or other benefit shall be payable until the Participant or beneficiary shall have filed a claim for benefits with the Board of Trustees or its designated representative. Such claim must be submitted in writing on a form provided by, or suitable to, the Board of Trustees at least fifteen days prior to the date on which payments begin. The Board of Trustees may require any applicant to furnish it with such information as may be reasonably necessary, including a copy of the Participant's death certificate, if applicable.

B. Latest Time of Payment. This section does not contain the general rules of the Plan governing the time and form of distribution. In particular, this Section in and of itself does not give any right to a Participant or Beneficiary to defer distributions beyond the time of distribution provided in the preceding Sections. The provisions of this Section shall apply only to the extent they specifically override the other provisions of this Plan governing the payment of pensions.

Notwithstanding anything to the contrary in the Plan and regardless of any election of the Participant, distribution of the Participant's retirement benefit shall commence no later than the Participant's Required Beginning Date. The Required Beginning Date of a Participant is April 1^{st} of the calendar year following the later of (i) the calendar year in which the Participant attains age seventy and one-half; and (ii) the calendar year in which the Participant incurs a Termination of Employment.

The Participant's entire interest under the Plan shall be distributed in the form of nonincreasing periodic annuity payments beginning on the Participant's Required Beginning Date and extending over the life of the Participant or the joint lives of the Participant and a designated beneficiary (as determined in accordance with Treas. Reg. §1.401(a)(9)-4), or over a period not extending beyond the life expectancy of the Participant or the joint life expectancy of the Participant and a designated beneficiary.

If a Participant dies after payments have begun in accordance with the immediately preceding paragraph but before the Participant's entire interest has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution in effect as of the date of the Participant's death. If a Participant dies before payments have begun in accordance with the immediately preceding paragraph, the entire interest of the Participant shall be distributed:

(1) if payable to (or for the benefit of) a designated beneficiary in a form other than a single sum distribution, over the life of the designated beneficiary (or over a period not extending beyond the life expectancy of such beneficiary), beginning not later than one year after the date of the Participant's death, or if the sole designated beneficiary is the Participant's surviving spouse, by December 31st of the calendar year in which the Participant would have attained age seventy and one-half, if later; and

(2) if payable to (or for the benefit of) a designated beneficiary in the form of a single sum distribution, the entire interest of the Participant shall be distributed within five years after the Participant's death.

If the surviving spouse described in subdivision (1) above dies before the distributions to such spouse begin, this subdivision shall be applied as if the surviving spouse were the

Participant.

All distributions required under this Section shall be determined and made in accordance with Section 401(a)(9) of the Code and Treas. Reg. §§1.401(a)(9)-2 through 1.401(a)(9)-9, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code and Treas. Reg. thereunder. The requirements of this Section will take precedence over any inconsistent provisions of the Plan. The provisions of Section 401(a)(9) of the Code and the regulations thereunder are hereby incorporated by reference.

C. Payments to Legal Incompetents. If the Board of Trustees shall receive satisfactory evidence that a Participant or beneficiary entitled to receive any benefit under this Plan is, at the time when such benefit becomes payable, physically unable or mentally incompetent to receive such benefit and to give a valid release therefor and that another person or an institution is then maintaining or has custody of such Participant or beneficiary, and that no guardian or other representative of the estate of such Participant or beneficiary shall have been duly appointed, then the Board of Trustees may authorize payment of such benefit otherwise payable to such Participant or beneficiary to such other person or institution, and the release of such other person or institution shall be valid and complete discharge for the payment of such benefit.

D. Misstatement in Application for Pension. If any Participant or any beneficiary in his application for a pension or in response to a request of the Board of Trustees for information gives any material fact which is erroneous or omits any material fact or fails before receiving his first payment to correct any material fact that he previously incorrectly furnished, the amount of his annuity shall be adjusted on the basis of the correct information and the amount of any overpayment or underpayment theretofore made to such Participant shall be deducted from or added to his next succeeding payments as the Board of Trustees shall direct.

4.19.110 Special Payment Rules.

A. Offset of Benefits. Notwithstanding anything to the contrary in this ordinance, any amounts paid by the City under the provisions of The Workers' Compensation Law of the state of Missouri to a Participant, or to the dependents of a Participant on account of any disability or death, shall be offset against and payable in lieu of any benefits payable out of the Trust Fund.

B. Benefits for Re-Hired Retirees. If a Participant is re-employed after his or her Annuity Starting Date, pension payments shall be suspended while the Participant is re-employed as an active Employee. Such a Participant shall continue to accrue benefits based on Years of Service, if any, credited after such re-employment. The Participant’s benefit shall be recomputed upon a subsequent Termination of Employment in accordance with the terms of the Plan in effect at such time.

C. Qualified Domestic Relations Orders. In the event the former spouse of a Participant is entitled to a benefit under this Plan pursuant to a Qualified Domestic Relations Order, as described in Section 414(p) of the Code, such former spouse may receive such benefit in the form of a single life annuity for the lifetime of such spouse commencing on or after such Participant attains his Early Retirement Date. The monthly amount of such a single life annuity shall be determined so that such benefit is the Actuarial Equivalent, determined as of the benefit commencement date in accordance with subsection 4.19.020(B), of the portion of the Accrued Benefit of the Participant payable to the former spouse pursuant to the Qualified Domestic Relations Order. Notwithstanding anything to the contrary in the Plan, the Accrued Benefit of a Participant shall be reduced by an amount equal to the Actuarial Equivalent of any benefit paid to his former spouse pursuant to a Qualified Domestic Relations Order.

To the extent a former spouse is treated as the spouse of the Participant by reason of a Qualified Domestic Relations Order, any current spouse of the Participant shall not be treated as the spouse. Where, because of a Qualified Domestic Relations Order, more than one individual is to be treated as the spouse of a Participant, the total amount paid from the Plan shall not exceed the amount that would be paid if there were only one spouse.

No benefit shall be payable to a former spouse pursuant to a Qualified Domestic Relations Order, as described in Section 414(p) of the Code, until the former spouse shall have filed a claim for benefits with the Board of Trustees or its designated representative. Such a claim must be submitted in writing on a form provided by or suitable to the Board of Trustees at least fifteen days prior to the date on which payments begin. Payments to a former spouse in the form prescribed in this Section may be made prior to the time payments are made to the Participant.

D. Direct Rollover of 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 Board of Trustees, to have any portion of an eligible rollover distribution, if any, paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Definitions.

(1) *Eligible rollover distribution*: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: 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 Section 401(a)(9) of the Code; any hardship distribution described in Section 401(k)(2)(B)(I)(IV) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(2) *Eligible retirement plan*: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(3) *Distributee*: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) *Direct rollover*: A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

For purposes of the direct rollover provisions in this Section, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code 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. 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 relation order, as defined in Section 414(p) of the Code.

4.19.120 Funding.

A. Pension Fund. The City shall establish a Trust Fund into which it shall make contributions at such times and in such amounts as the Actuary shall determine to keep the Trust Fund actuarially sound with respect to the obligation to pay the benefits under the Plan. The assets in the Trust Fund shall be held by the Trustee for the exclusive benefit of the Participants and beneficiaries and at no time prior to the satisfaction of all of the liabilities under the Plan to pay benefits to Participants and beneficiaries shall any part of the Trust Fund be used for or diverted to any purpose other than for their exclusive benefit or to pay administrative expenses of the Plan, except as specifically provided in this Plan.

B. Annual Actuarial Examination. At least once each year, the Board of Trustees shall cause the liabilities of the Plan with respect to retirement benefits to be evaluated by an Actuary who shall report on the soundness and solvency of the Trust Fund in relation to such liabilities and on the amount of the contribution for the year which is appropriate to keep the Trust Fund actuarially sound with respect to the obligation to pay the benefits under the Plan. Except as described below, each such report shall be delivered to the City's Budget Director no later than March 1st of each year.

Beginning with the actuarial valuation as of October 1, 2011, and continuing thereafter, the Actuary shall use the entry age normal method, amortizing the unfunded accrued liability as a level percent of payroll. If the Board of Trustees fails to provide the actuarial valuation on or before the deadline for a Plan Year, the amount of the contribution for such year shall be determined by an Actuary retained by the City.

The Board of Trustees shall obtain and deliver the actuarial valuation as of October 1, 2011 to the Budget Director of the City, which is based on the provisions of this Plan, no later than July 1, 2012. If the Board of Trustees fails to submit such a report by July 1, 2012, the Budget Director of the City is hereby authorized and directed to obtain an actuarial report for such year for purposes of determining the City's contribution amount for the pertinent Plan Year.

Actuaries retained by the Board of Trustees shall be subject to the procurement rules contained in Ordinance 63102, or its successor.

At least every five years, the Board of Trustees shall engage the Actuary to review the mortality, service and compensation experience of the Participants and beneficiaries of the Plan and update mortality and other assumptions as appropriate.

C. Rights of Participants. No person shall have any financial interest in, or right to, any assets in the Trust Fund, except as expressly provided for in this Plan. Each Participant shall be entitled to look only to assets in the Trust Fund for satisfaction of any benefit payable to such person under this Plan. No liability for payment of benefits under this Plan shall be imposed upon the City or the Board of Trustees.

D. Return of Employer Contributions. In the event a contribution by the City is made by reason of a mistake of fact, the excess of the amount contributed over the amount that would have been contributed had there not occurred a mistake of fact (without earnings attributable to such excess, but after reduction of losses attributable thereto) may be returned to the City within one year of such a mistaken payment.

4.19.130 Trust Fund Investments.

A. Trust Fund. The funds accumulated under the Plan shall be held in trust for the exclusive benefit of the Participants of the Plan and their beneficiaries by the Board of Trustees in accordance with this Section.

B. Investment of Trust Assets. The Board of Trustees shall have the authority and discretion to invest the assets of the Plan in accordance with this Section, except to the extent that the authority to manage, acquire or dispose of assets of the Plan is delegated to one or more investment managers. The Board of Trustees may, but shall not be required to, appoint an investment manager or managers to manage all or any portion of the assets of the Trust Fund. An investment manager shall have the authority and discretion to manage and control the assets of the Plan assigned to it by the Board of Trustees, in accordance with the agreement between the investment manager and the Board of Trustees. The Board of Trustees shall not be obligated to invest or otherwise manage any assets of the Plan so assigned to an investment manager, nor shall the Board of Trustees be liable for the acts or omissions of such an investment manager.

The selection of investment managers shall be based solely on sound investment principles in the best interest of the Trust Fund. No member of the Board of Trustees shall have any personal interest in the selection of an investment manager, except benefits from an interest in investments common to all Participants in the Plan. The Board of Trustees shall keep a record of the process for the selection of investment managers, which shall be open to public inspection.

Upon transfer of the assets of the Prior Plan to the Trust Fund, each investment manager of assets of the Prior Plan shall continue to manage the assets assigned to it at the time of the transfer, until the Board of Trustees removes such investment manager or reduces the amount of assets assigned to it.

C. Standard of Care. The Board of Trustees shall invest and manage the assets of the Trust Fund as a prudent investor would, taking into account the purposes, terms, distribution requirements, and other circumstances of the Plan. In satisfying this standard, the Board of Trustees shall exercise reasonable care, skill and prudence. No member of the Board of Trustees shall have any interest in the gains or profits made on any investment, except benefits from an interest in investments common to all Participants in the Plan.

D. Appointment of Board of Trustees. The initial Board of Trustees shall be comprised of the individuals who were members of the Board of Trustees of the Prior Plan as of May 31, 2012. Thereafter, The Board of Trustees shall be constituted as follows:

(1) The Chief of the Fire Department of the City, ex officio;

(2) The Comptroller or Deputy Comptroller of the City, ex officio;

(3) Two members to be appointed by the Mayor of the City to serve for a term of two years;

(4) Three members to be elected by actively employed Participants in the Plan for a term of three years who shall hold office while Participants in the Plan;

(5) One member who shall be a retired firefighter to be elected by the retired firefighter who shall hold office for a term of three years.

The initial three members to be elected by actively employed Participants in the Plan (subsection 4 above) and the one member who shall be a retired firefighter (subsection 5 above) shall each serve an initial term of one year commencing June 1, 2012, after which they shall be elected to serve three-year terms as described above.

If a vacancy occurs in the office of the Trustee the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

The Trustees shall serve without compensation, but they shall be reimbursed from the expense fund for all necessary expenses which they may incur through service on the Board.

Each Trustee shall within ten days after his appointment or election take an oath of office before the Clerk of the Circuit Court of the City, that, so far as it devolves upon him, he will diligently and honestly administer the affairs of the Board and that he will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the Plan. The oath shall be subscribed to by the member making it and certified by the Clerk of the Circuit Court.

Each Trustee shall be entitled to one vote on the Board. Five votes shall be necessary for a decision by the Trustees at any meeting of the Board.

E. Powers of the Board of Trustees. Without limiting the powers of the Trustees, the Trustees are authorized and empowered:

(1) To invest the Trust Fund in such bonds, notes, debentures, mortgages, insurance contracts, trust certificates, preferred or common stocks or in any other property, real or personal, as the trustees may deem advisable; and to hold in cash such portion of the Trust Fund as shall be reasonable under the circumstances, pending investment or payment of expenses or distribution of benefits;

(2) To sell, exchange, convey, transfer or dispose of and also to grant options with respect to any property, whether real or personal, at any time held by it; any sale may be made by private contract or by public auction; and no person dealing with

the trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(3) To retain, manage, operate, repair and improve and to mortgage or lease for any period any real estate held by the Board of Trustees;

(4) To compromise, compound and settle any debt or obligation due to or from it as trustee hereunder and to reduce the rate of interest on, to extend or otherwise modify, to foreclose upon default, or to otherwise enforce any such obligation;

(5) To vote in person or by proxy on any stocks, bonds or other securities held by it; to exercise any options appurtenant to any stocks, bonds or other securities for the conversion thereof into other stocks, bonds or other securities or to exercise any rights to subscribe for additional stocks, bonds or other securities and to make any and all necessary payments; to join in, or to dissent from, and to oppose the reorganization, recapitalization, consolidation, sale or merger of corporations or properties in which it may be interested as trustees, upon such terms and conditions as they may deem wise, and to accept any securities which may be issued upon any such reorganization, recapitalization, consolidation, sale or merger;

(6) To make, execute, acknowledge and deliver any and all deeds, leases, assignments and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(7) Subject to the limitations set forth in this ordinance, to enforce any right, obligation or claim and, in general, to protect in any way the interests of the Trust

Fund, either before or after default, and, where it shall consider such action in the best interest of the Trust Fund to abstain from the enforcement of any right, obligation or claim and to abandon any property, whether real or personal, which at any time may be held by it;

(8) To cause any investment from time to time held by it to be registered in, or transferred to, their name as trustees or in the name of their nominee, or to retain in book entry or unregistered form or in a form permitting transferability by delivery; provided, that the books and records of the Board of Trustees shall at all times show that all such investments are part of the Trust Fund;

(9) To do all acts which it may deem necessary or proper, and to exercise any and all of the powers of the trustees under this Plan upon such terms and conditions as it may deem to be in the best interest of the Trust Fund, as established in this ordinance;

(10) To invest and reinvest all or any part of the Trust Fund through the medium of any common, collective or commingled trust fund maintained by state and federally chartered financial institutions (which institution may be the trustee or affiliated with the trustee) as the same may have heretofore been or may hereafter be established or amended, which is qualified under the provisions of Section 401(a) of the Code and exempt under Section 501(a) of the Code, and during such period of time as an investment through any such medium shall exist, the declaration of trust of such fund shall constitute a part of the Plan;

(11) To invest assets of the Trust Fund in deposits of a bank or similar financial institution that bear a reasonable rate of interest;

(12) To establish an investment policy, which sets out investment objectives, goals and guidelines for the investment of the assets over which the Board of Trustees or an Investment Manager has discretionary control; and

(13) To enforce collection of receivables, including an obligation of the City to make a contribution to the plan.

F. Removal of Trustee. The mayor of the City of St. Louis may remove a member of the Board of Trustees appointed by the mayor.

G. Audit. At the direction of the Director of Personnel, the Board of Trustees shall obtain an audit by an unrelated accounting or pension consulting firm to verify that the directions of the Trustees, and the payments from the Plan, are made in accordance with the terms of the Plan.

H. Bond. Each member of the Board of Trustees shall be bonded for at least $500,000, or any other amount set by the Director of Personnel. The bond shall provide protection to the Plan against loss to the Plan by reason of acts of fraud or dishonesty, or intentional disregard of the terms of the Plan.

4.19.140 Administration – Duties of Trustees

A. Plan Administrator. The authority and responsibility for the interpretation, operation and general administration of the Plan shall be vested in the Board of Trustees.

B. Duties of Plan Administrator. The Board of Trustees shall have the discretionary authority and responsibility to interpret and manage the Plan and exercise all fiduciary responsibilities with respect to the Plan. The duties and powers of the Board of Trustees as Plan Administrator shall include, but not be limited to, the following:

(1) To interpret the Plan provisions and to decide all questions concerning the Plan

and the eligibility of any Employee to participate in the Plan and to receive benefits from the Plan;

(2) To authorize the payment of benefits at such times and in such manner as they determine are consistent with the terms of the Plan;

(3) To keep accurate and detailed records of the administration of the Plan, including the amount of Accumulated Contributions credited to the account of each Participant, which records shall be open to inspection by the City at all reasonable times;

(4) To establish and enforce such rules, regulations and procedures as it shall deem necessary or proper for the efficient administration of the Plan;

(5) To delegate to any agents such duties and powers, both ministerial and discretionary, as it deems appropriate, by an instrument in writing which specifies which such duties are so delegated and to whom each such duty is so delegated; and

(7) To keep a record of all its proceedings, which shall be open to public inspection, and to publish annually a report showing the fiscal transactions of the Plan for the preceding fiscal year and the financial statement showing the assets of the Plan.

Notwithstanding any other provision of this ordinance, the Board of Trustees shall have no duty or authority with respect to the establishment, design, amendment or termination of the Plan. Such functions are settlor functions, which are reserved to the City, not fiduciary functions, in accordance with trust law. In particular, the Board of Trustees shall have no duty or authority to challenge actions taken by the City with respect to the establishment, design, amendment or termination of the Plan, or any other action taken by the City in its capacity as settlor of the Plan or employer of Plan Participants; and shall not authorize the expenditure of any assets of the Plan to fund such a challenge or objection. The fiduciary authority of the Board of Trustees includes discretionary control over investment of assets of the Trust Fund. In particular, enforcing collection of a receivable, such as an obligation of the City to make a contribution to the plan, is included in the scope of the fiduciary duties and authority of the Board of Trustees. A Trustee shall be liable to the City for any damages to, or expense incurred by, the City as a result of any action by the Board of Trustees in contravention of this paragraph if such Trustee voted in favor of such action.

C. Written Instructions and Information. All claims, elections, instructions and requests by a Participant must be made in writing to the Board of Trustees. Each Participant shall furnish the Board of Trustees any requested information as needed to administer the Plan. The City shall furnish the Board of Trustees with the information needed to administer the Plan.

D. Compensation of Actuaries and Money Managers. Any member of the Board of Trustees, Actuary or investment manager may receive reasonable compensation from the Trust Fund for services rendered on behalf of the Plan or Trust, provided that no person who renders services to the Plan who already receives full-time pay from the City shall receive compensation from the Trust Fund except for reimbursement of expenses properly and actually incurred. The selection of any acturary shall be subject to a competitive bidding process in accordance with the terms and conditions of Civil Service Rule VII.

E. Allocation and Delegation Procedures. The Board of Trustees may appoint one or more of its Participants to carry out any particular duty or duties or to execute any and all documents on its behalf. Any documents so executed shall have the same effect as though executed by all the Participants. Such appointments shall be made by an instrument in writing that specifies what duties and powers are so allocated and to whom each such duty or power is so allocated. The Board of Trustees may delegate to any agents (including the Trustee) such duties and powers, both ministerial and discretionary, as it deems appropriate, by an instrument in writing which specifies which such duties are so delegated and to whom each such duty is so delegated.

F. Indemnification of Board of Trustees. The Plan shall indemnify any person serving on the Board of Trustees against all liabilities and claims (including reasonable attorneys' fees and expenses in defending against such liabilities and claims) other than liability arising out of a breach of fiduciary responsibility caused by the action of such person and liability for acting outside the scope of the person's authority and liability for directing payment of benefits that are not made pursuant to a reasonable, good faith interpretation of the terms of the Plan.

G. Officers and Employees. The selection and terms and conditions of employment of all employees and agents of the FRS shall be governed by the City's Civil Service and Charter provisions regarding Civil Service employees and procurement of service providers; and the compensation of all employees of the FRS shall be paid in accordance with the comprehensive compensation plan of the City. A relative of any member of the Board of Trustees may not be employed by the Board of Trustee, or receive any compensation from the Trust Fund.

4.19.150 Claims and Review Procedure.

A. Claims for Benefits. A Participant or beneficiary who believes that he is being denied or will be denied benefits to which he is entitled under the Plan may file a written request for such benefits with the Board of Trustees setting forth his claim.

B. Written Denials of Claims. Within ninety days after receipt of the request, the Board of Trustees shall provide to every claimant who is denied a claim for benefits, written notice setting forth in a manner calculated to be understood by the claimant:

(1) The specific reason or reasons for the denial;

(2) Specific reference to pertinent Plan provisions on which the denial is based;

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(4) An explanation of the claim review procedure and the time limits applicable to such procedures.

If special circumstances require an extension of time beyond the initial ninety day period, prior to the end of such initial ninety day period the Board of Trustees shall provide to the claimant written notice of the extension, the special circumstances requiring the extension, and the date by which the Board of Trustees expects to render the final decision.

C. Appeal of Denial. Within sixty days after a claim is denied, the claimant or his duly authorized representative may appeal such denial to the Board of Trustees by filing a written notice of appeal of the claim denial with the Board of Trustees, provided that if the claimant or his duly authorized representative fails to file such appeal within sixty days after the claim is denied, the claimant shall be deemed to have waived any right to appeal the denial of the claim. The notice of appeal shall reasonably apprise the Board of Trustees of the reasons and grounds for such appeal and shall specify the scope of review desired by requesting any or all of the procedures as follows:

(1) Review, upon request and free of charge, all documents, records and other

information in the possession of the Board of Trustees that are relevant to the claim; and

(2) Submit written comments, documents, records and other information relating to the claim.

If review of a decision is requested, such review shall include a review of all comments, documents, records and other information submitted by the claimant relating to the claim without regard to whether such information was submitted or considered in the initial determination. Any denial shall inform the claimant of the specific reason or reasons for the denial, refer to the specific Plan provisions on which the denial is based, state that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to the claim. The decision on review shall be final and legally binding on all parties.

4.19.160 Amendment and Termination.

A. Amendment. The City reserves the right at any time, and from time to time, to modify or amend the Plan in whole or in part by duly adopting an Ordinance.

B. Termination. The City reserves the right at any time to terminate the Plan in its entirety, or only with respect to a portion of the Trust Fund, by duly adopting an Ordinance.

C. No Contractual Right. The continuance of this Plan is not assumed as a contractual obligation of the City; and no Employee shall have a contractual right to any benefits relating to, or based upon, services rendered or compensation paid after the effective date of any amendment or termination of the Plan.

4.19.170 Miscellaneous.

A. Rights of Employee. Neither the action of the City in establishing this Plan, nor any action taken by an Employer or the Trustee, nor any provision of the Plan shall be construed as giving to any Employee the right to be retained in the employ of the City or the right to any payments other than those expressly in the Plan to be paid from the Trust Fund. The City expressly reserves the right to modify the Plan terms and benefits at any time. The City also expressly reserves the right to dismiss any Employee without any liability for any claim against such Employer or against the Trust Fund other than with respect to the benefits provided for by the Plan.

B. Source of Benefits. All benefits to be paid to a Participant or his beneficiary under this Plan shall be paid solely out of the Trust Fund, and the City assumes no liability or responsibility therefor.

C. Notice of Address. Each person entitled to benefits under this Plan must file with the Board of Trustees, in writing, his Social Security number, his post office address and each change of post office address. Any communication, statement, or notice addressed to such person at his latest post office address as filed with the Board of Trustees will be binding upon such person for all purposes of the Plan, and neither the Trustee nor the Board of Trustees shall be obliged to search for or to ascertain the whereabouts of any such person.

D. Rules of Construction. The terms and provisions of this Plan shall be construed in accordance with the meaning under, and which will bring the Plan into conformity with Section 401(a) of the Code, and in accordance with the laws of the State of Missouri. The Plan shall be deemed to contain the provisions necessary to comply with such laws. If any provision of this Plan shall be held illegal or invalid, the remaining provisions of this Plan shall be construed as if such provision had never been included; provided that the benefits accrued under the Prior Plan on account of earnings and service before June 1, 2012 shall be assumed by and paid under this

Plan if and only if the assets of the Prior Plan are merged into the Trust Fund under this Plan in accordance with subsection 4.19.010(E). Wherever applicable, the masculine pronoun as used herein shall include the feminine, and the singular shall be the plural.

E. Legal Action**.** No action may be brought in law or equity to recover under this Plan until the Claims and Review Procedures of Section 4.19.150 have been exhausted with respect to a claim; and no action may be brought after one year of the final denial of an appeal pursuant to subsection 4.19.150(C).