

**KNOX COUNTY RETIREMENT AND PENSION BOARD**

**November 20, 2023**

The Knox County Retirement and Pension Board met in regular session on Monday, November 20, 2023, at 3:00 P.M. in Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Chairman Chris Caldwell, Proxy for Mayor Jacobs, Commissioner Larsen Jay, Vice Chairman, Commissioner Richie Beeler, Secretary, Commissioner Terry Hill, Commissioner Kyle Ward, Mr. Zac Fullerton, Mr. Matthew Schlosshan, Mr. Jim Snowden and Mr. Chris Simons.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Brett Bronkhorst and Mr. Ralph Lehman

Legal Counsel: Mr. Bill Mason, Ms. Ashley Trotto, Ms. Stephanie Coleman and Ms. Sarah Jarrard

Retirement Staff: Ms. Jennifer Schroeder, Ms. Savannah Russell, Ms. Nyla Breshears, Ms. Terri Chase, Mr. Zack Cole and Ms. Faith Sullivan

**IN RE: CALL TO ORDER**

Chairman Caldwell presided and called the meeting to order.

**IN RE: AMENDMENTS TO AGENDA**

Chairman Caldwell reported that there were no amendments to the agenda.

**IN RE: APPROVAL OF MINUTES OF OCTOBER 23, 2023**

Chairman Caldwell presented the minutes for the board meeting held on October 23, 2023. Commissioner Jay made a motion to approve the minutes for October 23, 2023, as written. The motion was seconded by Mr. Snowden. All members present voted in favor. The motion passed unanimously.

**IN RE: APPLICATION FOR DISABILITY BENEFIT – EMPLOYEE DISABILITY PLAN**

The following applications for disability were presented for consideration:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>DATE OF RECOMMENDATION FROM REEDGROUP</u></b>
<b>Jason Myers</b>	<b>Sheriff</b>	<b>October 25, 2023</b>

Commissioner Jay presented Reed group's recommendation to approve Mr. Myers. Commissioner Jay made a motion to approve the claim based on Reed Group's recommendation. The motion was seconded by Mr. Simons. All members present voted in favor. The motion passed unanimously.

**IN RE: APPLICATIONS FOR RETIREMENT – DEFINED CONTRIBUTION PLAN AND AUTHORIZATION OF CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE**

The following applications for retirement and the credited service benefit based upon completed years of credited service at the date of retirement, as provided in the Defined Contribution Plan, were presented for consideration:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>	<b><u>EFFECTIVE DATE</u></b>
<b>Susan Moore</b>	<b>Health</b>	<b>5 years 4 months</b>	<b>December 1, 2023</b>
<b>Mark Parris</b>	<b>EPW</b>	<b>34 years 0 months</b>	<b>December 1, 2023</b>
<b>Martin Pleasant</b>	<b>EPW</b>	<b>24 years 3 months</b>	<b>December 1, 2023</b>

<b>Melanie Reseigh</b>	<b>CommSvcs</b>	<b>30 years</b>	<b>0 months</b>	<b>December 1, 2023</b>
<b>Boyd Vineyard</b>	<b>Sheriff</b>	<b>19 years</b>	<b>4 months</b>	<b>December 1, 2023</b>

A motion was made by Mr. Snowden to approve the applications for retirement under the Defined Contribution Plan as presented and to authorize the Directed Custodian, Charles Schwab, to make disposition of the benefits upon certification from USI and to authorize the Trustee, State Street Bank, to make payment of the credited service benefit. The motion was seconded by Commissioner Beeler. All members present voted in favor. The motion passed unanimously.

**IN RE: APPLICATIONS FOR RETIREMENT – UNIFORMED OFFICERS PENSION PLAN**

The following applications for retirement, as provided in the Uniformed Officers Pension Plan, were presented for consideration:

<b><u>NAME</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>CREDITED SERVICE</u></b>	<b><u>EFFECTIVE DATE</u></b>
<b>Jeffrey Smith</b>	<b>Sheriff</b>	<b>28 years 6 months</b>	<b>December 1, 2023</b>

A motion was made by Commissioner Hill to approve the application for retirement under the Uniformed Officers Pension Plan as presented and to authorize Trustee, State Street Bank, to make payment of the monthly benefits. The motion was seconded by Commissioner Jay. All members present voted in favor. The motion passed unanimously.

**IN RE: REPORT OF INVESTMENT COMMITTEE**

- **Investment Committee Summary and Recommendations from Nov 8, 2023** – Mr. Simons stated as of July 1, 2023 STAR Supplemental Account has been directed by the Board. Ms. Schroeder asked the Committee to authorize participant direction as part of the Amendment and Restatement of STAR, effective January 1, 2024. The committee also discussed revising the investment strategy of the Closed Define Benefit plan and Teacher’s plan. The assumed rate of return would change from 6.5% to 5% for the Closed DB Plan and 6.75% to 5% for the Teacher’s plan. This proposal is intended to ensure each plan reaches its anticipated end for funding purposes in ten years. In addition, USI recommended amendment and restatement of the Teacher’s Plan funding policy to recognize the Board’s previously approved adjustment from \$1.2 million or the ADC to \$1.5 million or the ADC.

The investment committee recommended that the board approve: a modification to the investment strategy for the Closed Defined Benefit and Teacher’s plan, approve a reduction in the Assumed rate of return for the Closed Defined Benefit Plan from 6.5% to 5%, approve reduction in the Assumed Rate of Return for the Teacher’s Plan from 6.75% to 5%, approve the amended and restated Teacher’s Plan funding policy, and authorize participant direction of the STAR Supplemental Contribution Account, as specified in the Committee’s Summary and Recommendations (attached hereto).

A motion was made by Mr. Simons to approve the recommendation of the Investment Committee, as drafted. The motion was seconded by Commissioner Ward. All members present voted. The motion passed.

**Monthly Rates of Return** – Mr. Simons presented the rates of return for the Defined Contribution and Defined Benefit Plans and stated the overall rates of return are in line with respective markets.

**IN RE: FIRST READING OF PLAN AMENDMENT AND RESTATEMENT FOR THE EMPLOYEE BENEFIT SYSTEM**

Ms. Schroeder reviewed the proposed changes to the System document. A motion was made by Commissioner Jay to approve the First Reading of the Amendment and Restatement of the employee Benefits System. The motion was seconded by Commissioner Ward. All members present voted. The motion passed.

**IN RE: FIRST READING OF PLAN AMENDMENT AND RESTATEMENT FOR THE UNIFORMED OFFICERS PENSION PLAN**

Ms. Schroeder reviewed the proposed changes to UOPP. A motion was made by Commissioner Beeler to approve the First Reading of the Amendment and Restatement of Uniformed Officers Pension Plan. The motion was seconded by Commissioner Jay. All members present voted. The motion passed.

**IN RE: FIRST READING OF PLAN AMENDMENT AND RESTATEMENT FOR THE SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN**

Ms. Schroeder reviewed the proposed changes to STAR. A motion was made by Commissioner Ward to approve the First Reading of the Amendment and Restatement of the Sheriff's Total Accumulation Retirement Plan. The motion was seconded by Commissioner Jay. All members present voted. The motion passed.

**IN RE: REPORT OF EXECUTIVE DIRECTOR**

- **COLA's (Cost of Living Adjustments) for Teachers, DB and UOPP Plans** – Ms. Schroeder reported that a letter was received from the City detailing the 2024 COLA rate for the Teacher's plan. The COLA rate for the Teacher's plan is 3%, but those over age 62 will receive 3.35%. The COLA rate for the DB plan is 3%. The COLA rate for UOPP is 3%, but those over age 62 will receive 3.35%. Commissioner Jay asked why the COLA percentage for the Teacher's Plan comes from the City. Chairman Caldwell confirmed they were City employees. Mr. Mason added there is an agreement between the City and County detailing the COLA procedure.
- **IRS Contribution Limits for 2024** – The catch-up deferral limit for the 457 plan has increased from \$22,500 to \$23,000, if over age 50.
- **Retirement Eligible Employees** – A packet that summarized retirement eligible employees was distributed to each Board Member. The packet contains how employees' factor by age, years or service, and who is retirement eligible.
- **Final Budget FY 23** – Ms. Schroeder presented the final budget for FY 23. The budget included a total savings of \$417,000.
- **Update on 457 Match Communication** – Of the 457 Match Communication letters sent last month,

the Retirement Office had a response from 34 employees. This is over a 5.5% response rate.

- **Retirement Seminars** – On November 11, 2023, the Retirement Office held two retirement seminars. The seminars were for employees that were about 5-10 years away from retirement. About 50 employees attended. Ms. Schroeder would like to continue with the seminars, about one to three per year.
- **RFQ Update** – The RFQ was released on November 17, 2023. It will close December 19, 2023. The evaluation process will start in January 2024.

Mr. Simons asked Ms. Schroeder about the previously discussed Roth option. Ms. Schroeder clarified that incorporating a Roth option will be revisited next year.

#### **IN RE: REPORT OF LEGAL COUNSEL**

- **Owings, Wilson, & Coleman**– There was no report. Commissioner Jay asked for updates on active lawsuits. On the settlement case, there is an expected payout in December. Further updates will be provided. On the taxpayer suit, everything has been submitted and approved, awaiting information from the Court of Appeals.
- **Kennerly, Montgomery** – There was no report.

#### **IN RE: REPORT OF ACTUARY**

There was no report.

**IN RE: APPROVAL OF PAYMENT – STATEMENT OF ACCOUNTS**

The following statement of accounts for professional services was presented for consideration and approval of payment, in accordance with agreements, audits and recommended for payment by Ms. Schroeder:

Invoices for OCT 2023 For FY 24 (Legal Invoices are approved for the previous Months Expense)	Fiscal 24 YTD Approved 9/30/2023	Invoices For Approval	Fiscal 24 YTD Approved 10/31/2023	FY 24 Budget vs. Actual 10/31/2023
BENXL Invoice # 103021				Budget \$50,000.00 Expenses -\$19,200.00 Remaining Budget \$30,800.00
<b>TOTAL BENXL</b>	\$19,200.00	\$0.00	\$19,200.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 232007 Invoice #		\$0.00		QDRO* \$2,000.00 Rec'd from Participan -\$1,000.00 Expenses \$500.00 \$2,500.00
<b>TOTAL KENNERLY, MONTGOMERY &amp; FINLEY, P.C.</b>	\$500.00	\$0.00	\$500.00	
Owings, Wilson & Coleman Invoice # 9993M Rathbone Invoice # 9942M Etters Invoice # 9012M Stachey Invoice # 9011M Kitts *** TOTAL OWINGS, WILSON & COLEMAN		\$380.22 \$0.00 \$1,387.50 \$1,387.50		Budget \$125,000.00 Expense -\$14,115.57 Remaining Budget \$110,884.43
<b>*** TOTAL OWINGS, WILSON &amp; COLEMAN</b>	\$10,960.35	\$3,155.22	\$14,115.57	
USI CONSULTING GROUP Invoice # 90086569 Invoice # Invoice #		\$52,704.50 \$0.00 \$0.00		Budget \$475,000.00 Expense -\$106,808.50 Remaining Budget \$368,191.50
<b>TOTAL USI CONSULTING GROUP</b>	\$54,104.00	\$52,704.50	\$106,808.50	
<b>Invoices for OCT 2023 For FY 24</b>	<b>\$84,764.35</b>	<b>\$55,859.72</b>	<b>\$140,624.07</b>	
*** Retainer not included in approved billings for the Board			<b>Fiscal 24 YTD</b>	
Owings, Wilson & Coleman Retainer	\$4,000 per month		\$20,000.00	
Kennerly Montgomery Retainer	\$12,000 per month		\$60,000.00	
USI Quarterly Fee for DB Advisory Services	\$37,000 per quarter		\$37,000.00	
Fees Received from QDRO* Participants	\$500 (DC Fee) \$2,000 (DB & UOPP Fee)		-\$1,000.00 \$0.00	

\*QDRO fee is Paid to Retirement Office which offsets the legal fee


After review of the statement of accounts and invoices, a motion was made by Commissioner Jay that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Commissioner Beeler. All members present voted in favor. The motion passed unanimously.

**IN RE: PUBLIC COMMENT**

There was no public comment.

**ADOURNMENT**

Chairman Caldwell asked if there was a motion to adjourn. Commissioner Jay made a motion to adjourn, which was seconded by Commissioner Hill, and the meeting was adjourned.

  
\_\_\_\_\_  
MAYOR GLENN JACOBS, CHAIRMAN  
BY PROXY, CHRIS CALDWELL

  
\_\_\_\_\_  
COMMISSIONER RICHIE BEELER, SECRETARY

Attachments:

1. Investment Committee Summary and Recommendations
2. Summary of Plan Amendments for the Systems, UOPP, STAR and Impact Statements
3. First Reading of Plan Amendment and Restatement for the Employee Benefit System
4. First Reading of Plan Amendment and Restatement for the Uniformed Officers Pension Plan
5. First Reading of Plan Amendment and Restatement for the Sheriff's Total Accumulation Retirement Plan
6. Retirement Eligible Employees Summary

**Investment Committee  
Summary and Recommendations**

**Revised Investment Strategy for the Closed Defined Benefit Plan and Teacher's Plan:**

On behalf of USICG, Mr. Cross reminded the Committee that the Closed Defined Benefit and Teacher's Plans each have a ten (10) year life span for funding. He then reviewed the results of the annual Horizon Study, noting that the average expected return over the next ten (10) years for US Corporate Bonds is 4.7% (5.9% standard deviation) and for US Equity – Large Cap is 6.9% (16.6% standard deviation). He noted that these figures have changed drastically since the last experience study. Although the current portfolio is well constructed, to significantly reduce volatility risk, USICG is proposing a revision in the investment strategy for the Closed Defined Benefit Plan and the Teacher's Plan. This revised investment strategy will require a reduction in the assumed rate of return for the Closed DB Plan from 6.5% to 5% and for the Teacher's Plan from 6.75% to 5% to conform with actuarial and GASB standards. The change would be accompanied by an adjustment to the investment portfolios from a 60/40 equities to fixed income strategy to a 20/80 strategy. Mr. Cross stated that this proposal is a cash flow exercise intended to ensure that each Plan reaches its anticipated end for funding purposes in ten (10) years.

**Teacher's Plan Funding Policy:**

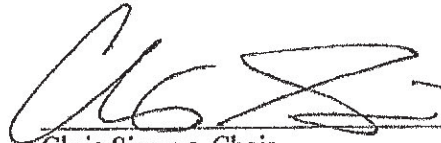
USICG proposed the amendment and restatement of the Teacher's Plan funding policy to conform to current practice. Specifically, adjusting the annual contribution from the greater of \$1.2 million or the ADC to the greater of \$1.5 million or the ADC.

**STAR Supplemental Account:**

Ms. Schroeder reminded the Committee that investment of the STAR Supplemental Contribution Account ("Account") is currently directed by the Board and that the Account was closed to new contributions, effective July 1, 2023. She asked the Committee to consider allowing Participant direction of that Account as part of the Amendment and Restatement of STAR, effective January 1, 2024.

**Recommendations:** The Investment Committee recommends that the Board take the following actions:

1. Approve a modification to the investment strategy for both the Closed Defined Benefit Plan and the Teachers Plan as noted above.
2. Approve a reduction in the Assumed Rate of Return for the Closed Defined Benefit Plan from 6.5% to 5% on recommendation of USI, such action to be reassessed in one (1) year.
3. Approve a reduction in the Assumed Rate of Return for the Teacher's Plan from 6.75% to 5% on recommendation of USI, such action to be reassessed in one (1) year.
4. Approve the amended and restated Teacher's Plan Funding Policy, as drafted.
5. Authorize Participant direction of the STAR Supplemental Contribution Account in connection with the Amendment and Restatement of STAR.

  
Chris Simons, Chair 11-13-23

## System Amendments

2

- Increase RMD commencement age in accordance with SECURE 2.0
- Amend the Asset Plan to include an in-service distribution provision on the following conditions: (1) limited to \$5,000; (2) participants must be fully vested; (3) no more than 1 distribution within a 3-year period; and (4) distribution may not be repaid
- Amend 457 Plan to allow for Participant self-certification of Unforeseeable Emergency
- Increase upper limit for employer-initiated transfer of former employee's account to IRA from \$5,000 to \$7,000
- Specify that a surviving spouse may elect to be treated as the deceased employee for RMD purposes



# System Housekeeping Amendments

3

- Remove language stating employer's intent that definitions have a common meaning across all plans (e.g., UOPP now has a different definition of Compensation)
- Exclude from Compensation incremental increases paid to UOPP Officers in excess of 3% per year
- Clarify that participation in MERP and/or 457 does not exclude a Participant from the Eligible Class
- Remove reference to specific life expectancy tables
- Clarify that Participants may pay dental premiums with MERP distributions
- Correct inaccurate section references
- Update amendment and public notice dates

## UOPP Amendments

4

- Increase RMD commencement age in accordance with SECURE 2.0
- Provide for a final 30-day window in the first quarter of 2024 for active Officers to apply to purchase prior military service credit (active or reserve) at its present actuarial value
- Increase upper limit for employer-initiated transfer of former employee's account to IRA from \$5,000 to \$7,000
- Specify that a surviving spouse may elect to be treated as the deceased employee for RMD purposes
- Allow UOPP Officer participation in MERP

# UOPP Housekeeping Amendments

5

- Remove language stating employer's intent that definitions have a common meaning across all plans (e.g., UOPP now has a different definition of Compensation)
- Clarify that participation in MERP and/or 457 does not exclude a Participant from the Eligible Class
- Remove reference to specific life expectancy tables
- Update amendment and public notice dates

## STAR Amendments

6

- Increase RMD commencement age in accordance with SECURE 2.0
- Adopt in-service distribution provision on the following conditions:  
(1) limited to \$5,000; (2) participant must be fully vested; (3) no more than 1 distribution within a 3-year period; and (4) distributions may not be repaid
- Increase upper limit for employer-initiated transfer of former employee's account to IRA from \$5,000 to \$7,000
- Specify that a surviving spouse may elect to be treated as the deceased employee for RMD purposes
- Add 457 Plan match (same as Asset Plan)
- Allow STAR Officer participation in MERP

## STAR Amendments – Continued

7

- Adjust vesting from 10- and 15-year cliff to 5-year graded (same as Asset Plan)
- Change affects both the Base Contribution Account and Supplemental Contribution Account
- Supplemental Contribution Account closed to new contributions as of July 1, 2022
- Previous actuarial impact statement only considered the Base Contribution Account. Including the Supplemental Contribution Account increases the year one impact from \$515,000 to \$632,000.
- Make remaining Supplemental Contribution Accounts subject to Participant investment direction

# STAR Housekeeping Amendments

8

- Remove language stating employer's intent that definitions have a common meaning across all plans (e.g., UOPP now has a different definition of Compensation)
- Exclude from Compensation incremental increases paid to UOPP Officers in excess of 3% per year
- Clarify that participation in MERP and/or 457 does not exclude a Participant from the Eligible Class
- Revise definitions of Eligible Class and Month of Service to update sunset date for reemployed UOPP Officers
- Remove reference to specific life expectancy tables
- Update amendment and public notice dates

## Schedule

9

- December Board meeting: (1) second reading of plan amendments; and (2) consideration of loan program amendments (conditioned on Commission approval of STAR amendments)
- December Commission meeting: consideration of resolution to approve STAR vesting and 457 Match amendments
- January 1, 2024 amendment effective date
- 1<sup>st</sup> quarter of 2024: prior military service communication and application period



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 www.usicg.com  
 Tel: 865.523.8353

June 19, 2023

Ms. Jennifer Schroeder, Executive Director  
 Knox County Retirement and Pension Board  
 City County Building, Room 371  
 400 S. Main Street  
 Knoxville, TN 37902

**RE: Amendment to the Sheriff’s Total Accumulation Retirement Plan Vesting Schedule**

Dear Ms. Schroeder:

USI Consulting Group (“USICG”) has been requested to provide an Actuarial Impact Statement regarding an Amendment to the provisions of the Sheriff’s Total Accumulation Retirement Plan (“STAR”). Specifically, the current 10-year cliff vesting schedule for the County’s based contribution to STAR Participants would be amended as follows:

<u>Years of Employment</u>	<u>% Matching Contributions Vested</u>
Less than one year	0%
One or more and less than two years	20%
Two or more and less than three years	40%
Three or more and less than four years	60%
Four or more and less than five years	80%
Five or more years	100%

Participants who terminate employment prior to full vesting will forfeit the non-vested portion of the County’s contribution.

The Amendment to the vesting schedule would be effective January 1, 2024.

The vesting structure currently in place (10-year cliff) recognizes full forfeitures of County contributions for any participant terminating with less than 10 years of employment. The proposed structure (5-year graded) would recognize full forfeitures of County contributions for participants terminating with less than one year of employment and partial forfeitures for participants terminated with between one and five years of employment. As a result, the overall number (and amount) of forfeitures will decline. Based on experience during 2022, the change would reduce forfeitures by 40-50%.

A reduction in forfeitures will lead to an increase in the cost to the County. Based on the 40-50% expected reduction, and actual forfeiture experience during 2022, we anticipate an increase in County cost in year one to be approximately \$515,000. When combined with the proposed change



to add a 457-match component to STAR (\$100,000), the estimated County cost increase is \$615,000.

Please keep in mind that number (and amount) of forfeitures in any given year is dependent upon the participants terminating employment and their years of employment. The estimates provided are based on experience during 2022.

Sincerely,

USI CONSULTING GROUP

A handwritten signature in black ink, appearing to read "Bob Cross", with a long horizontal flourish extending to the right.

Bob Cross, ASA, FCA, MAAA  
President, Central and Southern Regions



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November 15, 2023

Ms. Jennifer Schroeder, Executive Director  
 Knox County Retirement and Pension Board  
 City County Building, Room 371  
 400 S. Main Street  
 Knoxville, TN 37902

**RE: Amendment to the Sheriff’s Total Accumulation Retirement Plan Supplemental Deposit Vesting Schedule**

Dear Ms. Schroeder:

USI Consulting Group (“USICG”) has been requested to provide an Actuarial Impact Statement regarding an Amendment to the provisions of the Sheriff’s Total Accumulation Retirement Plan (“STAR”). Specifically, the current 15-year cliff vesting schedule for the County’s Supplemental contribution to STAR Participants would be amended as follows:

<u>Years of Employment</u>	<u>% Matching Contributions Vested</u>
Less than one year	0%
One or more and less than two years	20%
Two or more and less than three years	40%
Three or more and less than four years	60%
Four or more and less than five years	80%
Five or more years	100%

Participants who terminate employment prior to full vesting will forfeit the non-vested portion of the County’s contribution.

The Amendment to the vesting schedule would be effective January 1, 2024.

The vesting structure currently in place (15-year cliff) recognizes full forfeitures of County contributions for any participant terminating with less than 10 years of employment. The proposed structure (5-year graded) would recognize partial forfeitures for participants terminating with between one and five years of employment. As a result, the overall number (and amount) of forfeitures will decline.

Note that the Supplemental Contribution was eliminated effective January 1, 2022 so that no future County contributions will be made to that Account. Therefore, this Amendment will only impact the non-vested portion of such Account.

Based on the expected reduction in forfeitures and actual forfeiture experience during 2022, USICG expects that the impact of the loss of forfeitures will result in an increase in cost to the County of approximately \$117,000 in the upcoming year.

Note that the increase in County cost is dependent on many factors including rates of termination. Notwithstanding, the cost determination above can be utilized as the basis for determining the actuarial impact to the County of the referenced Amendment.

Sincerely,

USI CONSULTING GROUP

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Bob Cross, ASA, FCA, MAAA  
President, Central and Southern Regions



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June 19, 2023

Ms. Jennifer Schroeder, Executive Director  
 Knox County Retirement and Pension Board  
 City County Building, Room 371  
 400 S. Main Street  
 Knoxville, TN 37902

**RE: Amendment to Add a County 457 Plan Matching Contribution on Behalf of STAR Participants**

Dear Jennifer:

USI Consulting Group (“USICG”) has been requested to provide an Actuarial Impact Statement regarding an Amendment to the provisions of the Sheriff’s Total Accumulation Retirement Plan (“STAR”). Specifically, such Amendment will stipulate that a County matching deposit will be on behalf of each STAR Plan Participant with the level of match to be based on years of employment, as follows:

<u>Years of Employment</u>	<u>County Match of the Participant’s Contribution</u>
Less than five years	0%
Five or more and less than ten years	100% of the first 2%
Ten or more and less than fifteen years	100% of the first 4%
Fifteen years or more	100% of the first 6%

Voluntary pre-income tax contributions to the 457 Plan will be matched dollar-for-dollar by the County up to the maximum percentage of each Participant’s compensation noted above, based on years of employment.

The Amendment to the matching schedule on behalf of STAR Participants will be effective January 1, 2024.

This Amendment will be coupled with a significant modification to STAR’s vesting requirements regarding the percentage of the County’s portion of a Participant’s STAR account payable upon termination of employment.

To determine the cost of providing a County match to Participants in STAR, USICG reviewed match information from the Asset Accumulation Plan during 2022. Based on this analysis, the County’s estimated first year cost to STAR for the above Amendment alone is slightly less than \$98,000.

Note that the increase in County contribution is dependent on many factors including rates of termination of employment, the number of individuals contributing to STAR, the level of such contributions and the rate of salary increases. Notwithstanding, the cost determination above can be utilized as the basis for determining the actuarial impact to the County of the referenced Amendment to STAR.

Sincerely,

USI CONSULTING GROUP

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Bob Cross, ASA, FCA, MAAA  
President, Central and Southern Regions



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October 8<sup>th</sup>, 2023

Ms. Jennifer Schroeder, Executive Director  
Knox County Retirement and Pension Board  
City County Building, Room 371  
400 S. Main Street  
Knoxville, TN 37902

**RE: Amendment to Permit Star Participants to Participate in MERP.**

Dear Jennifer:

USI Consulting Group ("USICG") has been requested to provide an Actuarial Impact Statement regarding an Amendment to the provisions of the Medical Expense Retirement Plan ("MERP").

Specifically, such Amendment would permit actively employed Participants in the Sheriff's Total Accumulation Retirement Plan ("STAR") to participate in MERP. Voluntary after-tax contributions to MERP by actively employed Participants of STAR will be matched one-half by the County up to a maximum County deposit of \$416 annually. The Amendment will be effective January 1, 2024.

To determine the cost, USICG reviewed MERP participation and match information from Participants in the Asset Accumulation Plan during 2022. Participants in the Asset Accumulation Plan may voluntarily participate in MERP. Based on that analysis, the County's estimated first year cost for the above Amendment is slightly less than \$19,900.

Note that the increase in County contribution is dependent on many factors including rates of termination of employment, the number of individuals contributing to MERP, the level of such contributions and the rate of salary increases. Notwithstanding, the cost determination above can be utilized as the basis for determining the actuarial impact to the County of the referenced Amendment to MERP.

Sincerely,

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October 8th, 2023

Ms. Jennifer Schroeder, Executive Director  
Knox County Retirement and Pension Board  
City County Building, Room 371  
400 S. Main Street  
Knoxville, TN 37902

**RE: Amendment to Permit UOPP Participants to Participate in MERP**

Dear Jennifer:

USI Consulting Group ("USICG") has been requested to provide an Actuarial Impact Statement regarding an Amendment to the provisions of the Medical Expense Retirement Plan ("MERP").

Specifically, such Amendment would permit actively employed Participants in the Uniformed Officers Pension Plan ("UOPP") to participate in MERP. Voluntary after-tax contributions to MERP by actively employed Participants of UOPP will be matched one-half by the County up to a maximum County deposit of \$416 annually. The Amendment will be effective January 1, 2024.

To determine the cost, USICG reviewed MERP participation and match information from Participants in the Asset Accumulation Plan during 2022. Participants in the Asset Accumulation Plan may voluntarily participate in MERP. Based on that analysis, the County's estimated first year cost for the above Amendment is slightly less than \$17,100.

Note that the increase in County contribution is dependent on many factors including rates of termination of employment, the number of individuals contributing to MERP, the level of such contributions and the rate of salary increases. Notwithstanding, the cost determination above can be utilized as the basis for determining the actuarial impact to the County of the referenced Amendment to MERP.

Sincerely,

USI CONSULTING GROUP

Bob Cross, ASA, FCA, MAAA  
President, Central and Southern Regions

**RESTATEMENT OF THE  
KNOX COUNTY EMPLOYEE BENEFIT SYSTEM**

Effective January 1, ~~2023~~2024

20232024(1)

*Retirement System*



**KNOX COUNTY EMPLOYEE BENEFIT SYSTEM**

**THIS KNOX COUNTY EMPLOYEE BENEFIT SYSTEM** hereby amended and restated this ~~19th~~ 18th day of December, ~~2022-2023~~ by Knox County Government (herein referred to as the “Employer”).

**WITNESSETH:**

**WHEREAS**, effective July 1, 1968, a system of employee benefits for Employees of Knox County known as “The Knox County Employee Benefit System” (herein referred to as the “System”) was created and established pursuant to House Bill No. 886 of Chapter 246 of the 1967 Private Acts of the State of Tennessee and as subsequently governed by the Knox County Charter (the “Charter”); and

**WHEREAS**, the stated intent of the System is to provide a well-balanced program of benefits founded on concepts of sound actuarial principles in order that the System can, to as great an extent as possible, be considered sound as to benefits and costs presently and in the future; and

**WHEREAS**, the Knox County Retirement and Pension Board (the “Board”) shall not have the power or authority to adopt or approve any plan or plan amendment, or take any other action, which thereby would increase the funding or financial obligations of the County either at the time of the action or in the future without notification to and express consent and funding by resolution from the Commission. The intent of this provision is to restrict the power of the Board so that all plans, benefits, annuities or pensions are actuarially sound and actuarially funded from the date of their creation; and

**WHEREAS**, it shall also be the stated intention not to make changes or amendments to the System until the financial effect on any proposed change on the actuarial soundness of the System has been determined on the basis of such competent actuarial, legal and other advice as the Board shall assemble and such information has been made available to all interested parties; and

**WHEREAS**, since its inception, the System has been amended and restated to reflect changing legislative requirements as well as changes and enhancement in the benefits offered thereunder; and

**WHEREAS**, the Board has determined that the System shall be amended and restated in its entirety to comply with such changes, as well as some of those required under legislation enacted subsequent to the System’s restatement in ~~July 2022~~ January 2023;

**NOW, THEREFORE**, effective January 1, ~~2023~~ 2024, except as otherwise provided herein, the System is amended and restated as follows:

## ARTICLE I - DEFINITIONS

When used in this System, the following words and phrases, where capitalized, shall have the meaning indicated unless otherwise defined or required by the context. When used in a component plan of the System, the defined words and phrases shall be interpreted as applying only to the component plan in which used, unless otherwise stated or required by the context. Particular defined words or phrases may be used in the System as well as UOPP, STAR and the Disability Plan. When used in this document, such words or phrases refer to this System or its component plans, except as specifically stated or otherwise required by the context. ~~The Employer's intention in using these words and phrases is that they have a common meaning and that they be interpreted in the same way, across the System, UOPP, STAR and the Disability Plan.~~

**I-1.01 "Accounting Date"** shall mean the last day of the Plan Year.

**I-1.02 "Accrued Benefit"** shall mean the Retirement benefit a Participant would receive at Normal Retirement Date based on the defined Retirement benefit Formula set forth in Section III - 3.02 of the Closed DB Plan or Section IX – 1.02 of the Teacher's Plan; however, the Accrued Benefit of a Participant who is employed after the Normal Retirement Date shall be the Retirement benefit the Participant is entitled to receive based on the Retirement benefit formula set forth in Section III – 3.04 of the closed DB Plan or Section IX – 1.02 of the Teacher's Plan.

A Participant's accrued Benefit as of any date is based on Credited Service and Average Compensation on that date.

A Participant's accrued Benefit shall not be less than the Employee Contribution Benefit. A Participant's Accrued Benefit derived from Participant Contributions shall be equal to the Participant Contributions Benefit. A Participant's Accrued Benefit derived from Employer Contributions is the excess, if any, of the total Accrued Benefit over the Employee Contribution Benefit derived from Participant Contributions.

**I-1.03 "Active Participant"** shall mean, with respect to any Plan Year, a Participant who has been credited with at least one (1) Hour of Service for the Plan Year.

**I-1.04 "Actuarial Equivalent"** or **"Actuarial Equivalence"** shall mean under the Closed DB Plan the equivalent value of a benefit computed on the basis of the 1983 Group Annuity Mortality Table at 7% per annum, or such other factors as shall be subsequently determined by the Board.

**I-1.05 "Actuary"** shall mean the qualified Actuary, who is a member of the American Academy of Actuaries, appointed by the Board to perform actuarial valuations and give other actuarial advice as directed or requested by the Board from time to time.

**I-1.06 "Administrator"** shall mean the Board.

**I-1.20 “Closed Defined Benefit Plan” or “Closed DB Plan”** shall mean the Knox County Closed Defined Benefit Plan established under Article III of the System, a component Plan of the System.

**I-1.21 “Code”** shall mean the Internal Revenue Code of 1986 as in effect on the relevant date to be interpreted under this Plan. Reference to any section of the Code shall include that section, any Regulation promulgated thereunder, and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

**I-1.22 “Commission”** shall mean the Knox County Board of Commissioners.

**I-1.23 “Compensation”** shall mean the total salary paid by the Employer to the Employee for services performed for the Employer that is currently includible in gross income, excluding both clothing allowance and pay reimbursed for service performed for any outside entity, but including bonus and longevity pay, and amounts excluded from income pursuant to Sections III-2.02(a) or VI-2.04(a) and Code §§ 125, 402(a)(8), 402(h) and 403(b) attributable to the period of his or her participation in the Plan. Consistent with the terms of the Plan, the Board may establish and amend from time to time such procedures as necessary or desirable in its discretion related to administration of Compensation, and the Board’s determination of a Participant’s Compensation shall be conclusive.

(a) Compensation shall not include any salary that is covered by any pension plan administered by the State of Tennessee, or covered by the Uniformed Officers Pension Plan or the Sheriff’s Total Accumulation Retirement Plan. Additionally, Compensation shall not include incremental increases paid to a UOPP Officer in excess of 3% per year applied position-by-position on a base fixed as of December 31, 2022, as designated by the Sheriff’s Office and recorded in the County payroll system. Compensation covered by the Teacher’s Plan shall not count under any other component plan of the System, except for Compensation related to the Matching Employer Contribution pursuant to Section VI-2.02(b), Compensation covered by either the Closed DB Plan or the Asset Plan shall not be taken into account for purposes of the other such plan.

(b) Compensation, for all Plan Years, shall exclude amounts in excess of \$225,000 (or such other amount as determined in accordance with the cost-of-living adjustment procedures described in Code § 401(a)(17)). For purposes of applying this limit, Compensation is determined for a Plan Year on the basis of Compensation for the calendar year ending within the Plan Year. The limitation on Plan Year Compensation under Code § 401(a)(17) shall be the limit in effect for the calendar year in which the Plan Year begins. Provided, however, that the § 401(a)(17) limit on Compensation shall be prorated for any short Plan Year.

(c) Compensation shall exclude elective amounts that are not includible in the gross income of the Participant by reason of Code § 132(f)(4).

(d) Post-Severance Compensation shall be treated as Compensation; provided, however, effective January 1, 2018, neither Compensation nor Post-Severance Compensation shall include

payment for more than 43 days of unused accrued bona fide vacation leave cashout at Termination or Retirement.

(e) Compensation for a Plan Year shall not include amounts earned but not paid during the Plan Year solely because of the timing of pay periods and pay dates.

(f) Differential Wage Pay is treated as Compensation.

(g) Compensation includes amounts paid to a Participant who is Disabled.

(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the Employee is designated by the Employer as regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under any Plan of the System, STAR, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under the System, STAR, the Disability Plan or UOPP with regard to pay for such position(s).

(i) Compensation includes overtime paid to Participants, except that Compensation shall not include overtime paid to Participants in UOPP or STAR.

(j) Except as otherwise provided in this Section I-1.23, Compensation shall not include a cash-out of unused accrued time off or a lump sum payment of any kind.

**I-1.24 “Contract” or “Policy”** means any life insurance policy, Retirement income policy or annuity contract (group or individual) issued pursuant to the terms of this Plan. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Contract provisions shall control.

**I-1.25 “Credited Service”** shall mean the sum of an Employee’s full and partial Years of Service, determined in years and months.

(a) If a Participant becomes ineligible to participate because he or she is in the Ineligible Class of a component plan of the System or if an Employee in the Ineligible Class becomes a part of the Eligible Class, no period of Employment in the Ineligible Class shall be included in determining Credited Service for that component plan, except as provided in this Section I-1.25.

(b) Credited Service shall not include any period of Employment counted for purposes of determining an Employee’s benefit under the Uniformed Officers Pension Plan.

(c) A Participant’s Credited Service under the Asset Plan shall include Credited Service under STAR, whether such STAR Credited Service occurs prior to, concurrent with, or following that Participant’s Credited Service under the Asset Plan. However, the same calendar month shall not be counted more than once under the Asset Plan or STAR. Notwithstanding the above,

**I-1.42 “Distribution Calendar Year”** shall mean a calendar year for which a minimum distribution is required. Pursuant to the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), calendar year 2020 shall only be considered a Distribution Calendar Year if affirmatively elected by a Participant. For distributions beginning before the Participant’s death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant’s Required Beginning Date. For distributions beginning after the Participant’s death, the first Distribution Calendar Year is the calendar year in which the distributions are required to begin under the applicable Plan provisions. The required minimum distribution for the Participant’s first Distribution Calendar Year will be made on or before the Participant’s Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant’s Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

**I-1.43 “Domestic Relations Order”** shall mean a judgment, decree, or order, including approval of a property settlement agreement, made pursuant to state domestic relations law or community property law that relates to the provision of Child support or alimony payments to, or marital property rights of, a Spouse, former Spouse, Child or other dependent of a Participant.

**I-1.44 “Early Retirement Age”** shall mean, for each Participant, the later of age fifty-five (55) or completion of five (5) years of Credited Service.

**I-1.45 “Early Retirement Benefit”** shall mean the benefit to which a Participant is entitled at the Early Retirement Date.

**I-1.46 “Early Retirement Date”** shall mean, for each Participant, the first day of any month coinciding with or following Early Retirement Age but before the Participant reaches the Normal Retirement Date.

**I-1.47 “Earnings While Disabled”** shall mean earnings received by a Disabled Participant during Disability from full time or part-time employment, or self-employment.

**I-1.48 “Effective Date”** shall mean July 1, 1968 with respect to the original establishment of the System and the Closed Defined Benefit Plan. Effective Date for the Asset Plan shall mean October 1, 1991. Effective Date for the Medical Expense Retirement Plan shall mean July 1, 1998. Effective Date for the Deferred Compensation Plan shall mean July 1, 2007.

**I-1.49 “Eligible Class”** shall mean those Employees designated by the Employer as regularly scheduled to work at least 18-1/2 hours per week, being Employees whose employment is status coded by the Employer as A-1 or A-2 (or the equivalent). Employees designated by the Employer as temporary, seasonal, casual or the equivalent, or designated by the Employer as regularly scheduled to work less than 18-1/2 hours per week, being Employees whose employment is status coded by the Employer as A-3 (or the equivalent), are not in the Eligible Class regardless of the number of hours actually worked. Employees who are assigned by the Knox County School System to the job types of substitute or timecard (or the equivalent) are not

in the Eligible Class regardless of the number of hours actually worked. The Employer's designation of status codes may take account of particular conditions of employment (e.g., the Knox County School System schedule). Notwithstanding the foregoing, the following Employees are excluded from the Eligible Class:

(a) Any certificated person who is employed by Knox County who is participating in and covered by the provisions of Plans A or B of Article XIII of the Charter of the City of Knoxville, Tennessee as of June 28, 1991;

(b) Any Employee who is participating in the Tennessee Consolidated Retirement System presently or by election to transfer. Provided, however, any Employee who is participating in the Tennessee Consolidated Retirement System presently or by election to transfer shall not be precluded from participation with respect to Compensation received from the Employer, pursuant to the definition of Compensation under Section I-1.23;

(c) Any Employee covered by the Uniformed Officers Pension Plan or the Sheriff's Total Accumulation Retirement Plan for purposes of Articles III, and ~~VI, VII or X~~ as to any Compensation or Credited Service taken into account in computing a benefit under that Uniformed Officers Pension Plan or Sheriff's Total Accumulation Retirement Plan, unless otherwise specifically provided by the System;

(d) Any Participant of the Closed DB Plan from participation in the Asset Plan; provided, however, notwithstanding any other provision of this System, a Closed DB Plan Participant shall be a member of the Asset Plan Eligible Class solely for the limited purpose of eligibility for and participation in the additional Matching Employer Contribution benefit provided by Section VI-2.02(b);

(e) Any Participant under the Asset Plan from participation in the Closed DB Plan except for Asset Plan Participants last employed or reemployed prior to January 1, 2014, with respect to benefits described in Sections III-3.06 and III-3.07(a); and

(f) Any Knox County Schools Employee hired or rehired on or after July 1, 2022. For avoidance of doubt, Knox County School Board members are classified as elected officials and are members of the Eligible Class. Furthermore, a general government Employee who transfers to or takes an assignment at Knox County Schools is considered to have been hired or rehired in accordance with this provision.

An Employee in the Eligible Class who transfers voluntarily or involuntarily to other Employment not in the Eligible Class of any plan shall be in the Ineligible Class for that plan on the date of such transfer. An Employee in the Eligible Class of any plan who holds other Employment not in the Eligible Class shall not be deemed to be an Employee in the Eligible Class for purposes of such plan with respect to service or Compensation credited or earned in that other Employment.

**I-1.50 "Eligible Retirement Plan"** means an individual Retirement account described in Code § 408(a), an individual Retirement annuity described in Code § 408(b) (other than an endowment

and such services are performed under primary direction or control by the recipient. A Leased Employee shall not be eligible to participate in the System.

**I-1.74 “Leave of Absence”** shall mean that period during which the Participant is absent without compensation and for which the Employer, in its sole discretion, has determined the Participant to be on a leave of absence rather than having Severed Employment. Such discretion of the Employer shall be exercised in a uniform and nondiscriminatory manner.

**I-1.75 “Life Expectancy”** shall mean an individual’s Life Expectancy as computed by use of the ~~Single Life Table~~ applicable table in Regulation § 1.401(a)(9)-9.

**I-1.76 “Limitation Year”** shall mean the calendar year.

The Limitation Year may only be changed by a Plan amendment. Furthermore, if the Plan is terminated effective as of a date other than the last day of the Limitation Year, then the Plan is treated as if the Plan had been amended to change its Limitation Year.

**I-1.77 “Longevity Retirement Benefit”** shall mean the benefit to which a Participant is entitled pursuant to the terms of the Asset Plan at his or her Longevity Retirement Date.

**I-1.78 “Longevity Retirement Date”** shall mean, for each Participant, the first day of any month coinciding with or following the date that the sum of his or her attained age and years of Credited Service equal or exceed seventy (70), provided that his or her attained age is at least fifty (50).

**I-1.79 “Matching Employer Contributions”** shall mean the Employer Contributions, if any, made pursuant to Section VI-2.02 or Section VII-2.01.

**I-1.80 “Matching Employer Contributions Account”** shall mean the amount standing to the credit of a Participant which is attributable to the Matching Employer Contributions, together with adjustments allocable thereto under the terms of the Asset Plan.

**I-1.81 “Maximum Permissible Amount”** shall mean, for any Limitation Year, the lesser of:

(a) Forty thousand dollars (\$40,000) (or such greater amount according to the cost-of-living adjustment permissible under Code § 415(d)(3) and determined by the Commissioner of Internal Revenue for the Limitation Year); or

(b) One hundred percent (100%) of the 415 Compensation received by the Participant from the Employer during the Limitation Year.

If, because of an amendment changing the Limitation Year, a short Limitation Year is created, then the Maximum Permissible Amount will not exceed forty thousand dollars (\$40,000) multiplied by the following fraction:

Number of months in the short Limitation Year

**I-1.109 “Regulation”** shall mean the Income Tax Regulations as promulgated by the Secretary of the Treasury or delegate, as amended from time to time.

**I-1.110 “Required Beginning Date”** shall mean April 1 of the calendar year following the later of: (a) the calendar year in which the Participant attains age ~~72~~73, or (b) the calendar year in which the Participant retires or such other date under Code § 401(a)(9) by which required minimum distributions must commence. Effective January 1, 2033, the reference to age 73 in subsection (a) shall be replaced with age 75.

**I-1.111 “Restorative Payment”** shall mean a payment made to restore losses to a plan resulting from actions by a Fiduciary for which there is reasonable risk of liability for breach of a Fiduciary duty under applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are Restorative Payments only if the payments are made in order to restore some or all of the Plan’s losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of Fiduciary duty (other than a breach of Fiduciary duty arising from failure to remit contributions to the plan). This includes payments to a plan made pursuant to a court-approved settlement, to restore losses to a qualified defined contribution plan on account of the breach of Fiduciary duty (other than a breach of Fiduciary duty arising from failure to remit contributions to the plan).

**I-1.112 “Retired Participant” or “Retiree”** shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement benefits under a component plan of the System. For purposes of Article X only, "Retired Participant" or "Retiree" shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and has been approved by the Board to receive retirement benefits under a component plan of the System, STAR or UOPP or a Participant who has been elected or appointed as a Knox County public official who has had a Severance and who is eligible to receive and has applied and been approved to receive retirement benefits under TCRS.

**I-1.113 “Retirement”** shall mean any of the forms of immediate Retirement set forth in a component plan of the System including Sections III-3.02, -3.03, and -3.04, VI-4.02, -4.03, -4.04, and -4.05, and VII-4.01.

**I-1.114 “Severance” or “Severs”** shall mean, with respect to any individual, the voluntary or involuntary cessation from being an Employee of the Employer within the meaning of Code § 401(k)(2)(b)(i)(I). Leave of Absence shall not be deemed to be a Severance. An individual does not have a Severance if, in connection with a change or transfer of employment or assignment, the individual continues as an Employee in the Employment of the Employer. Severance may occur on Termination of Employment, death, Disability or Retirement.

**I-1.115 “Severance Date”** shall mean the date a Participant’s Severance occurs.



## SECTION III-3 - PENSION BENEFITS

### III-3.01 General Conditions

(a) Before payment of any benefit under this Section III-3 can be made, written application for such benefit must be made to the Board by the Participant or Beneficiary, as the case may be, in such form and in such manner as the Board may require. All conditions applicable to the payment of any benefit must be met, and the Board shall determine and approve the amount of benefit to which a Participant or Beneficiary, as the case may be, may be entitled to receive. However, if a Participant is not entitled to receive any benefit upon Severance other than a Refund and the Participant is not entitled to leave Participant Contributions in the System, so long as the amount of the Refund does not exceed ~~\$5,000~~7,000, no application for benefits is necessary and the payment of such Refund shall be automatic. Such distribution may be made in cash, subject to applicable federal and state income tax withholding, or may be directly rolled over to another Eligible Retirement Plan or arrangement willing to accept such transfer. In the event of such a mandatory distribution, if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover in accordance with Section III-3.11 or to receive the distribution in cash in accordance with this Section III-3.01, then the Board will pay the distribution in a Direct Rollover to an individual Retirement account designated by the Board. In any case in which a Participant's Vested Accrued Benefit exceeds ~~\$5,000~~7,000, the Participant's written consent shall be required before a distribution is made. If any pension benefit provided in this Section III-3 is less than \$250 per month, the Board, in its discretion, may pay the Actuarial Equivalent value of such benefit in one lump sum, or in such other manner as the Board may determine; provided, that any Participant who has received the Actuarial Equivalent value of such benefit shall not be eligible to participate in this System if such Participant is reemployed by the Employer at a later date. Any benefit payable in accordance with this Section III-3 shall be payable under one and only one Section and no such benefit shall be payable in respect of any month in which a Participant is an Employee or with respect to any month in which a Disability Benefit is payable to him or her, except as herein provided.

(b) In the event a Retiree who is receiving benefits from the Plan becomes reemployed by the Employer in the Ineligible Class of any other Plan of the System or STAR, such payments shall not be suspended. No additional benefits shall be accrued under this Plan, any other Plan of the System or STAR as a result of such reemployment.

(c) No Employment with the Employer is permitted after Retirement from any position that is covered by any Knox County qualified plan for a period of at least four (4) full calendar months subsequent to the Employee's Retirement, except for changes in employment involving an individual's public office. At no time and under no circumstance shall an Employee have or enter into a prearranged agreement, whether verbal or written, express or implied, to be reemployed, or guaranteed reemployment, after Retirement in any capacity with Employer (including any part-time, temporary or casual employment). (d) In unusual circumstances, upon petition of a Former Participant, the Board may grant an exception to the waiting periods

described in Section III-3.01(c), where that is found to be in the best interest of the Employer based on circumstances beyond the control of the Former Participant.

### **III-3.02 Normal Retirement**

(a) A Participant who has five (5) years Credited Service and Severs Employment on his or her Normal Retirement Date shall be eligible to receive a Normal Retirement Benefit which shall be payable on the first day of the month which follows the Severance Date and on the first day of each month thereafter during his or her lifetime.

The initial amount of such benefit shall be computed as of his or her Retirement date as one-twelfth (1/12) of his or her Credited Service, determined as of his or her Severance Date, multiplied by the larger of the following:

- (1) \$30.00; or
- (2) 0.0175 times Average Compensation

(b) Certain benefits provided prior to 1973 remain a part of this Article III and are included in Appendix A attached hereto and incorporated herein by reference.

(c) An Employee with Credited Service prior to July 1, 1980, who has not been reemployed prior to March 1, 1984, and who is subsequently reemployed shall be required to complete thirty-six (36) consecutive months of Credited Service (exclusive of military credits or time on Disability) in order to be entitled to the benefit as set forth in Section III-3.02(a). Any Employee reemployed after March 1, 1984 who does not complete thirty-six (36) consecutive months of Credited Service shall receive a Retirement benefit calculated under the formula that existed at Severance Date prior to July 1, 1980. A Participant shall receive credit for all years of Credited Service and Compensation after his or her reemployment regardless of the formula used to determine his or her benefits. No Employee shall receive more than one Retirement benefit from the Closed DB Plan.

### **III-3.03 Early Retirement**

If a Participant Severs Employment prior to attaining age 65, but either after reaching age 62, if the latest Employment Date is prior to July 1, 1975, or after completing five (5) years of Credited Service and attaining age 55, he or she shall be entitled to receive either (a) or (b), as follows:

(a) A monthly deferred Retirement benefit computed in accordance with Section III-3.02 which shall commence on his or her Normal Retirement Date, provided he or she is then living, and on the first day of each month thereafter during his or her lifetime; or

(b) An immediate early Retirement benefit which shall be payable on the first day of any month after his or her Severance Date and continue thereafter during his or her lifetime, in an amount determined in accordance with Section III-3.02(a), reduced by five twelfths of one

Beneficiary may elect to use either the 5-year rule or the Life Expectancy rule, pursuant to Regulation § 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the account that receives the non-Spouse Beneficiary's distribution.

### **III-3.12 Required Minimum Distribution**

(a) The Board may not distribute nor direct the Trustee to distribute the Participant's benefit, nor may the Participant elect any distribution of the benefit, under a method of payment which, as of the Required Beginning Date, does not satisfy the minimum distribution requirements of Code § 401(a)(9). The requirements of this Section III-3.12 take precedence over any inconsistent provisions. Notwithstanding any provisions of the Plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9). This Section III-3.12 shall not be interpreted to provide any form of benefit not otherwise provided in this Plan.

(1) Notwithstanding the other provisions of this Section, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the following provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(i) The restrictions imposed by this Section III-3.12 shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have Retirement benefits paid in an alternative method acceptable under Code § 401(a)(9) as in effect prior to the enactment of TEFRA.

(ii) The restrictions imposed by this Section III-3.12 shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have Survivor Benefits paid in an alternative method acceptable under Code § 401(a)(9) as in effect prior to the enactment of TEFRA.

(b) Time and Manner of Distribution.

(1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(2) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving Spouse is the sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have ~~attained age 72~~ reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.

- (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (iii) If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before distributions to the Spouse begin, this Section III-3.12(b)(2) other than Section III-3.12(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section III-3.12(b) and Section III-3.12(d), unless Section III-3.12(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section III-3.12(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Spouse under Section III-3.12(b)(2)(i). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section III-3.12(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Unless the Participant's interest is distributed in the form of a Contract or as a Refund in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections III-3.12(b), (c), and (d). If the Participant's interest is distributed in the form of a Contract, distributions thereunder will be made in accordance with the requirements of Code § 401(a)(9). Any part of the Participant's interest which is in the form of an individual account described in Code § 414(k) will be distributed in a manner satisfying the requirements of Code § 401(a)(9) that apply to individual accounts.

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

- (1) If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (i) The annuity distributions will be paid monthly;
  - (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section III-3.12(b) or (d);

- (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted; and
  - (iv) Payments will either be non-increasing or increase only as follows:
    - (A) By a constant percentage applied not more frequently than annually that does not exceed 5%, as set out in Section III-3.05;
    - (B) To provide Refunds of Participant Contributions upon the Participant's death; or
    - (C) To pay increased benefits that result from a Plan amendment.
  - (2) The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section III-3.12(b)(2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are monthly. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
  - (3) Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (d) Requirements for Annuity Distributions That Commence During Participant's Lifetime.
- (1) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Regulation § 1.401(a)(9)-6, Q&A-2. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Beneficiary after the expiration of the period certain.
  - (2) Unless the Participant's Spouse is the sole Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed

the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Regulation § 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Regulation § 1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date.

### **III-3.13 Benefit Limitations**

#### **(a) Annual Benefit.**

- (1) The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, then the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.
- (2) If the Participant is, or has ever been, a Participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Employer or a Predecessor Employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. Where the Participant's Employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Maximum Permissible Benefit applicable at that age, the Employer shall limit a Participant's benefit in accordance with the terms of the plans.
- (3) The application of the provisions of this Section III-3.13(a) shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's Accrued Benefit under all the defined benefit plans of the Employer or a Predecessor Employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, Regulations, and other published guidance relating to Code § 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Regulations § 1.415(a)-1(g)(4).
- (4) The limitations of this Section III-3.13(a) shall be determined and applied taking into account the rules in Section III-3.13(b) and (c).

#### **(b) Adjustments.**

Participant's behalf from the Closed Defined Benefit Plan to the Participant's Individual Account. The amount transferred shall be calculated as the actuarial present value as of the determination date of .0175 multiplied by Average Earnings multiplied by years of Credited Service at the original Disability Date. Such amount shall be invested in accordance with the Participant's current investment election.

**VI-4.07 Vested Benefit**

(a) **Determination of Vested Benefit.** If a Participant Terminates Employment and is not then entitled to a benefit under any other Section of this Article VI, he or she shall be entitled to a Vested Benefit under this Section. Such Vested Benefit shall be determined as follows:

- (1) The Vested percentage of the Matching Employer Contributions Account and Prior Plan Employer Account shall be determined according to the following schedule:

Years of Service at Severance Date	Vested Percentage of Matching Employer Contributions and Prior Plan Employer Account
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5 or more	100%

- (2) The remainder of the Individual Account shall be Vested at all times.

(b) Except as provided in Sections VIII-1.02 and -1.11, the right of any Participant to receive any benefits payable under this Section shall not be forfeited or waived for any reason on Termination, provided that such Termination occurs after the Participant has met the requirements which would qualify him or her for benefits hereunder.

(c) **Reserved.**

(d) **Distribution of Vested Benefit**

- (1) Upon Termination, a Participant may elect to have the Vested Benefit paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover in accordance with Section VI-4.10 or to receive the Vested Benefit as a single lump sum payment to be made as soon as administratively feasible following both the Participant's election and Termination.
- (2) Alternatively, the Participant may elect to receive a single lump sum payment of his or her Participant Contributions Account, with such payment to be made as soon as administratively feasible following both the Participant's election and Severance. At any time thereafter, such Participant may request

distribution of the remainder of his or her Vested Benefit as a single lump sum payment. Alternatively, a Participant who has reached his or her Early Retirement or Normal Retirement Date may elect to receive a distribution of the remainder of his or her Vested Benefit in accordance with Section VI-4.01(d) or VI-5.01, as amended.

- (3) Notwithstanding Section VI-4.07(d)(1), if a Participant's Vested Benefit does not exceed ~~\$5,000~~7,000 as of his or her Termination Date, and the Participant does not elect to have the distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover in accordance with Section VI-4.10 or to receive the distribution in accordance with Section VI-4.07(d)(2), the Board will pay the distribution in a Direct Rollover to an individual Retirement account designated by the Board.

(e) An Employee whose Employment with Knox County is Severed due to the transfer of the Employee's position and employment to a non-governmental employer which is not an agency of Knox County government, where such Severance would otherwise prevent the Vesting of Employer Contributions for the Employee, may be fully Vested and entitled to receive , or have transferred for his or her benefit, the Individual Account regardless of the requirements this Section VI-4.07 subject to application to, and review and approval by, the Board and the appropriation of any necessary funding by Knox County or provision of funding to the System by such non-governmental employer.

(f) An Employee who becomes ineligible to Participate in the Plan due to the transfer of the Employee's position to the Tennessee Consolidated Retirement System ("TCRS"), where such transfer otherwise prevents Vesting of Employer Contributions, shall be fully Vested and entitled to receive, or have transferred for his or her benefit, the Individual Account regardless of the requirements this Section VI-4.07 subject to application to, and review and approval by, the Board and the appropriation of any necessary funding by Knox County or provision of funding to the System.

#### **VI-4.08 Death Benefit**

##### **(a) Benefit.**

- (1) If a Participant dies while employed by the Employer, the Individual Account shall be Vested. In such case, the Participant's Beneficiary shall be entitled to a death benefit equal to the full value of the Individual Account and payable as provided in Section VI-4.08(b).
  - (i) If a Participant dies while performing Qualified Military Service (as defined in USERRA), the Participant's Beneficiary shall be entitled to any benefits provided under the Plan as if the Participant had resumed Employment and then terminated Employment on account of death.



(c) The Board may require such proper proof of death and such evidence of the right of any person to receive payment of the Vested Benefits of a deceased Participant as the Board may deem desirable. The Board's determination of death and of the right of any person to receive payment shall be conclusive.

#### **VI-4.09 In-Service Distribution**

(a) Except as provided in Section VI-4.09(b)-(d), a Participant may not withdraw any portion of his or her Individual Account balance while in Employment or on Leave of Absence, other than the Voluntary Rollover Account. A Participant may elect to withdraw, transfer or rollover his or her Voluntary Rollover Account, in whole or in part, at any time while in Employment or after Severance. A Participant's election hereunder must be in writing and approved by the Board and shall be effective as soon as administratively feasible following the date such election is received and approved by the Board.

(b) An Employee who previously was in the Eligible Class and who currently is in the Ineligible Class may elect to receive an in-service distribution of his or her entire Vested Individual Account in a single lump-sum payment, upon approval of the Board, if:

- (1) The Employee is also not an Eligible Employee currently under STAR, the Asset Plan or the Medical Expense Retirement Plan; and
- (2) The Employee elects to receive an in-service distribution of his or her entire STAR, Asset Plan and Medical Expense Retirement Plan Individual Account balances, if any; and
- (3) Either:
  - (i) The Employee is eligible for and actually participates in another State or Employer qualified Retirement plan; or
  - (ii) The Employee has been in the Ineligible Class for at least six (6) continuous months.

An Employee who elects to receive an in-service distribution under this Section VI-4.09(b) shall Forfeit any unvested balance of the Employer Contributions Account.

(c) In accordance with Section 2202(a) of the CARES Act, as amended or interpreted by future federal law or regulation, a Participant may elect to receive an in-service distribution if such distribution is "coronavirus-related," as such term is defined in the CARES Act. The Administrator shall determine if any distribution under this Section 4.09(c) is a "coronavirus-related" distribution and shall establish and may amend from time to time procedures necessary or appropriate to administer benefits under this Section 4.09(c), in accordance with the CARES Act or other applicable federal law or regulation, the Code and the Plan.

(d) A fully Vested Participant may elect to receive an in-service distribution from his or her Vested Individual Account in a single lump sum payment in an amount not to exceed the lesser of: (1) \$5,000; or (2) 50% of the Participant's Vested Individual Account. No more than one (1) distribution is permitted pursuant to this Section VI-4.09(d) in any a 3-year period.

#### **VI-4.10 Direct Rollover**

(a) Notwithstanding any provision of the Plan to the contrary, a Distributee may elect, at the time and in the manner the Board prescribes, to have any portion of an Eligible Rollover Distribution that is equal to at least \$500 paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(b) A non-Spouse Beneficiary, by a Direct Rollover, may roll over all or any portion of his or her distribution to an Individual Retirement Account described in Code § 408(a) or an individual Retirement annuity described in Code § 408(b) (other than an endowment contract) that is established for the purpose of receiving the distribution. Such distribution must otherwise satisfy the definition of an Eligible Rollover Distribution.

(c) If a non-Spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

(d) If the Participant's Beneficiary is a trust, the Plan may make a direct rollover to an Individual Retirement Account on behalf of the trust, provided the trust satisfies the requirements to be a beneficiary within the meaning of Code § 401(a)(9)(E).

(e) A non-Spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Regulations and other IRS guidance. If the Participant dies before his or her Required Beginning Date and the non-Spouse Beneficiary rolls over to an Individual Retirement Account the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the Life Expectancy rule, pursuant to Regulation § 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the account that receives the non-Spouse Beneficiary's distribution.

#### **VI-4.11 Employment Transfer to Knox County Related Entities**

In the event a Participant transfers employment from Knox County to a Knox County related entity without interruption, the following provisions shall apply. Such Participant shall not be treated as having Severed Employment under this Section VI-4. All contributions described in Section VI-2 on behalf of such Participant shall cease effective the date he or she becomes an Employee of the Knox County related entity. Effective as of the Valuation Date coinciding with or next following the date he or she becomes an Employee of Knox County related entity, the full value of such Participant's Individual Account balance as of such date shall be transferred to the Knox County related entity retirement plan. For purposes of this Section VI-4.11, Knox County related entities include Knox County Development Corporation, E-911, Metropolitan Drug Commission, and such other entities as may be designated by the Board from time to time by resolution.

A Participant who is receiving benefit payments in installments pursuant to the terms of Sections VI-5.01(a), VI-5.01(b) or VI-5.01(c) shall be permitted to make one change to such election, to either of the optional forms of benefit described in Section VI-5.01(a) or VI-5.01(b), at any time after benefit payments have commenced. Notwithstanding the above, a Retiree may elect to receive the entire remaining Individual Account in a single lump sum payment or to receive, from time to time, a portion of the remaining Individual Account in accordance with the System's Partial Lump Sum Distribution Procedure.

A Beneficiary shall be permitted to make one change to the election made by the Participant to either of the optional forms of benefit described in Section VI-5.01(a) or VI-5.01(b), upon the death of the Participant. Notwithstanding the above, a Beneficiary may elect to receive the entire remaining Individual Account in a single lump sum payment.

### **VI-5.03 Required Minimum Distributions**

(a) The Board may not distribute nor direct the Trustee to distribute the Participant's Individual Account, nor may the Participant elect any distribution of the Individual Account, under a method of payment which, as of the Required Beginning Date, does not satisfy the minimum distribution requirements of Code § 401(a)(9). The requirements of this Section VI-5.03 take precedence over any inconsistent provisions. Notwithstanding any provisions of the Plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9). This Section VI-5.03 shall not be interpreted to provide any form of benefit not otherwise provided in this Plan.

#### **(b) Time and Manner of Distribution**

- (1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (2) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the Participant's surviving Spouse is the Participant's sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have ~~attained age 72~~ reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.
  - (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

- (iii) If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before distributions to the Spouse begin, this Section VI-5.03(b)(2) other than Section VI-5.03(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section VI-5.03(b) and Section VI-5.03(d), unless Section VI-5.03(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section VI-5.03(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Spouse under Section VI-5.03(b)(2)(i). If distributions under a Contract irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the Spouse under Section VI-5.03(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Unless the Participant's interest is distributed in the form of a Contract or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections VI-5.03(c) and VI-5.03(d). If the Participant's interest is distributed in the form of a Contract, distributions thereunder will be made in accordance with the requirements of Code § 401(a)(9).

(c) Required Minimum Distributions during Participant's Lifetime

- (1) During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
  - (i) The quotient obtained by dividing the Participant's Individual Account balance by the number in the Uniform Life Table set forth in Regulation § 1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the Distribution Calendar Year; or
  - (ii) If the Participant's sole Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Individual Account balance by the number in the Joint and Last Survivor Table set forth in Regulation § 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.

- (2) Required minimum distributions will be determined under this Section VI-5.03(c) beginning with the first Distribution Calendar Year and annually thereafter up to and including the Distribution Calendar Year that includes the Participant's date of death.
- (d) Required Minimum Distributions after Participant's Death
- (1) Death On or After Distributions Begin
    - (i) If the Participant dies on or after the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Beneficiary, determined as follows:
      - (I) The Participant's remaining Life Expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.
      - (II) If the Participant's surviving Spouse is the Participant's sole Beneficiary, the remaining Life Expectancy of the Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the Spouse's death, the remaining Life Expectancy of the Spouse is calculated using the attained age of the Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.
      - (III) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, the Beneficiary's remaining Life Expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.
    - (ii) If the Participant dies on or after the date distributions begin and there is no Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the Participant's remaining Life Expectancy calculated using the attained age of the Participant as of

the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(2) Death before Date Distributions Begin.

- (i) If the Participant dies before the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the remaining Life Expectancy of the Participant's Beneficiary, determined as provided in Section VI-5.03(d)(1).
- (ii) If the Participant dies before the date distributions begin and there is no Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iii) If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Beneficiary, and the Spouse dies before distributions are required to begin to the Spouse under Section VI-5.03(b)(2)(i), this Section VI-5.03(d)(2) will apply as if the Spouse were the Participant.

(e) For purposes of this Section 7.03, a Participant's Individual Account balance shall be determined as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year.

**ARTICLE VII - KNOX COUNTY MEDICAL EXPENSE RETIREMENT PLAN**

**THIS PLAN** hereby adopted this 26th day of May, 1998, by Knox County Government (herein referred to as the “Employer”).

**WITNESSETH:**

**WHEREAS**, the Employer desires to recognize the contribution made to its successful operation by its employees and to reward such contribution by means of a Medical Expense Retirement Plan for those employees who shall qualify as Participants hereunder; ~~and~~

**WHEREAS**, this Plan ~~is~~was closed to Participants in the Uniformed Officers Pension Plan effective July 1, 2007, and to Participants in STAR effective January 1, 2014, except to the extent a Participant in that Uniformed Officers Pension Plan had a Voluntary Contribution Account balance in this Plan immediately prior to becoming a Participant in Uniformed Officers Pension Plan; and

WHEREAS, effective January 1, 2024, Participants in the Uniformed Officers Pension Plan and STAR are now eligible to participate in the Plan.

**NOW, THEREFORE**, effective July 1, 1998 (hereinafter called the “Effective Date”), the Employer hereby establishes a Medical Expense Retirement Plan (the “Plan”) for the exclusive benefit of the Participants and their Beneficiaries, on the following terms:

## SECTION VII-1 -ELIGIBILITY

### VII-1.01 Conditions of Eligibility

(a) Any Employee who is in the Eligible Class under the provisions of Article III or Article VI, as applicable, shall be in the Eligible Class for MERP. Employees participating in the Uniformed Officers Pension Plan or the Sheriff's Total Accumulation Retirement Plan shall be in the Ineligible Class shall be in the Eligible Class for MERP, effective January 1, 2024.

(b) Any Employee in the Eligible Class shall be eligible to make Participant Voluntary Contributions pursuant to Section VII-2.05 and receive Employer Contributions pursuant to Section VII-2.01(a) effective as of the later of: (1) his or her Employment Date or Reemployment Date; or (2) entry into the Eligible Class.

### VII-1.02 Ineligible Class

(a) In the event an Employee in the Ineligible Class becomes part of the Eligible Class, such Employee shall become a Participant immediately. In the event a Participant in the Eligible Class becomes part of the Ineligible Class, the Plan interests of such Former Participant shall continue to share in the earnings of the Trust Fund, until such time as his or her Participant's Account shall be distributed pursuant to the terms of the Plan.

(b) In the event a Participant is no longer a member of the Eligible Class and becomes ineligible to participate, such Employee will again participate on the date of his or her return to the Eligible Class.



(e) A Participant's Vested interest in the Plan shall not be reduced as the result of any direct or indirect amendment to this Plan.

#### **VII-4.04 Distribution of Benefits**

(a) Upon a Participant's Retirement, the Participant may elect to receive a distribution of any amount to which he or she is entitled under the Plan in a single lump sum or in monthly, quarterly or annual installment payments, subject to the provisions of Section VII-4.10. The period over which such installment payments may be made shall not extend, in any event, beyond the Participant's Life Expectancy (or the joint Life Expectancy of the Participant and designated Spouse Beneficiary). Any such distribution shall be made in cash and be paid or commence, as soon as administratively feasible following the Participant's request. Except as otherwise required by Section VII-4.10, such a Retired Participant may elect to start, stop, or modify the amount or timing of any requested installment payments from time to time.

(b) In addition, on or after a Participant's Retirement, the Participant may, upon submission of such proof and documentation as the Board in its sole discretion may require, request one or more distributions of all or a portion of his or her Individual Account to pay for such Participant's unreimbursed medical expenses for care described in Code §213(d) (including payment of post-Retirement medical or dental insurance premiums) incurred by the Participant, his or her Spouse, or any dependent (as defined in Code §152).

(1) Distributions with respect to unreimbursed medical expenses (other than expenses incurred with respect to payment of post-Retirement medical insurance premiums) shall be made, subject to procedures established by the Board in its sole discretion, provided that the minimum distribution which a Retired Participant may request is two hundred fifty dollars (\$250).

(2) The Board may, in its sole discretion, elect to satisfy a distribution request with respect to payment of post-Retirement medical insurance premiums on an installment payment basis, pursuant to which basis each payment shall approximately equal the monthly premium payment, or a portion thereof, payable by such Participant for such medical insurance.

(c) Elections and withdrawal requests under this Section VII-4.04 shall be made in accordance with such forms and procedures as may be established by the Board from time to time.

#### **VII-4.05 Distribution of Benefits Upon Death**

Subject to the provisions of Section VII-4.10, the death benefit payable pursuant to Section VII-4.02 shall be paid to the Participant's Beneficiary in a single lump sum payment or by direct rollover within one year after the Participant's death provided application is made in accordance with established procedures established by the Board. Distributions will be made in accordance with the Regulations under Code § 401(a)(9), including the incidental death benefit requirement

(c) If a non-Spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a “60-day” rollover.

(d) If the Participant’s Beneficiary is a trust, the Plan may make a direct rollover to an Individual Retirement Account on behalf of the trust, provided the trust satisfies the requirements to be a beneficiary within the meaning of Code § 401(a)(9)(E).

(e) A non-Spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Regulations and other IRS guidance. If the Participant dies before his or her Required Beginning Date and the non-Spouse Beneficiary rolls over to an Individual Retirement Account the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the Life Expectancy rule, pursuant to Regulation § 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the account that receives the non-Spouse Beneficiary’s distribution.

#### **VII-4.10 Required Minimum Distributions**

(a) The Board may not distribute nor direct the Trustee to distribute the Participant’s Account, nor may the Participant elect any distribution of the Individual Account, under a method of payment which, as of the Required Beginning Date, does not satisfy the minimum distribution requirements of Code § 401(a)(9). The requirements of this Section VII-4.10 take precedence over any inconsistent provisions. Notwithstanding any provisions of the Plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9). This Section VII-4.10 shall not be interpreted to provide any form of benefit not otherwise provided in this Plan.

#### **(b) Time and Manner of Distribution**

(1) The Participant’s entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant’s Required Beginning Date.

(2) If the Participant dies before distributions begin, the Participant’s entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant’s surviving Spouse is the Participant’s sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have ~~attained age 72~~reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.

(ii) If the Participant’s surviving Spouse is not the Participant’s sole Beneficiary, then distributions to the Beneficiary will begin by December

31 of the calendar year immediately following the calendar year in which the Participant died.

- (iii) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section VII-4.10(b)(2) other than Section VII-4.10(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section VII-4.10(b) and Section VII-4.10(d), unless Section VII-4.10(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section VII-4.10(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Spouse under Section VII-4.10(b)(2)(i). If distributions under a Contract irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the Spouse under Section VII-4.10(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Unless the Participant's interest is distributed in the form of a Contract or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections VII-4.10(c) and VII-4.10(d). If the Participant's interest is distributed in the form of a Contract, distributions thereunder will be made in accordance with the requirements of Code § 401(a)(9).

(c) Required Minimum Distributions during Participant's Lifetime.

- (1) During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
  - (i) The quotient obtained by dividing the Participant's Account balance by the number in the Uniform Life Table set forth in Treas. Reg. § 1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the Distribution Calendar Year; or
  - (ii) If the Participant's sole Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. § 1.401(a)(9)-9, using the

Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.

- (2) Required minimum distributions will be determined under this Section VII-4.10(c) beginning with the first Distribution Calendar Year and annually thereafter up to and including the Distribution Calendar Year that includes the Participant's date of death.
- (d) Required Minimum Distributions after Participant's Death.
- (1) Death On or After Distributions Begin.
    - (i) If the Participant dies on or after the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Beneficiary, determined as follows:
      - (I) The Participant's remaining Life Expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.
      - (II) If the Participant's surviving Spouse is the Participant's sole Beneficiary, the remaining Life Expectancy of the Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the Spouse's death, the remaining Life Expectancy of the Spouse is calculated using the attained age of the Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.
      - (III) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, the Beneficiary's remaining Life Expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.
    - (ii) If the Participant dies on or after the date distributions begin and there is no Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the calendar year of

the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining Life Expectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

- (2) Death before Date Distributions Begin.
  - (i) If the Participant dies before the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining Life Expectancy of the Participant's Beneficiary, determined as provided in Section VII-4.10(d)(1).
  - (ii) If the Participant dies before the date distributions begin and there is no Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
  - (iii) If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Beneficiary, and the Spouse dies before distributions are required to begin to the Spouse under Section VII-4.10(b)(2)(i), this Section VII-4.10(d)(2) will apply as if the Spouse were the Participant.

(e) For purposes of this Section VII-4.10, a Participant's Account balance shall be determined as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year.

#### **VII-4.11 In-Service Distribution**

(a) An Employee who previously was in the Eligible Class and who currently is in the Ineligible Class may elect to receive an in-service distribution of his or her entire Individual Account in a single lump-sum payment, upon approval of the Board, if:

- (1) The Employee is also not in the Eligible Class currently under either STAR or the Asset Plan; and
- (2) The Employee elects to receive an in-service distribution of his or her entire STAR and Asset Plan Vested Individual Accounts, if any; and
- (3) Either:
  - (i) The Employee is eligible for and actually participates in another State or Employer qualified Retirement plan; or

on the basis of an actuarial evaluation of Article IX made as of the most recent valuation date. The Knox County Retirement and Pension Board and Knox County shall determine, by an actuarially approved method, the amount of annual funding.

(b) The above computations shall be made by a qualified actuary on the basis of such actuarial assumptions last adopted by the Knox County Retirement and Pension Board prior to said actuarial valuation date and on the basis of accepted actuarial methods.

(c) Any change or amendment adopted by the City of Knoxville with respect to Plan A or Plan B, including, but not limited to, changes to actuarial assumptions, actuarial funding methods or formulas used to determine benefits, shall not be recognized in the Employer's contribution to the Teacher's Plan Fund.

#### **IX-1.06 Benefit Payment Procedures**

Knox County shall make payments from Teacher's Plan Fund established hereunder as follows:

When a Covered Certificated Member of this Article IX becomes eligible for benefits in accordance with the terms hereof, such Covered Certificated Member shall make written application, through the Knox County school system's personnel office, on the application form provided by the City Pension Board. The personnel office shall deliver such application to the City Pension Board, with a copy to the Knox County Retirement and Pension Board, together with the Participant information required by the City Pension Board which Knox County has agreed in writing to provide under the Participation Agreement. The City Pension Board shall receive and review such benefit applications. In so doing, the City Pension Board shall determine the total benefit payable and the portion to be provided by the City. The City Pension Board shall notify the Knox County Retirement and Pension Board in writing of the amount and timing of the benefit to be provided by the County in accordance with its determination.

Within thirty (30) days of submission of written notification and direction by the City Pension Board to Knox County, the Knox County Retirement and Pension Board shall review such notice and provide the City Pension Board with written notice of its objections, if any. Upon the Knox County Retirement and Pension Board's determination that it will not offer any such objections, the Knox County Board shall authorize the Trustee to commence benefit payments from the Teacher's Plan Fund to Covered Certificated Members for Knox County's portion of such benefit in accordance with such notice.

#### **(a) Additional General Rules**

- (1) The requirements of this Section IX-1.06 shall take precedence over any inconsistent provisions of the Plan, but this Section IX-1.06 shall not be interpreted to create forms of benefit not otherwise provided in this Plan.
- (2) Notwithstanding any provisions of the Plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9).

- (3) Notwithstanding the other provisions of this Section, other than Section IX-1.06(a)(2), distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the following provisions of the Plan that relate to Section 242(b)(2) of TEFRA.
  - (i) The restrictions imposed by this Section IX-1.06 shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have Retirement benefits paid in an alternative method acceptable under Code § 401(a)(9) as in effect prior to the enactment of TEFRA.
  - (ii) The restrictions imposed by this Section IX-1.06 shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have Survivor Benefits paid in an alternative method acceptable under Code § 401(a)(9) as in effect prior to the enactment of TEFRA.

(b) Time and Manner of Distribution.

- (1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (2) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the Participant's surviving Spouse is the Participant's sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have ~~attained age 72~~ reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.
  - (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, the distributions to the Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
  - (iii) If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
  - (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before the distributions to the

Spouse begin, this Section IX-1.06(b)(2) other than Section IX-1.06(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section IX-1.06(b), distributions are considered to begin on the Participant's Required Beginning Date. If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the Spouse under Section IX-1.06(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Unless the Participant's interest is distributed in the form of a Contract or as a Refund in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections IX-1.06(b), (c), and (d). If the Participant's interest is distributed in the form of a Contract, distributions thereunder will be made in accordance with the requirements of Code § 401(a)(9). Any part of the Participant's interest which is in the form of an individual account described in Code § 414(k) will be distributed in a manner satisfying the requirements of Code § 401(a)(9) that apply to individual accounts.

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

- (1) If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (i) The annuity distributions will be paid monthly;
  - (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section IX-1.06(b) or (d);
  - (iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted; and
  - (iv) Payments will either be non-increasing or increase only as follows:
    - (A) By a constant percentage applied not more frequently than annually that does not exceed 5%;
    - (B) To provide cash Refunds of Participant Contributions upon the Participant's death; or
    - (C) To pay increased benefits that result from a Plan amendment.
- (2) The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date



distributions are required to begin under Section IX-1.06(b)(2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are monthly. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

- (3) Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

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

- (1) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Regulation § 1.401(a)(9)-6, Q&A-2. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Beneficiary after the expiration of the period certain.
- (2) Unless the Participant's Spouse is the sole Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Regulation § 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Regulation § 1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date.

**IX-1.07 Administration of Article**

The Knox County Retirement and Pension Board shall administer this Article with all duties, powers, and responsibility as provided in Articles II and VIII which shall apply to the duty and authority of the Knox County Retirement and Pension Board under this Article and with such additional powers, duties, and responsibilities as are reasonably made necessary by the provisions of this Article except as otherwise provided by the terms of this Article. All expenses

## ARTICLE X – DEFERRED COMPENSATION PLAN

**THIS PLAN**, adopted by Knox County, establishes this Deferred Compensation Plan (the “Plan”) intended be an eligible deferred Compensation plan as defined in Code § 457, as a component plan of the System.

### WITNESSETH:

**WHEREAS**, the Employer desires to recognize the contribution made to its successful operations by its Employees, and to reward Employees by means of this eligible Code § 457 Plan for those employees who qualify as Participants hereunder and to enable long-service Employees to make pre-tax deferrals subject to a graduated Matching Contribution funded by the Employer through the Accumulation Plan maintained under Article VI or STAR, as applicable; and

**WHEREAS**, the responsibility for implementing this Plan has been delegated by the Charter and the Commission to the Board pursuant to TCA § 8-25-101 et seq.; and

**WHEREAS**, the Board intends the contribution, Compensation, eligibility and distribution provisions of this Plan to be consistent and compatible with the equivalent provisions of the Asset Plan maintained pursuant to Article VI and STAR, to carry out the Board’s purpose to assist Employees who save for their own Retirements;

**NOW, THEREFORE**, effective July 1, 2007 (hereinafter called the “Effective Date”), the Employer hereby establishes this Plan for the exclusive benefit of the Participants and their Beneficiaries, on the following terms:

- (4) The distribution of the Participant's entire interest in the Plan shall be distributed as elected by the Participant pursuant to Section X-3.03 or Section X-3.07, as applicable. Benefits of Spouse Beneficiaries shall be distributed in a single lump sum, fixed dollar installment, or by direct rollover. Benefits of non-Spouse Beneficiaries shall be distributed in a single lump sum or by direct rollover.
- (5) Distributions shall be made in cash, subject to applicable tax withholding.
- (6) Distributions of less than \$250 per month may, at the discretion of the Board, be paid in quarterly or annual installments.

(c) **Required Distribution.** Distribution of benefits shall commence no later than the Required Beginning Date. Distributions will be made in accordance with the Regulations under Code § 401(a)(9), including the incidental death benefit requirement under Code § 401(a)(9)(G). The provisions of this Section X-3.02(c) will override any distribution options in this Plan inconsistent with Code § 401(a)(9).

(d) **Standard Form of Payment.** Except as provided in Section X-3.02(e), unless a Participant elects an optional form of payment pursuant to Section X-3.08, the standard form of payment of a benefit under the Plan shall be a single lump sum.

- (1) Benefits under Section X-3.03 shall be payable as provided in this Section X-3.02(d), unless an optional form of benefit payment is available and elected under Section X-3.08.
- (2) Benefit payment under Section X-3.03 shall commence within sixty (60) days after the date of which the Participant retires. However, subject to the provisions of Section X-3.09, the Participant may elect to defer the initial payment or any subsequent installment to any subsequent Valuation Date. Any such election to defer payment shall not constitute an election under Section X-3.08.

(e) **Reserved.**

(f) **Calculation of Life Expectancy.** For the purposes of Section X-3.02(c), payments will be calculated by using the return multipliers specified in Regulation § 1.72-9. For the purposes of Section X-3.08, determinations will be made by using the 1984 Unisex Mortality Table or as otherwise and subsequently determined in the sole discretion of the Board. If the Beneficiary is not the Spouse, at least fifty percent (50%) of the amount to be distributed must be payable within the Life Expectancy of the Participant.

### **X-3.03 Terminated Participant Benefit**

(a) **Determination of Benefit.** If a Participant Terminates Employment and is not then entitled to a benefit under any other Section of this Article X, he or she shall be entitled to a benefit under this Section.

(b) Except as provided in Sections VIII-1.02, the right of any Participant to receive any benefits payable under this Section shall not be forfeited or waived for any reason on Termination, provided that such Termination occurs after the Participant has met the requirements which would qualify him or her for benefits hereunder.

(c) **Distribution of Benefit.**

(1) Upon Termination, a Participant may elect to have the Vested Benefit paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover in accordance with Section X-3.067 or to receive the Vested Benefit as a single lump sum payment to be made as soon as administratively feasible following both the Participant's election and Termination.

(2) Notwithstanding Section X-3.03(c)(1), if a Participant's Vested Benefit does not exceed ~~\$5,000~~ \$7,000 as of his or her Termination Date, and the Participant does not elect to have the distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover in accordance with Section X-3.067 or to receive the distribution in accordance with Section X-3.03(c)(1), the Board will pay the distribution in a Direct Rollover to an individual Retirement account designated by the Board.

#### **X-3.04 Death Benefit.**

(a) **Benefit.** If a Participant dies while employed by the Employer or after Severance, the Participant's Beneficiary shall be entitled to a death benefit equal to the full value of the Individual Account and payable as provided in Section X-3.04(b).

If a Participant dies while performing Qualified Military Service (as defined in USERRA), the Participant's Beneficiary shall be entitled to any benefits provided under the Plan as if the Participant had resumed Employment and then terminated Employment on account of death.

(b) **Distribution upon Death.** Upon the death of a Participant, the death benefit shall be payable as provided in Section X-3.02(d) commencing as soon as is practicable following the date of the Participant's death. The Beneficiary may elect to defer payment subject to the following distribution provisions:

(1) If the Participant dies after distribution of the Individual Account has commenced, the remaining portion of such Individual Account will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

- (2) If the Participant dies before distribution of the Individual Account commences, the Participant's entire Individual Account will be distributed no later than five (5) years after the Participant's death except to the extent that an election is made to receive distributions in accordance with Sections X-3.04(b)(2)(i) or (ii):
- (i) If any portion of the Participant's Individual Account is payable to a non-Spouse Beneficiary, distributions shall be made in a single lump sum or by direct rollover. Such distribution shall commence at such time as the Board shall determine, but no later than sixty (60) days after the end of the Plan Year in which death occurs, or one (1) year after the date of death.
  - (ii) If the Beneficiary is the Participant's surviving Spouse, distributions may be made in a single lump sum, in fixed dollar installments, or by direct rollover. Additionally, the date distributions are required to begin shall not be as provided in Section X-3.04(b)(2)(i) but rather shall be any date not later than the date on which the Participant would have attained age ~~72~~reached his or her Required Beginning Date. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date. ~~and, if the Spouse dies before payments begin, subsequent distributions shall be made as if Spouse had been the Participant.~~
- (3) For purposes of Section X-3.04(b)(2), payments will be calculated by use of the return multiples specified in Regulation § 1.72-9.
- (4) For purposes of Sections X-3.04(b)(1), (2) and (3), any amount paid to a Child of the Participant will be treated as if it had been paid to the surviving Spouse if the amount becomes payable to the surviving Spouse when the Child reaches the age of majority.

(c) The Board may require such proper proof of death and such evidence of the right of any person to receive payment of the Vested Benefits of a deceased Participant as the Board may deem desirable. The Board's determination of death and of the right of any person to receive payment shall be conclusive.

### **X-3.05 In-Service Distribution**

(a) Except as provided in Section X-3.10, a Participant may not withdraw any portion of his or her Individual Account balance while in Employment or on Leave of Absence, other than the Voluntary Rollover Account. A Participant may elect to withdraw, transfer or rollover his or her Voluntary Rollover Account, in whole or in part, at any time while in Employment or after

A Participant who is receiving benefit payments in installments pursuant to the terms of Sections X-3.07(a)(1), X-3.07(a)(2) or X-3.07(a)(3) shall be permitted to make one change to such election, to either of the optional forms of benefit described in Section X-3.07(a)(1) or X-3.07(a)(2), at any time after benefit payments have commenced. Notwithstanding the above, a Retiree may elect to receive the entire remaining Individual Account in a single lump sum payment or to receive, from time to time, a portion of the remaining Individual Account in accordance with the System's Partial Lump Sum Distribution Procedure.

### **X-3.08 Required Minimum Distributions**

(a) The Board may not distribute nor direct the Trustee to distribute the Participant's Individual Account, nor may the Participant elect any distribution the Individual Account, under a method of payment which, as of the Required Beginning Date, does not satisfy the minimum distribution requirements of Code § 401(a)(9). The requirements of this Section X-3.08 take precedence over any inconsistent provisions. Notwithstanding any provisions of the Plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9). This Section X-3.08 shall not be interpreted to provide any form of benefit not otherwise provided in this Plan.

#### **(b) Time and Manner of Distribution**

- (1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (2) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the Participant's surviving Spouse is the Participant's sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 72 reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.
  - (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
  - (iii) If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be

distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

- (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before distributions to the Spouse begin, this Section X-3.08(b)(2) other than Section X-3.08(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section X-3.08(b) and Section X-3.08(d), unless Section X-3.08(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section X-3.03(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Spouse under Section X-3.08(b)(2)(i). If distributions under Contract irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the Spouse under Section X-3.08(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Unless the Participant's interest is distributed in the form of a Contract or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections X-3.08(c) and X-3.08(d). If the Participant's interest is distributed in the form of a Contract, distributions thereunder will be made in accordance with the requirements of Code § 401(a)(9).

(c) Required Minimum Distributions during Participant's Lifetime.

- (1) During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
  - (i) The quotient obtained by dividing the Participant's Individual Account balance by the number in the Uniform Life Table set forth in Treas. Reg. § 1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the Distribution Calendar Year; or
  - (ii) If the Participant's sole Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Individual Account balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. § 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.
- (2) Required minimum distributions will be determined under this Section X-3.08(c) beginning with the first Distribution Calendar Year and annually thereafter up to and including the Distribution Calendar Year that includes the Participant's date of death.

(d) Required Minimum Distributions after Participant's Death.

(1) Death On or After Distributions Begin.

(i) If the Participant dies on or after the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Beneficiary, determined as follows:

(I) The Participant's remaining Life Expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(II) If the Participant's surviving Spouse is the Participant's sole Beneficiary, the remaining Life Expectancy of the Spouse is calculated for each distribution calendar year after the year of the Participant's death using the Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the Spouse's death, the remaining Life Expectancy of the Spouse is calculated using the attained age of the Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(III) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, the Beneficiary's remaining Life Expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

(ii) If the Participant dies on or after the date distributions begin and there is no Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the Participant's remaining Life Expectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(2) Death before Date Distributions Begin.



- (i) If the Participant dies before the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the remaining Life Expectancy of the Participant's Beneficiary, determined as provided in Section X-3.08(d)(1).
- (ii) If the Participant dies before the date distributions begin and there is no Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iii) If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Beneficiary, and the Spouse dies before distributions are required to begin to the Spouse under Section X-3.08(b)(2)(i), this Section X-3.08(d)(2) will apply as if the surviving Spouse were the Participant.

(e) For purposes of this Section X-3.08, a Participant's Individual Account balance shall be determined as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year.

### **X-3.09 Distributions under Qualified Domestic Relations Orders**

The provisions of Section VIII-1.13, and the Board's procedures developed thereunder, shall apply to this Plan.

### **X-3.10 Unforeseeable Emergencies**

In the event of an Unforeseeable Emergency prior to Severance, a Participant (or Beneficiary after the death of the Participant) may apply to receive that part of the balance of the Participant's Individual Account that is reasonably required to satisfy the emergency need, including any income tax resulting from the distribution. Payment will not be made to the extent that the financial hardship may be satisfied through cessation of Deferral Contributions, insurance or other reimbursement, or a liquidation of other assets to the extent such liquidation would not itself cause severe financial hardship. The Plan Administrator may rely on a Participant's certification that all conditions for receiving an Unforeseeable Emergency distribution pursuant to this Section X-3.10 have been satisfied.

defined benefit plan (under Code § 414(d)) for: (a) the purchase of permissive service credit (under Code § 415(n)(3)(A)) under such plan, or (b) the repayment of contributions and earnings previously Refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code § 415 does not apply by reason of Code § 415(k)(3).

Following a public notice on ~~November~~October 29, 2022~~2023~~, November ~~56, 2022~~56, 2023, and November ~~123, 2022~~123, 2023, the above amended and restated **Knox County Employee Benefit System** was duly adopted pursuant to the provisions of the Charter and System and shall be effective on the first day of January ~~2023~~2024.

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Executive Director, Knox County Retirement & Pension Board

**RESTATEMENT OF THE KNOX COUNTY**

**UNIFORMED OFFICERS PENSION PLAN**

Effective January 1, ~~2024~~2023

~~2023-2024~~ (1)

## KNOX COUNTY UNIFORMED OFFICERS PENSION PLAN

**THIS KNOX COUNTY UNIFORMED OFFICERS PENSION PLAN** hereby amended and restated this ~~19th~~18th day of December ~~2022-2023~~ by Knox County Government (herein referred to as the "Employer").

### WITNESSETH:

**WHEREAS**, the voters of Knox County, Tennessee, in the general election on November 7, 2006, ratified an amendment to Article VII, Section 7.05, of the Knox County Charter (the "Charter"), which authorized and directed the Knox County Retirement and Pension Board (the "Board") to establish, maintain and administer as a plan of the Knox County Retirement System ("System") a separate, tax-qualified, defined benefit pension plan and trust known and designated as the Uniformed Officers Pension Plan (herein referred to as the "Plan") for sworn officers regularly employed by the Knox County Sheriff's Office ("Officers"), which Plan is to be funded on an actuarially sound basis as of its date of commencement; and

**WHEREAS**, after notice, at public meetings on two readings the Board adopted, and the Knox County Commission ("Commission") subsequently approved the Plan by resolution, reserving the power of the Board to hereafter amend the Plan from time to time, so long as any such amendment is consistent with the Charter; and

**WHEREAS**, the Knox County Retirement and Pension Board ("Board") shall not have the power or authority to adopt or approve any plan or plan amendment, or take any other action, which thereby would increase the funding or financial obligations of the County either at the time of the action or in the future without notification to and express consent and funding by resolution from the commission. The intent of this provision is to restrict the power of the Board so that all plans, benefits, annuities or pensions are actuarially sound and actuarially funded from the date of their creation; and

**WHEREAS**, it shall also be the stated intention not to make changes or amendments to the Plan until the financial effect of any proposed change on the actuarial soundness of the Plan has been determined on the basis of such competent actuarial, legal and other advice as the Board shall assemble and such information has been made available to all interested parties; and

**WHEREAS**, the voters in the general election on November 6, 2012, ratified a further amendment to Article VII, Section 7.05 of the Charter to close the Plan to Officers employed or reemployed on or after January 1, 2014; and

**WHEREAS**, the Employer closed the Plan to participation by Officers employed or reemployed on or after January 1, 2014, and otherwise to conform the terms of the Plan to the provisions of the Charter, and recognized that (1) benefits for Officers Disabled In Line of Duty are paid under Knox County Ordinance No. O-13-8-101 and (2) benefits for Officers Disabled prior to January 1, 2014, shall be provided pursuant to the terms of this Plan but (3) benefits for Officers Disabled on or after January 1, 2014, shall be provided by the Knox County Employee

Disability Benefit Plan prior to such Officer's Social Security Normal Retirement Date or earlier retirement under this Plan;

**WHEREAS**, since its inception, the Plan has been amended and restated to reflect changing legislative requirements as well as changes and enhancement in the benefits offered thereunder; and

**WHEREAS**, the Board has determined that the ~~plan~~Plan shall be amended and restated in its entirety to comply with such changes, as well as those required under legislation enacted subsequent to the ~~plan's~~Plan's restatement in ~~2020~~2023, and to incorporate all previous amendments into a single comprehensive document;

**NOW, THEREFORE**, effective January 1, ~~2023~~2024, except as otherwise provided herein, the Plan is amended and restated as follows:

## ARTICLE I - DEFINITIONS

When used in this Plan, the following words and phrases, where capitalized, shall have the meanings indicated unless otherwise defined or required by the context. Particular defined words or phrases may be used in this Plan as well as STAR or Other Plans of the System. When used in this document, such words or phrases refer to this Plan, except as specifically stated or otherwise required by the context. ~~The Employer's intention in using these words and phrases is that they have a common meaning and that they be interpreted in the same way, across this Plan, STAR and Other Plans of the System.~~

**1.01 "Accrued Benefit"** means the retirement benefit a Participant would receive at Normal Retirement Date based on the deferred retirement benefit formula set forth in Section 5.02; however, the Accrued Benefit of a Participant who is employed as an Officer on or after Normal Retirement Date shall be the retirement benefit the Participant is entitled to receive based on the normal retirement benefit formula set forth in Section 5.01.

A Participant's Accrued Benefit as of any date is based on Credited Service and Average Monthly Compensation on that date.

A Participant's Accrued Benefit shall not be less than the Employee Contribution Benefit. A Participant's Accrued Benefit derived from Employee Contributions shall be equal to the Employee Contribution Benefit. A Participant's Accrued Benefit derived from Employer Contributions is the excess, if any, of the total Accrued Benefit over the Employee Contribution Benefit.

**1.02 "Active Participant"** shall mean, with respect to any Plan Year, a Participant who has been credited with at least one (1) Hour of Service for the Plan Year.

**1.03 "Actuarial Equivalent" or "Actuarial Equivalence"** shall mean a form of benefit differing in time, period, or manner of payment from a specific benefit provided under the Plan but having the same value when computed using the 1983 Group Annuity Mortality Table and 7%.

If a Participant designates his or her Spouse as the sole primary Beneficiary, the value of the Survivor Benefit payable to the Spouse under Section 5.06(d)(1) shall be included in determining the Actuarial Equivalent optional form of benefit under Section 5.10(b).

If this Section 1.03 is amended, the Actuarial Equivalent of a Participant's Accrued Benefit on or after the date of change shall be determined (unless otherwise permitted by law or Regulation) as the greater of (1) the Actuarial Equivalent of the Accrued Benefit as of the date of change computed on the old basis, or (2) the Actuarial Equivalent of the Accrued Benefit computed on the new basis.

**1.04 "Actuary"** shall mean the qualified Actuary, who is a member of the American Academy of Actuaries, appointed by the Board to perform actuarial valuations and give other actuarial advice as directed or requested by the Board from time to time.

**1.05 "Administrator"** shall mean the Board.

**1.12 “Board”** means the Knox County Retirement and Pension Board created by the Charter. References to the Board in the Plan shall be deemed to include the executive director acting pursuant to delegations of authority and directions from the Board in connection with the administration of the Plan.

**1.13 “Cessation of Affiliation”** shall mean the event that causes an entity to no longer be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Regulation § 1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan to not actually be maintained by any of the entities that constitute the Employer under Regulation § 1.415(a)- 1(f)(1) and (2).

**1.14 “Charter”** shall mean the Charter of Knox County, Tennessee as amended from time to time.

**1.15 “Child” or “Children”** shall mean the natural or lawfully adopted child or children of a Participant.

**1.16 “Closed Defined Benefit Plan” or “Closed DB Plan”** shall mean the Knox County Closed Defined Benefit Plan established under Article III of the System, a component Plan of the System.

**1.17 “Code”** shall mean the Internal Revenue Code of 1986 as in effect on the relevant date to be interpreted under this Plan. Reference to any section of the Code shall include that section, any Regulation promulgated thereunder, and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

**1.18 “Commission”** means the Knox County Board of Commissioners.

**1.19 “Compensation”** shall mean the total salary paid by the Employer to the Employee for services performed for the Employer that is currently includible in gross income, excluding both clothing allowance and pay reimbursed for service performed for any outside entity, but including bonus and longevity pay, and amounts excluded from income pursuant to Section 4.04(a) and Code §§ 125, 402(a)(8), 402(h) and 403(b) attributable to the period of his or her participation in the Plan. Consistent with the terms of the Plan, the Board may establish and amend from time to time such procedures as necessary or desirable in its discretion related to administration of Compensation, and the Board’s determination of a Participant’s Compensation shall be conclusive.

(a) Compensation shall not include any salary that is covered by any pension plan administered by the State of Tennessee, or covered by STAR, the Asset Plan, Closed DB Plan, or Teacher’s Plan.

(b) Compensation, for all Plan Years, shall exclude amounts in excess of \$225,000 (or such other amount as determined in accordance with the cost-of-living adjustment procedures described in Code § 401(a)(17)). “For purposes of applying this limit, Compensation is determined for a Plan Year on the basis of Compensation for the calendar year ending within the

Plan Year. The limitation on Plan Year compensation under Code §401(a)(17) shall be the limit in effect for the calendar year in which the Plan Year begins. Provided, however, that the §401(a)(17) limit on Compensation shall be prorated for any short Plan Year.”

(c) Compensation shall exclude elective amounts that are not includible in the gross income of the Participant by reason of Code § 132(f)(4).

(d) Post-Severance Compensation shall be treated as Compensation; provided, however, effective January 1, 2018, neither Compensation nor Post-Severance Compensation shall include payment for more than 43 days of unused accrued bona fide vacation leave cashout at Termination or Retirement.

(e) Compensation for a Plan Year shall not include amounts earned but not paid during the Plan Year solely because of the timing of pay periods and pay dates.

(f) Differential Wage Pay is treated as Compensation.

(g) Compensation includes amounts paid to a Participant who is Disabled.

(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under UOPP, any Other Plan of the System, or STAR, and that the Employee will be entitled to no benefit under UOPP, Other Plan of the System, or STAR with regard to pay for such position(s).

(i) Except as otherwise provided in this Section 1.19, Compensation shall not include a cash-out of unused accrued time off or a lump sum payment of any kind.

(j) On and after July 1, 2023, Compensation shall not include incremental increases paid to an Officer in excess of 3% per year applied position-by-position on a base fixed as of December 31, 2022, as designated by the Sheriff's Office and recorded in the County payroll system.

**1.20 “Contract” or “Policy”** means any life insurance policy, retirement income policy or annuity contract (group or individual) issued pursuant to the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any Contract purchased hereunder, the Contract provisions shall control.

**1.21 “Credited Service”** shall mean the sum of an Employee’s full and partial Years of Service, determined in years and months.

(a) If a Participant becomes ineligible to participate because he or she is in the Ineligible Class or if an Employee in the Ineligible Class becomes a part of the Eligible Class, no period of Employment in the Ineligible Class shall be included in determining Credited Service.



- (b) Credited Service shall not include any period of Employment counted for purposes of determining an Employee's benefit under STAR or any Other Plan of the System.
- (c) Credited Service shall include an authorized Leave of Absence, but not beyond six (6) months, and may include time during which a Participant is receiving a Disability Benefit under the System, UOPP, or the Disability Plan.
- (d) Except as may be specifically provided in this Section, Credited Service shall not include any time that a person is not an Employee.
- (e) An elected or appointed public official shall be credited with Credited Service for each month in which such public official holds a Knox County office.
- (f) A Participant's Credited Service includes Sick Leave Service for purposes of computing a Normal or Early Retirement Benefit but not for purposes of determining eligibility for any benefit.
- (g) Credited Service shall not include a period of Employment with respect to which a Participant has received a Refund or any benefit from the Plan, STAR or any Other Plan of the System, except as provided in Section 5.05(c)(5).
- (h) Credited Service shall include periods of Qualified Military Service to the extent required pursuant to the terms of the Uniformed Services Employment and Reemployment Rights Act of 1994, Code § 414(u), and applicable Tennessee law.
- (i) Subject to approval of the Board, a Participant shall receive Credited Service for up to four (4) years Qualified Military Service incurred prior to the Participant's Employment, on the following conditions:
- (1) The Participant completes one (1) year of Employment; and
  - (2) The Participant applies in writing to the Board to purchase the prior Qualified Military Service during the 6-month period beginning on the first anniversary of the Participant's participation in this Plan; and
  - (3) The Participant pays to the Fund, within sixty (60) days of the Board's approval of the application, the actuarial value of the benefit as determined by the Board after consultation with the Actuary.

As a one-time exception to the application deadline described in subsection (2) above, Participants shall have a final opportunity to apply to purchase prior Qualified Military Service during the period beginning February 1, 2024 and ending April 1, 2024. The Participant must pay to the Fund the actuarial value of the benefit, as determined by the Board after consultation with the Actuary, within six (6) months of the Board's determination of such actuarial value.

Notwithstanding anything to the contrary herein, a Participant shall not receive duplicate credit for Credited Service for any period of prior Qualified Military Service and such Qualified

Notwithstanding anything to the contrary herein, a Participant shall not receive duplicate credit for Credited Service for any period of prior Qualified Military Service and such Qualified Military Service shall not count as Credited Service to the extent the Participant is receiving, or is entitled to receive, retirement or pension benefits attributable to such Qualified Military Service from any other retirement system. If a Participant's prior Qualified Military Service is counted for purposes of computing another retirement or pension benefit and therefore is not Credited Service under this Plan, the Board shall return to the Participant any amount actually paid by the Participant pursuant to this Section 1.21(i), plus interest at the Actuarial Equivalent rate.

(j) A Participant's Credited Service in this Plan as of January 1, 2014, shall be equal to his or her Credited Service as an Officer as shown by the records of the Board on December 31, 2013.

(k) Except as provided in Sections 3.06(b) and 5.05(c)(5), Credited Service does not include any period a Participant is receiving a Disability Benefit under Section 5.05.

(l) Credited Service shall not include any period of employment by an Employee in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that service in such position(s) shall not count for eligibility, vesting or benefit accrual under UOPP, any Other Plan of the System, or STAR, and that the Employee will be entitled to no benefit under UOPP, Other Plan of the System, or STAR with regard to service in such position(s).

**1.22 "Defined Benefit Dollar Limitation"** shall mean, effective for Limitation Years ending after December 31, 2001, \$160,000, automatically adjusted under Code § 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a Straight Life Annuity. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. In the case of a Participant who has had a Severance, the Defined Benefit Dollar Limitation applicable to the Participant in any Limitation Year beginning after the Severance Date shall not be automatically adjusted under Code § 415(d).

**1.23 "Dependent Child"** means a Participant's Child under the age of 26. "Dependent Child" also includes a Child who qualifies as a dependent for income tax purposes and who suffers a physical or mental disability.

**1.24 "Dependent Parent"** means a parent of a Participant (or Former Participant) who is a dependent of the Participant or Former Participant within the meaning of Code § 152.

**1.25 "Differential Wage Pay"** shall mean any payments as defined by Code § 3401(h)(2), made by the Employer to a Participant while on Qualified Military Service that represents an amount that, when added to the Participant's military pay, approximates the Compensation that was paid to the Participant while working for the Employer.

or former Employee's non-Spouse Beneficiary is a "Distributee" with regard to the interest of the Beneficiary.

**1.32 "Distribution Calendar Year"** shall mean a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which the distributions are required to begin under the applicable Plan provisions. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

**1.33 "Domestic Relations Order"** shall mean a judgment, decree, or order, including approval of a property settlement agreement, made pursuant to state domestic relations law or community property law that relates to the provision of Child support or alimony payments to, or marital property rights of, a Spouse, former Spouse, Child or other dependent of a Participant.

**1.34 "Early Retirement Date"** means the first day of the month (prior to Normal Retirement Date) coinciding with or following the date on which a Participant completes twenty-five (25) years of Service as an Officer.

**1.38 "Earnings While Disabled"** shall mean earnings received by a Disabled Participant during Disability from full time or part-time employment, or self-employment.

**1.39 "Effective Date"** shall mean July 1, 2007.

**1.40 "Eligible Class"** shall mean those Employees who are Officers hired or re-hired on or after the Effective Date, excluding, however:

(a) Any Employee who as an Officer is a participant in the Closed Defined Benefit Plan or Asset Plan on or after July 1, 2007;

(b) Any Employee who most recently became an Officer (whether by Employment, Reemployment or transfer) on or after January 1, 2014;

(c) Any Employee who is participating in the Tennessee Consolidated Retirement System presently or by election to transfer. Provided, however, any Employee who is participating in the Tennessee Consolidated Retirement System presently or by election to transfer shall not be precluded from participation with respect to Compensation received from the Employer, pursuant to the definition of Compensation under Section 1.19;

(d) any Employee covered by STAR or any Other Plan of the System as to any Compensation or Credited Service taken into account in computing a benefit under STAR or

Other Plan of the System, unless otherwise specifically provided by this Plan. For purposes of this subsection, Other Plan of the System shall not include MERP or the 457 Plan;

(e) A Participant who transfers to other Employment with the Employer shall cease to be in the Eligible Class on the date his or her Employment as an Officer terminates. A Participant who holds other Employment with the Employer shall not be deemed to be in the Eligible Class for purposes of this Plan with respect to service or Compensation credited or earned in that other Employment;

(f) A Reemployed Retiree pursuant to Section 3.05(b) is not in the Eligible Class. An Employee who is reemployed on or after January 1, 2014 pursuant to Section 3.05(a) is not in the Eligible Class.

**1.41 “Eligible Retirement Plan”** means an individual retirement account described in Code § 408(a), an individual retirement annuity described in Code § 408(b) (other than an endowment contract), a Roth individual Retirement account or annuity described in Code § 408A, an annuity plan described in Code § 403(a), a qualified plan described in Code § 401(a), an annuity contract (or custodial agreement) described in Code § 403(b), or an eligible deferred compensation plan described in Code § 457(b) and maintained by an Employer described in Code § 457(e)(1)(A), 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. This definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relations Order. In the case of an Eligible Rollover Distribution to a non-Spouse Beneficiary, an Eligible Retirement Plan means an individual Retirement account or individual Retirement annuity the non-Spouse Beneficiary establishes for purposes of receiving the distribution.

**1.42 “Eligible Rollover Distribution”** means any distribution of all or any portion of a Distributee’s Accrued Benefit , except an Eligible Rollover Distribution does not include: (a) any distribution which 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 Beneficiary, or for a specified period of ten years or more; (b) any Code § 401(a)(9) required minimum distribution; (c) any unforeseeable emergency distribution; (d) any hardship distribution described in Code § 401(k)(2)(B)(i)(IV); and (e) any distribution which otherwise would be an Eligible Rollover Distribution, but where the total distributions to the Distributee during that calendar year are reasonably expected to be less than \$200.

A portion of a distribution shall not fail to be an “Eligible Rollover Distribution” merely because the portion consists of after-tax Participant Contributions or Roth elective deferral contributions which are not includible in gross income. However, any such portion may be transferred only to an individual retirement account or annuity described in Code § 408(a) or (b), to a qualified defined contribution plan described in Code §§ 401(a) or 403(a), or to an annuity contract described in Code § 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is not so includible.

Participant to be on a leave of absence rather than having Severed Employment. Such discretion of the Employer shall be exercised in a uniform and nondiscriminatory manner.

**1.61 “Life Expectancy”** shall mean an individual’s Life Expectancy as computed by use of the ~~Single Life Table~~applicable table in Regulation § 1.401(a)(9)-9.

**1.62 “Limitation Year”** shall mean the calendar year.

The Limitation Year may only be changed by a Plan amendment. Furthermore, if the Plan is terminated effective as of a date other than the last day of the Limitation Year, then the Plan is treated as if the Plan had been amended to change its Limitation Year.

**1.63 “Maximum Permissible Benefit”** shall mean the Defined Benefit Dollar Limitation (adjusted where required, as provided in this Section 1.63.

(a) If the Participant has less than 10 Years of Participation in the Plan, the Defined Benefit Dollar Limitation shall be multiplied by a fraction, the numerator of which is the number of Years of Participation in the Plan (or part thereof, but not less than one year), and the denominator of which is ten (10).

(b) Effective for benefits commencing in Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation shall be adjusted if the Annuity Starting Date of the Participant’s benefit is before age 62 or after age 65. If the Annuity Starting Date is before age 62, the Defined Benefit Dollar Limitation shall be adjusted under Section 1.63 (b)(1), as modified by Section 1.63 (b)(3). If the Annuity Starting Date is after age 65, the Defined Benefit Dollar Limitation shall be adjusted under Section 1.63 (b)(2), as modified by Section 1.63 (b)(3). The component defined benefit plans of the System are subject to the special limitation of Code § 415(b)(2)(G).

(1) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement before Age 62:

(A) If the Annuity Starting Date for the Participant’s benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the plan does not have an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant’s Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant’s Annuity Starting Date that is the Actuarial Equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 1.63(a), if required) with actuarial equivalence computed using 5% interest and the applicable mortality table for the Annuity Starting Date as defined Section 1.63 (expressing the Participant’s age in completed calendar months as of the Annuity Starting Date).

**1.68 “Officer”** means a sworn officer regularly employed by the Knox County Sheriff’s Office. The Knox County Sheriff and Chief Deputy Sheriff, and individuals in positions designated as “law enforcement” or “corrections” by the Knox County Merit System are Officers. Reserve officers, officers who are not scheduled to work at least 18-1/2 hours per week, officers who hold part-time positions designated as such by the Sheriff’s Office even if they are scheduled to work more than 18-1/2 hours per week, civilian Employees of the Sheriff’s Office, and Employees who are not designated by the Employer as eligible for benefits, are not Officers within the meaning of this Plan. Individuals employed in positions designated as “civilian” by the Merit System are not Officers. In all cases of doubt, the Board shall determine whether a person is an Officer as defined herein.

**1.69 “One-Year Break in Service”** means a continuous period of at least 12 consecutive months during which the Employee is not employed by the Employer. Except as provided in Section 3.06, such period begins on the Severance Date, or if earlier, the twelve (12) month anniversary of the date on which the Employee was otherwise first absent from service.

In the case of an individual who is absent from work for maternity or paternity reasons, the twelve (12) consecutive month period beginning on the first anniversary of the first day of such absence shall not constitute a 1-Year Break in Service. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

**1.70 “Other Plan of the System”** shall refer to any one or more of the Asset Plan, Closed DB Plan, MERP, Teacher’s Plan, 457 Plan or Disability Plan.

**1.71 “Participant”** means any Employee in the Eligible Class who has not for any reason become ineligible to participate further in the Plan.

**1.72 “Participant Contribution”** means the amount a Participant is required to contribute to the Plan pursuant to Section 4.04.

**1.73 “Plan”** means this instrument, including all amendments thereto.

**1.74 “Plan Year”** shall mean the twelve (12) month period ending on each June 30. Provided, however, the period from January 1, 2014 to June 30, 2014 shall be a short Plan Year.

**1.75 “Post-Severance Compensation”** shall mean payments made within 2-1/2 months after Severance if they are payments that, absent Severance, would have been paid to the Employee while the Employee continued in Employment and would have been Compensation for services as an Employee (or for purposes of determining 415 Compensation, would have been 415 Compensation for services as an Employee). Any payments not described above are not considered Compensation or 415 Compensation if paid following Severance, even if paid within 2-1/2 months following Severance, except for payments to an individual who does not currently

perform services for the Employer by reason of Qualified Military Service to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.

- (a) Post-Severance Compensation shall include regular pay after Severance if:
  - (1) The payment is regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as shift differential), commissions, bonuses, or other similar payments; and
  - (2) The payment would have been paid to the Participant prior to a Severance if the Participant had continued in Employment with the Employer.
- (b) Leave cashouts shall be included in Post-Severance Compensation, if those amounts would have been included in the definition of Compensation without application of Section 1.19(j), if they were paid prior to the Participant's Severance, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if Employment had continued. Section 1.19(j) shall not apply for purposes of determining the amount of leave cashout included in Post-Severance Compensation.
- (c) Deferred Compensation shall be included in Post-Severance Compensation, if the deferred Compensation would have been included in the definition of Compensation if it had been paid prior to the Participant's Severance, and the deferred Compensation is received pursuant to a nonqualified unfunded deferred Compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in Employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.
- (d) Post-Severance Compensation includes payments to an individual who does not currently perform services for the Employer by reason of Qualified Military Service to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering Qualified Military Service.

**1.76 "Projected Service"** means the Credited Service a Participant would earn if the Participant remained continuously in Employment as an Officer until his or her Normal Retirement Date.

**1.77 "Predecessor Employer"** means, with respect to a Participant, a former employer of such Participant if the Employer maintains a Plan that provides a benefit which the Participant accrued while performing services for the former employer. A former entity that antedates the Employer is also a Predecessor Employer with respect to a Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity. For this purpose, the Formerly Affiliated Plan rules in Regulations § 1.415(f)-1(b)(2) apply as if the Employer and Predecessor Employer constituted a single employer under the rules described in Regulations § 1.415(a)-1(f)(1) and (2) immediately prior to the Cessation of Affiliation (and as if they constituted two, unrelated employers under the

rules described in Regulations § 1.415(a)-1(f)(1) and (2) immediately after the Cessation of Affiliation) and Cessation of Affiliation was the event that gives rise to the Predecessor Employer relationship.

**1.78 “Qualified Domestic Relations Order” or “QDRO”** shall mean a Domestic Relations Order that creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan, subject to applicable Tennessee law, the Code, the Plan and the Plan’s QDRO Procedure.

**1.79 “Qualified Military Service”** shall have the meaning given that term by Code § 414(u)(1) with respect to such service attributable to the Employer.

**1.80 “Reemployed Retiree”** shall have the meaning stated in Section 3.05(c).

**1.81 “Reemployment Date”** shall mean the date as of which an Employee is credited with the first Hour of Service upon a resumption of Employment after Severance.

**1.82 “Refund”** shall mean the return of all Participant Contributions plus Interest as provided in Section 5.04 in lieu of any and all other benefits that may be payable under this Plan.

**1.83 “Regulation”** means the Income Tax Regulations as promulgated by the Secretary of the Treasury or delegate, as amended from time to time.

**1.84 “Required Beginning Date”** shall mean April 1 of the calendar year following the later of: (a) the calendar year in which the Participant attains age ~~72~~73, or (b) the calendar year in which the Participant retires or such other date under Code § 401(a)(9) by which required minimum distributions must commence. Effective January 1, 2033, the reference to age 73 in subsection (a) shall be replaced with age 75.

**1.85 “Restorative Payment”** shall mean a payment made to restore losses to a plan resulting from actions by a Fiduciary for which there is reasonable risk of liability for breach of a Fiduciary duty under applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are Restorative Payments only if the payments are made in order to restore some or all of the Plan’s losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of Fiduciary duty (other than a breach of Fiduciary duty arising from failure to remit contributions to the plan). This includes payments to a plan made pursuant to a court-approved settlement, to restore losses to a qualified defined contribution plan on account of the breach of Fiduciary duty (other than a breach of Fiduciary duty arising from failure to remit contributions to the plan).

**1.86 “Retired Participant” or “Retiree”** shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement Benefits under the Plan.



## **2.09 Payment of Expenses**

All expenses incurred by or on behalf of the Board in the administration of the Plan during each Fiscal Year shall be paid out of the Trust Fund unless paid by other means, at the discretion of the Board. The Board is authorized to allocate expenses of the System to and among the Plan, STAR, and Other Plans of the System, using such methods and estimates as the Board determines appropriate. Such expenses shall include any expenses incident to the functioning of the Board, or any person or persons retained or appointed by any named Fiduciary incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, Actuary, counsel, Investment Managers, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund.

## **2.10 Prohibited Personal Interests**

No member of the Board shall participate, directly or indirectly, in the gains or profits of any investment of the Fund, except to the extent any member of the Board may be a Participant, survivor or Beneficiary. No member of the Board shall participate, directly or indirectly, in commissions or compensation in any form from any insurance company or hospital service association that underwrites any of the benefits provided by the Plan, except to the extent any member of the Board may be a Participant, survivor or a Beneficiary. No member of the Board shall use, directly or indirectly, for himself or herself or as an agent in any manner the funds or deposits of the Plan, except to make such payments therefrom as are authorized by the Board, nor shall any member of the Board become an endorser or surety of any type, or an obligor for monies loaned by or borrowed from the Plan.

## **2.11 Claims Procedure**

If the Board shall determine that eligibility or benefits applied for by any person shall be denied, either in whole or in part, the following provisions shall govern:

(a) **Notice of Denial.** Upon its denial of a claim for eligibility or benefits under the Plan, the Board shall provide the claimant with written notice of such denial setting forth: (1) the specific reason or reasons for the denial; (2) specific reference to pertinent provisions of the Plan upon which the denial is based; and (3) the claimant's right to seek review under this Section 2.11.

(b) **Claims Review.** Every claimant with respect to whom a claim is denied shall, upon written notice from the Board of such denial, have the right to: (1) request, within sixty (60) days of the date of such notice from the Board, a review of the denial of eligibility or benefits by delivering written notice to the Board; and (2) submit issues and comments in writing. A claimant must follow the procedure set out in this Section 2.11(b) prior to seeking judicial review.

(c) **Decision on Review.** The Board shall, upon receipt of a request for review submitted by the claimant, conduct such review and provide the claimant with written notice of the decision reached by the Board.

- (1) Medical information provided by a claimant in support of a claim for a Disability Benefit may be referred by the Board to an outside contracted service for evaluative, consultative and administrative services and for a report and recommendation to the Board. In its discretion, the Board may establish procedures for the conduct of its review, including referring the claim to a committee to conduct a hearing and to make a report and recommendation to the Board. The Board (or its committee) may conduct a hearing in writing or in person. The claimant may participate in any such hearing and may be represented by counsel, at the claimant's expense. The claimant may produce witnesses or other evidence in support of the claim. The claimant shall be entitled to access to the Plan document and to any material on the claim in the record before the Board.
- (2) The Board shall provide the claimant with written notice of its decision following review. If the Board decision is to deny eligibility or benefits under the Plan in whole or in part, the Board shall provide the claimant with written notice of such denial setting forth: (i) the specific reason or reasons for the denial; (ii) specific reference to pertinent provisions of the Plan upon which the denial is based; and (iii) reference to any right the claimant may have to seek judicial review based on his or her exhaustion of administrative remedies.

(d) **Finality.** All disputes involving eligibility or benefits under the Plan shall be resolved under this Section 2.11, and the decisions of the Board shall be final.

(e) **Pending Benefits.** The Board may withhold or condition payment of benefits involved in any dispute in its discretion pending final resolution, including judicial review.

all persons, as long as the same is made pursuant to the Plan. Such determination shall be subject to review pursuant to Section 2.11.

### **3.04 Termination of and Limitation on Eligibility**

(a) On the Severance Date, a Participant's participation shall terminate and the person shall become a Former Participant under this Plan.

(b) As of the date a Participant's classification in the Eligible Class changes to the Ineligible Class, that person's participation shall terminate and the person shall become a Former Participant under this Plan. While continuing Employment, a Former Participant does not accrue Credited Service for any purpose of this Plan, and the Former Participant's Compensation from Employment in the Ineligible Class does not count as Compensation under this Plan. While continuing Employment, a Former Participant shall not be entitled to a distribution of any benefit from this Plan.

(c) A Participant who is also employed by the Employer at the same time in an Ineligible Class shall be considered a Participant to the extent of his or her Credited Service and Compensation in the Eligible Class, but not as to service or Compensation in the Ineligible Class.

### **3.05 Reemployment and Reinstatement of Prior Service**

#### **(a) Reemployment following Termination**

(1) No Employment with the Employer is permitted after Termination from any position that is covered by any Knox County qualified plan for a period of at least four (4) full calendar months subsequent to the Employee's date of distribution if such Employee withdraws all or any part of his or her Vested benefit under the Plan, the Asset Plan, STAR, the Deferred Compensation Plan or MERP, except for changes in employment involving an individual's public office. At no time and under no circumstance shall an Employee have or enter into a prearranged agreement, whether verbal or written, express or implied, to be reemployed, or guaranteed reemployment, after Termination in any capacity with the Employer (including any part-time, temporary or casual employment).

(2) An Employee who Terminates Employment, who is subsequently reemployed in the Eligible Class of the Asset Plan or STAR shall become a Participant and enter the Asset Plan or STAR, not UOPP, on his or her Reemployment Date.

(3) Such an Employee's Credited Service shall be determined in accordance with Asset Plan Sections I-1.25 and I-1.84 and STAR Sections 1.17 and 1.63.

(b) **Reemployment following Retirement**

- (1) No Employment with the Employer is permitted after retirement from any position that is covered by any Knox County qualified plan for a period of at least four (4) full calendar months subsequent to the Employee's Retirement, except for changes in Employment involving an individual's public office. At no time and under no circumstance shall an Employee have or enter into a prearranged agreement, whether verbal or written, express or implied, to be reemployed, or guaranteed reemployment, after Retirement in any capacity with Employer (including any part-time, temporary or casual employment).
  - (2) A Participant who is reemployed after a period of Disability may establish credit for Credited Service under Section 5.05(c)(5), but in no event shall a Participant receive duplicative Credited Service for the same period of service.
  - (3) For reemployment occurring on or after July 1, 2015 and before July 1, 2025, any Retiree who is receiving or is eligible to receive payments from the Plan and is subsequently reemployed by the Employer in the Eligible Class of any Other Plan of the System or STAR, shall continue receiving such benefits from and after his or her Reemployment Date during the period of reemployment. Such a reemployed Retiree shall not become a Participant or enter the Plan, STAR, MERP or the Asset Plan and shall not accrue any additional benefits under the Plan, STAR, MERP or the Asset Plan as a result of such reemployment. Notwithstanding the above, this paragraph shall only apply to Retirees reemployed in entry level, non-supervisory positions.
  - (4) Any other Retiree who is reemployed in the Eligible Class of any Other Plan of the System or STAR shall become a Participant and enter such Other Plan of the System or STAR on his or her Reemployment Date. Except as provided in Sections VI-1.02(b)(3) of the System and Section 5.08 of the Disability Plan, if such an Employee is receiving or is eligible to receive payments from the Plan as of his or her Reemployment Date, such payments shall cease as soon as is administratively feasible from and after the Reemployment Date during the period of reemployment.
  - (5) A Retiree who is subsequently reemployed in the Eligible Class of the Asset Plan or STAR shall be eligible to make Employee contributions to the Knox County 457 Plan. ~~No Employer contributions will be made on such Retiree's behalf.~~
- (c) In unusual circumstances, upon petition of a Former Participant, the Board may grant an exception to the waiting periods described in Section 3.05(a)(1) or (b)(1), where that is found to be in the best interest of the Employer based on circumstances beyond the control of the Former Participant.

form of distribution as a monthly annuity for life (or for the duration of Disability or dependency). However, optional forms of distribution may be elected pursuant to Section 5.10.

(b) Unless a Former Participant otherwise elects under the terms of the Plan, payment to such Former Participant of the Vested portion of his or her benefit shall begin not later than the 60th day after the close of the Plan Year in which the latest of the following events occurs: (1) the Normal Retirement Date; (2) the 10th anniversary of the year in which the Participant commenced participation in the Plan; or (3) the date the Participant terminates Employment with the Employer. However, the Board shall, at the election of the Participant, direct earlier payment of the Vested portion of a Participant's benefit. Any distribution under this Section 5.09 shall be made in a manner that is consistent with and satisfies the provisions of Section 5.10.

(c) That portion of a Terminated Participant's benefit that is forfeited shall be used only to reduce future costs of the Plan at such time as it becomes a forfeiture. The portion of a Terminated Participant's benefit that is not Vested shall become a forfeiture on the earlier of:

- (1) The distribution of the entire Vested portion of the benefit of such Terminated Participant. For purposes of this provision, if a Terminated Participant has a Vested benefit of zero (0), then such Terminated Participant shall be deemed to have received a distribution of such Vested Accrued Benefit as of the date that such Terminated Participant terminated Employment with the Employer, or
- (2) The date such Terminated Participant incurs six (6) consecutive 1-Year Breaks in Service.

#### **5.10 Distribution of Benefits**

(a) A Participant shall receive the value of such Participant's benefit in the form of a life annuity. Such Participant, however, may elect an optional form of benefit in lieu of the life annuity. The election must comply with the provisions of this Section. Each optional form of benefit available under the Plan shall be the Actuarial Equivalent of the life annuity otherwise due the Participant.

- (1) Any election of an optional form of benefit must be made by the Participant in writing filed with the Board.
- (2) A Participant may make such an election upon completion of five (5) or more years of Credited Service, and at any time thereafter, until the earlier of Retirement or death.
- (3) The election made by the Participant may be revoked by the Participant in writing filed with the Board at any time prior to the earlier of Retirement or death. The failure to file an election, or a revocation of any prior election, shall cause the Participant's benefits to be distributed as a life annuity. The number of revocations shall not be limited. Each election must comply with the requirements of this Section 5.10(a).

(b) If a Participant duly elects pursuant to Section 5.10(a) to receive benefits in an optional form of benefit, the Board shall distribute to the Participant or the Participant's Beneficiary an amount that is the Actuarial Equivalent of the life annuity in one or more of the following methods:

*Option A: Joint and survivor annuity (with or without pop up).* This form of benefit is payable monthly to the Retired Participant for life and a percentage (fifty (50) percent, seventy-five (75) percent or one hundred (100) percent of such amount, as elected by the Participant) shall continue after death to his or her Beneficiary for life. The option may also provide, at the Retired Participant's election, in event the Beneficiary predeceases the Retired Participant, that the benefit thereafter shall equal the monthly amount that would have been payable if no option had been elected ("pop up"). Should the death of a Retired Participant who has elected this option occur before payment of a Deferred Retirement Benefit to which he or she was entitled, a survivor annuity shall be payable to the Beneficiary for life. Such survivor annuity shall be an amount equal to the percentage designated in the Participant's election of such joint and survivor annuity hereunder, which would have been payable to the Retired Participant had he or she been alive on the date such Deferred Retirement Benefit would have commenced.

*Option B: Life annuity with sixty, one hundred twenty or one hundred eighty payments guaranteed.* This form of benefit is payable monthly to the Retired Participant for life with the first sixty (60), one hundred twenty (120) or one hundred eighty (180) monthly payments guaranteed as elected by the Participant. Any guaranteed payments due after the death of the Retired Participant shall be payable to his or her surviving Beneficiary or, if there is no surviving Beneficiary, the commuted value of any remaining guaranteed payments shall be payable in a lump sum to the Retired Participant's estate. If the surviving Beneficiary should die before all guaranteed payments have been paid, the commuted value of any remaining guaranteed payments shall be payable in a lump sum to the estate of said Beneficiary. Should the death of a Retired Participant who has elected this option occur before payment of a Deferred Retirement Benefit to which he or she was entitled, the guaranteed payments shall be payable to the Beneficiary.

*Option C: Cash refund option.* This optional benefit is payable monthly to the Retired Participant for life and upon death a lump sum amount is payable to his or her surviving Beneficiary or, if there is no surviving Beneficiary, to the Retired Participant's estate; such lump sum amount shall be equal to the difference, if any, between: (a) the actuarially determined single sum value of the benefit to which he or she would have been entitled if no option had been elected; and (b) the sum of all monthly cash refund option benefits actually paid to the Retired Participant (including COLA). Should the death of a Retired Participant who has elected this option occur before payment of a Deferred Retirement Benefit to which he or she was entitled, the cash refund shall be payable to the Beneficiary.

(c) The Board may, at any time in its discretion, direct that annuities be purchased from a life insurance company licensed to do business in the State of Tennessee to provide benefits

otherwise payable under the Plan. Any such annuity may be purchased as an investment of the Fund with annuity payments of the form selected by the Board made payable to the Fund.

(d) Under any circumstances, an annuity may not provide for payments over a period extending beyond either the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and the Participant's designated Beneficiary).

(e) Notwithstanding any provisions of the Plan to the contrary, if the present value of a Participant's total Vested Accrued Benefit does not exceed ~~\$5,000~~7,000 as of his or her Severance Date, such Participant shall receive an automatic lump sum distribution of the Participant's Refund amount as soon as administratively feasible following the sixth (6<sup>th</sup>) anniversary of Severance of employment in lieu of any other benefit under this Plan. Such distribution may be made in cash, subject to applicable federal and state income tax withholding or may be directly rolled over to another eligible retirement plan or arrangement willing to accept such transfer. In the event of such a mandatory distribution, if the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover in accordance with Section 5.17 or to receive the distribution in accordance with this Section 5.10(e), then the Board will pay the distribution in a direct rollover to an individual retirement plan designated by the Board. If a Participant's Vested Accrued Benefit exceeds ~~\$5,000~~7,000, the Participant's written consent shall be required before a distribution is made.

(f) All annuity Contracts under this Plan shall be non-transferable when distributed. Furthermore, the terms of any annuity Contract purchased and distributed to a Participant, survivor or Beneficiary shall comply with all of the requirements of the Plan.

### **5.11 Distribution of Benefits Upon Death**

(a) If the Participant dies with an optional form of benefit on file with the Board, the Beneficiary shall receive the benefits provided under that optional form of benefit election pursuant to Section 5.10. In such case, no Survivor Benefit shall be paid under Section 5.06.

(b) Notwithstanding any provision in this Plan to the contrary and provided payment of benefits under the Plan have not commenced to the Participant, in the event a surviving spouse named as the Participant's sole primary Beneficiary is entitled to a lesser benefit under the filed option than would be payable to the surviving spouse under Section 5.06 had the option not been filed, the surviving spouse shall be entitled to disclaim the option upon application to the Board for survivor benefits and in such event the option shall be treated as if it were revoked by the Participant prior to death.

(c) Notwithstanding the terms of any optional form of benefit election or Beneficiary designation form to the contrary, in the event a Participant is not survived by any named Beneficiary on which a filed option depends, the filed option shall be of no force or effect and the Participant shall be considered not to have any option on file with the Board.

## 5.12 Minimum Distribution Requirements

### (a) General Rules

- (1) **Precedence.** The requirements of this Section 5.12 shall take precedence over any inconsistent provisions of the Plan, but this Section 5.12 shall not be interpreted to create forms of benefit not otherwise provided in this Plan.
- (2) Notwithstanding any provisions of the plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9) and the Regulations thereunder.
- (3) **TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this Section, other than Section 5.12(a)(2), distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) and the following provisions of the Plan that relate to Section 242(b)(2) of TEFRA.
  - (i) The restrictions imposed by this Section 5.12 shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have retirement benefits paid in an alternative method acceptable under Code § 401(a)(9) as in effect prior to the enactment of TEFRA.
  - (ii) The restrictions imposed by this Section 5.12 shall not apply if a Participant has, prior to January 1, 1984, made a written designation to have Survivor Benefits paid in an alternative method acceptable under Code § 401(a)(9) as in effect prior to the enactment of TEFRA.

### (b) Time and Manner of Distribution.

- (1) **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (2) **Death of Participant before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the Participant's surviving Spouse is the sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72 reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.



- (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (iii) If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before distributions to the Spouse begin, this Section III-3.12(b)(2) other than Section 5.12(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section 5.12(b), distributions are considered to begin on the Participant's Required Beginning Date. If Section 5.12(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Spouse under Section 5.12(b)(2)(i). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 5.12(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) Form of Distribution. Unless the Participant's interest is distributed in the form of a Contract or as a Refund in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections 5.12(b), (c), and (d). If the Participant's interest is distributed in the form of Contract, distributions thereunder will be made in accordance with the requirements of Code § 401(a)(9). Any part of the Participant's interest which is in the form of an individual account described in Code § 414(k) will be distributed in a manner satisfying the requirements of Code § 401(a)(9) and the Regulations that apply to individual accounts.

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

- (1) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
  - (i) The annuity distributions will be paid monthly;
  - (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 5.12(b) or (d);

- (iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted; and
  - (iv) Payments will either be non-increasing or increase only as follows:
    - (A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics as set out in Section 5.08;
    - (B) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 5.12(d) dies;
    - (C) To provide cash refunds of employee contributions upon the Participant's death; or
    - (D) To pay increased benefits that result from a Plan amendment.
- (2) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 5.12(b)(2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are monthly. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (3) Additional Accruals after First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (d) Requirements for Annuity Distributions That Commence During Participant's Lifetime.
- (1) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that

would have been payable to the Participant using the table set forth in Regulation § 1.401(a)(9)-6T, Q&A-2. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.

- (2) **Period Certain Annuities.** Unless the Participant's Spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Regulation § 1.401(a)(9)-9 for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Regulation § 1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date.

### **5.13 Time of Segregation or Distribution**

Except as limited by Sections 5.10 and 5.11, whenever the Board is to make a distribution or to commence a series of payments, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable. However, unless a Former Participant elects in writing to defer the receipt of benefits (such election may not result in a Survivor Benefit that is more than incidental), the payment of benefits shall begin not later than the sixtieth (60th) day after the close of the Plan Year in which the latest of the following events occurs: (a) the Participant's Normal Retirement Date; or (b) the date the Participant Severs Employment with the Employer.

### **5.14 Distribution for Minor or Incompetent Former Participant, Survivor or Beneficiary**

In the event a distribution is to be made to a minor or incompetent Former Participant, survivor or Beneficiary, then the Board, in its discretion, may direct that such distribution be paid to the legal guardian, or if none, to a parent or spouse of such Former Participant, survivor or Beneficiary or a responsible adult with whom the Former Participant, survivor or Beneficiary maintains residence, or to the custodian for such survivor or Beneficiary under the Uniform Gift to Minors Act or Gift to Minors Act, if such is permitted by the laws of the state in which said survivor or Beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor or incompetent Former Participant, survivor or Beneficiary shall fully discharge the Trustee, Employer, Board, and Plan from further liability on account thereof.

### **5.15 Location of Participant, Survivor or Beneficiary Unknown**

If any Participant, Former Participant, survivor or Beneficiary who is entitled to receive any benefit under this Plan cannot be located through the usual means of communication when such benefit is due and payable, and after further diligent effort to ascertain the whereabouts of such

Following a public notice on ~~November~~October 29, 2022~~2023~~, ~~November 56, 2022~~2023, and ~~November 13~~12, 2022~~2023~~, the above Amendment and Restatement of the **Uniformed Officers Pension Plan** was duly adopted pursuant to the provisions of the Charter and System and shall be effective on the first day of ~~May 2020~~January 2024.

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Executive Director, Knox County Retirement & Pension Board

**KNOX COUNTY  
SHERIFF'S TOTAL ACCUMULATION RETIREMENT  
PLAN**

Effective January 1, ~~2023~~2024

2023-2024 (1)

**KNOX COUNTY SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN**

**THIS KNOX COUNTY SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN** hereby adopted this ~~4<sup>th</sup>~~ 18<sup>th</sup> day of December ~~2022~~ 2023 by Knox County Government (herein referred to as the "Employer").

**WITNESSETH:**

**WHEREAS**, the voters of Knox County, Tennessee, in the general election on November 6, 2012, ratified an amendment to Article VII, Section 7.05, of the Knox County Charter (the "Charter"), which authorized and directed the Knox County Retirement and Pension Board (the "Board") to establish, maintain and administer as a plan of the Knox County Retirement System ("System") a separate, tax-qualified retirement plan and trust (herein referred to as the "Plan") for sworn officers regularly employed on or after January 1, 2014 ("Effective Date") by the Knox County Sheriff's Office ("Officers"); and

**WHEREAS**, after notice, at public meetings on two readings the Board adopted, and the Knox County Commission ("Commission") subsequently approved this defined contribution Plan by resolution, reserving the power of the Board to hereafter amend the Plan from time to time, so long as any such amendment is consistent with the Charter;

**WHEREAS**, the Knox County Retirement and Pension Board (the "Board") shall not have the power or authority to adopt or approve any plan or plan amendment, or take any other action, which thereby would increase the funding or financial obligations of the County either at the time of the action or in the future without notification to and express consent and funding by resolution from the Commission. The intent of this provision is to restrict the power of the Board so that all plans, benefits, annuities or pensions are actuarially sound and actuarially funded from the date of their creation; and

**WHEREAS**, it shall also be the stated intention not to make changes or amendments to the Plan until the financial effect on any proposed change on the actuarial soundness of the Plan has been determined on the basis of such competent actuarial, legal and other advice as the Board shall assemble and such information has been made available to all interested parties; and

**WHEREAS**, since its inception, the Plan has been amended and restated to reflect changing legislative requirements as well as changes and enhancement in the benefits offered thereunder; and

**WHEREAS**, the Board has determined that the Plan shall be amended and restated in its entirety to comply with such changes, as well as those required under legislation enacted subsequent to the Plan's restatement in ~~July~~ January ~~2022~~ 2023 and to incorporate prior amendments to the Plan;

**NOW, THEREFORE**, effective January 1, ~~2023~~ 2024, except as otherwise provided herein, the Plan is amended and restated as follows:

## ARTICLE I - DEFINITIONS

When used in this Plan, the following words and phrases, where capitalized, shall have the meaning indicated unless otherwise defined or required by the context. Particular defined words or phrases may be used in this Plan as well as in UOPP, or Other Plans of the System. When used in this document, such words or phrases refer to this Plan, except as specifically stated or unless otherwise required by the context. ~~The Employer's intention in using these words and phrases is that they have a common meaning, and that they be interpreted in the same way, across this Plan, UOPP, and Other Plans of the System.~~

**1.01 "Active Participant"** shall mean, with respect to any Plan Year, a Participant who has been credited with at least one (1) Hour of Service for the Plan Year.

**1.02 "Actuary"** shall mean the qualified actuary, who is a member of the American Academy of Actuaries, appointed by the Board to perform actuarial valuations and give other actuarial advice as directed or requested by the Board from time to time.

**1.03 "Administrator"** shall mean the Board.

**1.04 "Alternate Payee"** shall mean any Spouse, former Spouse, Child or other dependent of a Participant who is recognized by a Qualified Domestic Relations Order as having a right to receive all or a portion of the benefits payable under the Plan with respect to such Participant, subject to applicable Tennessee law, the Code, the Plan and the Plan's QDRO Procedure.

**1.05 "Annual Addition"** shall mean, for any Participant, for any Limitation Year, the sum of Participant Contributions and the Participant's allocable share of Employer Contributions and Forfeitures, and amounts allocated to an individual medical account as defined in Code § 415(l)(2), which is part of a pension or annuity plan maintained by the Employer.

(a) Annual Additions shall not include Restorative Payments. Payments made to the Plan to make up for losses due merely to market fluctuations and other payments that are not made on account of a reasonable risk of liability for breach of a Fiduciary duty are not Restorative Payments and generally constitute contributions that are considered Annual Additions.

(b) Annual additions shall not include: (1) The direct transfer of a benefit or employee contributions from a qualified plan to this Plan; (2) Rollover contributions (as described in Code §§ 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3), and 457(e)(16)); (3) Repayments of loans made to a Participant from the Plan, if any; and (4) Repayments of contributions as described in Code § 415(k)(3), as well as Employer restorations of benefits that are required pursuant to such repayments.

(c) Notwithstanding anything in the Plan to the contrary, Employer Contributions are treated as credited to a Participant's Individual Account for a particular Limitation Year only if the contributions are actually made to the Plan no later than the 15th day of the tenth calendar month following the end of the Fiscal Year.

any Regulation promulgated thereunder, and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

**1.14 “Commission”** shall mean the Knox County Board of Commissioners.

**1.15 “Compensation”** shall mean the total salary paid by the Employer to the Employee for services performed for the Employer that is currently includible in gross income, excluding overtime, clothing allowance and pay reimbursed for service performed for any outside entity, but including bonus and longevity pay, and amounts excluded from income pursuant to Section 4.03(a) and Code §§ 125, 402(a)(8), 402(h) and 403(b) attributable to the period of his or her participation in the Plan. Consistent with the terms of the Plan, the Board may establish and amend from time to time such procedures as necessary or desirable in its discretion related to administration of Compensation, and the Board’s determination of a Participant’s Compensation shall be conclusive.

(a) Compensation shall not include any salary that is covered by any pension plan administered by the State of Tennessee, or covered by the Asset Plan, Closed DB Plan or Uniformed Officers Pension Plan. Additionally, Compensation shall not include incremental increases paid to a UOPP Officer in excess of 3% per year applied position-by-position on a base fixed as of December 31, 2022, as designated by the Sheriff’s Office and recorded in the County payroll system.

(b) Compensation, for all Plan Years, shall exclude amounts in excess of \$225,000 (or such other amount as determined in accordance with the cost-of-living adjustment procedures described in Code § 401(a)(17)). For purposes of applying this limit, Compensation is determined for a Plan Year on the basis of Compensation for the calendar year ending within the Plan Year. The limitation on Plan Year Compensation under Code §401(a)(17) shall be the limit in effect for the calendar year in which the Plan Year begins. Provided, however, that the §401(a)(17) limit on Compensation shall be prorated for any short Plan Year.

(c) Compensation shall exclude elective amounts that are not includible in the gross income of the Participant by reason of Code § 132(f)(4).

(d) Post-Severance Compensation shall be treated as Compensation; provided, however, effective January 1, 2018, neither Compensation nor Post-Severance Compensation shall include payment for more than 43 days of unused accrued bona fide vacation leave cashout at Termination or Retirement.

(e) Compensation for a Plan Year shall not include amounts earned but not paid during the Plan Year solely because of the timing of pay periods and pay dates.

(f) Differential Wage Pay is treated as Compensation.

(g) Compensation includes amounts paid to a Participant who is Disabled.



(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the Employee is regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under STAR, any Other Plan of the System, or UOPP, and that the Employee will be entitled to no benefit under STAR, any Other Plan of the System, or UOPP with regard to pay for such position(s).

(i) Except as otherwise provided in this Section 1.15, Compensation shall not include a cash-out of unused accrued time off or a lump sum payment of any kind.

**1.16 “Contract” or “Policy”** means any life insurance policy, retirement income policy or annuity contract (group or individual) issued pursuant to the terms of this Plan. In the event of any conflict between the terms of this Plan and the terms of any contract purchased hereunder, the Contract provisions shall control.

**1.17 “Credited Service”** shall mean the sum of an Employee’s Years of Service.

(a) If a Participant becomes ineligible to participate because he or she is in the Ineligible Class, or if an Employee in the Ineligible Class becomes a part of the Eligible Class, no period of Employment in the Ineligible Class shall be included in determining Credited Service, except as provided in this Section 1.17.

(b) Credited Service shall not include any period of Employment counted for purposes of determining an Employee’s benefit under the Uniformed Officers Pension Plan, the Closed DB or Teacher’s Plan.

(c) A Participant’s Credited Service under this Plan shall include Credited Service under the Asset Plan, whether such Asset Plan Credited Service occurs prior to, concurrent with, or following that Participant’s Credited Service under this Plan. However, the same calendar month shall not be counted more than once under STAR or the Asset Plan.

(d) Credited Service shall include an authorized Leave of Absence, but not beyond six (6) months, and may include time during which a Participant is receiving a Disability Benefit under this Plan, UOPP or Closed DB. A Leave of Absence extending beyond six (6) months granted by a duly authorized Knox County official and approved by the Board shall not be counted as Credited Service but shall not be considered an interruption in Credited Service.

(e) Except as may be specifically provided in this Section, Credited Service shall not include any time that a person is not an Employee. Credited Service shall be determined in years and full months.

(f) An elected or appointed public official shall be credited with Credited Service for each month in which such public official holds a Knox County office.

**1.31 “Eligible Class”** shall mean those Employees hired or re-hired on or after the Effective Date who are Officers, excluding, however:

(a) any certificated person who is employed by Knox County who is participating in and covered by the provisions of Plans A or B of Article XIII of the Charter of the City of Knoxville, Tennessee as of June 28, 1991;

(b) any Employee who is participating in the Tennessee Consolidated Retirement System presently or by election to transfer. Provided, however, any Employee who is participating in the Tennessee Consolidated Retirement System presently or by election to transfer shall not be precluded from participation with respect to Compensation received from the Employer, pursuant to the definition of Compensation under Section 1.15;

(c) any individual who on July 1, 2007 was an officer eligible to make an election under UOPP and who elected prior to July 1, 2007, not to participate in UOPP but to remain in either the Closed DB Plan or the Asset Plan, including such an individual who Severs Employment and is subsequently reemployed as an Officer;

(d) any Participant in the Asset Plan, Closed DB Plan or Uniformed Officers Pension Plan as to any Compensation or Credited Service taken into account in computing a benefit or allocating a contribution under any of those plans; or

(e) a reemployed Retiree pursuant to Section 3.02(b)(3) of this Plan, or like sections of UOPP, Closed DB, or Asset Plan. This Section 1.31(e) shall not apply to a UOPP Participant whose reemployment commences after June 30, 2015 and before July 1, ~~2020~~2025.

An Employee in the Eligible Class who transfers to other Employment not in the Eligible Class shall be in the Ineligible Class on the date of such transfer. An Employee in the Eligible Class who holds other Employment not in the Eligible Class shall not be deemed to be an Employee in the Eligible Class for purposes of this Plan with respect to service or compensation credited or earned in that other Employment.

**1.32 “Eligible Retirement Plan”** means an individual retirement account described in Code § 408(a), an individual retirement annuity described in Code § 408(b) (other than an endowment contract), a Roth individual retirement account or annuity described in Code § 408A, an annuity plan described in Code § 403(a), a qualified plan described in Code § 401(a), an annuity contract (or custodial agreement) described in Code § 403(b), or an eligible deferred compensation plan described in Code § 457(b) and maintained by an Employer described in Code § 457(e)(1)(A), 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. This definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relations Order. In the case of an Eligible Rollover Distribution to a non-Spouse Beneficiary, an Eligible Retirement Plan means

**1.51 “In Line of Duty”** shall mean, in connection with a Disability or death, resulting, directly or indirectly, from an act occurring or a thing done or a risk taken which, as determined in the discretion of the Board, was required of the Participant in the performance of his or her duty as an Employee. If a Participant is determined to be Disabled or to have died In Line of Duty under the Disability Plan, the Participant shall be deemed to be Disabled or to have died, as the case may be, In Line of Duty under this Plan. Where applicable, the provisions of TCA § 7-51-201 shall apply in determining whether a Participant’s Disability or death occurred In Line of Duty under this Plan.

**1.52 “Inactive Participant”** shall mean a Participant (including a Former Participant who has a balance remaining in his or her Individual Account) who is not classified as an Active Participant with respect to a Plan Year.

**1.53 “Individual Account”** shall mean the amount of the Trust Fund standing to the credit of each Participant together with adjustments allocable thereto in accordance with the terms of the Plan, including both Vested and unvested amounts, and including without limitation the Employer Base Contribution Account, Employer Supplemental Contribution Account, Participant Contribution Account, and Voluntary Rollover Account.

**1.54 “Individual Retirement Plan”** shall mean a qualified retirement plan established by a self-employed person.

**1.55 “Ineligible Class”** shall mean those Employees who are not in the Eligible Class.

**1.56 “Investment Manager”** shall mean an entity that (a) has the power to manage, acquire, or dispose of Plan assets and (b) acknowledges fiduciary responsibility to the Plan in writing. Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company.

**1.57 “Leased Employee”** shall mean any person (other than an Employee of the recipient) who pursuant to an agreement between the recipient and any other person (“leasing organization”) has performed services for the recipient (or for the recipient and related persons determined in accordance with Code § 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient. A Leased Employee shall not be eligible to participate in this Plan.

**1.58 “Leave of Absence”** shall mean that period during which the Participant is absent without compensation and for which the Employer, in its sole discretion, has determined the Participant to be on a leave of absence rather than having Severed Employment. Such discretion of the Employer shall be exercised in a uniform and nondiscriminatory manner.

**1.59 “Life Expectancy”** for purposes of Section 7.03, means an individual’s Life Expectancy as computed by use of the ~~Single Life Table~~ applicable table in Regulation § 1.401(a)(9)-9.

**1.60 “Limitation Year”** shall mean the Calendar Year.

The Limitation Year may only be changed by a Plan amendment. Furthermore, if the Plan is terminated effective as of a date other than the last day of the Limitation Year, then the Plan is treated as if the Plan had been amended to change its Limitation Year.

**1.61 “Maximum Permissible Amount”** shall mean, for any Limitation Year, the lesser of:

(a) Forty thousand dollars (\$40,000) (or such greater amount according to the cost-of-living adjustment permissible under Code § 415(d)(3) and determined by the Commissioner of Internal Revenue for the Limitation Year), or

(b) One hundred percent (100%) of the 415 Compensation received by the Participant from the Employer during the Limitation Year.

If, because of an amendment changing the Limitation Year, a short Limitation Year is created, then the Maximum Permissible Amount will not exceed forty thousand dollars (\$40,000) multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{\text{Twelve (12)}}$$

**1.62 “Medical Expense Retirement Plan” or “MERP”** shall mean the Knox County Medical Expense Retirement Plan established pursuant to Article VII of the System, one of the component plans of the System.

**1.63 “Month of Service”** shall mean a calendar month during which an Employee has been credited with one (1) or more Hours of Service.

(a) If a period of Qualified Military Service incurred prior to the Participant’s Employment is not otherwise included in Months of Service, at the Participant’s election filed with the Board upon completion of five (5) Years of Service, the Participant shall be granted a Month of Service for each calendar month in which the Participant performed any such Qualified Military Service, not in excess of three (3) years. However, such Qualified Military Service shall not count as Months of Service if the Participant received, is receiving, or is entitled to receive, retirement or pension benefits attributable to such service from any other retirement system, including UOPP, Teacher’s Plan or Closed DB.

(b) In the case of an Employee or a Participant who leaves Employment by reason of Qualified Military Service and who returns to Employment on or before the expiration of ninety (90) days after the date on which he or she is entitled to be released from active duty (or on or before such date as the law may specify as to reemployment), such Employment, to the extent required by law, shall be treated as Months of Service despite such absence.

(c) If a Participant dies or becomes Disabled while performing Qualified Military Service with respect to the Employer, Months of Service shall be calculated as though the Participant had resumed Employment in accordance with the Participant’s reemployment rights under USERRA

on the day preceding death or Disability (as the case may be) and Severed Employment on the actual date of death or Disability, provided that Participant Contributions are made on behalf of the Participant pursuant to Section 4.04.

(d) If a Participant dies while performing Qualified Military Service with respect to the Employer, the Board shall credit the Participant's Qualified Military Service as Months of Service for vesting purposes, as though the Participant had resumed Employment under USERRA immediately prior to the Participant's death, regardless of whether Participant Contributions are made on behalf of the Participant pursuant to Section 4.04.

(e) Months of Service shall include all Months of Service then credited under the Asset Plan, regardless of whether such Months of Service are consecutive, for a Participant (i) who transfers to the Eligible Class without a break in service, or (ii) who is reemployed in the Eligible Class without having withdrawn the Participant's entire Vested Individual Account under the Asset Plan. Months of Service for a Participant, other than a Retired Participant, who is reemployed in the Eligible Class having withdrawn the Participant's entire Vested Individual Account under the Asset Plan shall not include Months of Service previously credited under the Asset Plan. A Participant's Month of Service credited under the Asset Plan prior to, concurrent with, or subsequent to a period of service covered by this Plan shall count for purposes of determining the Participant's Months of Service under this Plan for Vesting purposes, so long as the Participant does not withdraw the entire Vested Individual Account from the Asset Plan.

(f) Months of Service shall include all Months of Service then credited under this Plan, regardless of whether such Months of Service are consecutive, for a Participant who is reemployed in the Eligible Class without having withdrawn the Participant's entire Vested Individual Account under this Plan. Months of Service for a Participant, other than a Retired Participant, who is reemployed in the Eligible Class having withdrawn the Participant's entire Vested Individual Account under this Plan shall not include Months of Service previously credited under this Plan.

(g) A Participant's Months of Service shall not include any Service credited under the Closed DB Plan, UOPP or the Teacher's Plan. A Participant in the Closed DB Plan who accrues Service only for purposes of the 457 Deferred Compensation Plan match in the Asset Plan shall be treated as having accrued such Service under the Closed DB Plan for purposes of this Section 1.63(g).

(h) An Employee who is reemployed in the Ineligible Class pursuant to Section 3.02(b)(3), UOPP Section 3.05, or System Sections III-3.01(b) or VI-1.02(b)(3) shall not be credited with Months of Service.

(i) An Employee who was receiving payments from this Plan, UOPP or any Other Plan of the System but who is reemployed pursuant to Section 3.02(b)(2), System Sections IV-1.02(b) or III-3.01, or UOPP Section 3.05(b) shall be credited with Months of Service. This Section 1.63(i) shall not apply to a UOPP Participant whose reemployment commences after June 30, 2015 and before July 1, ~~2020~~2025.

Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan, subject to applicable Tennessee law, the Code, the Plan and the Plan's QDRO Procedure.

**1.77 "Qualified Military Service"** shall have the meaning given that term by Code § 414(u)(1) with respect to such service attributable to the Employer.

**1.78 "Reemployment Date"** shall mean the date as of which an Employee is credited with the first Hour of Service upon a resumption of Employment after Severance.

**1.79 "Regulation"** shall mean the Income Tax Regulations as promulgated by the Secretary of the Treasury or delegate, as amended from time to time.

**1.80 "Required Beginning Date"** for a Participant's means April 1 of the calendar year following the later of: (1) the calendar year in which the Participant attains age ~~72~~73, or (2) the calendar year in which the Participant retires or such other date under Code § 401(a)(9) by which required minimum distributions must commence. Effective January 1, 2033, the reference to age 73 in subsection (a) shall be replaced with age 75.

**1.81 "Restorative Payment"** shall mean a payment made to restore losses to a plan resulting from actions by a Fiduciary for which there is reasonable risk of liability for breach of a Fiduciary duty under applicable federal or state law, where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are Restorative Payments only if the payments are made in order to restore some or all of the Plan's losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of Fiduciary duty (other than a breach of Fiduciary duty arising from failure to remit contributions to the plan). This includes payments to a plan made pursuant to a court-approved settlement, to restore losses to a qualified defined contribution plan on account of the breach of Fiduciary duty (other than a breach of Fiduciary duty arising from failure to remit contributions to the plan).

**1.81A "Retired Participant" or "Retiree"** shall mean a Participant who has had a Severance and who is eligible to receive and has applied to the Board and been approved by the Board to receive Retirement benefits under STAR, any Other Plan of the System or UOPP.

**1.82 "Retirement"** shall mean any of the forms of retirement set forth in Sections 6.02, 6.03, or 6.04.

**1.83 "Severance" or "Severs"** shall mean, with respect to any individual, the voluntary or involuntary cessation from being an Employee of the Employer within the meaning of Code § 401(k)(2)(b)(i)(I). Leave of Absence shall not be deemed to be a Severance. An individual does not have a Severance if, in connection with a change or transfer of employment or assignment, the individual continues as an Employee in the Employment of the Employer. Severance may occur on Termination of Employment, death, Disability or Retirement.

**1.84 "Severance Date"** shall mean the date a Participant's Severance occurs.

## ARTICLE IV - FINANCING OF PLAN AND INDIVIDUAL ACCOUNTS

### 4.01 Medium of Financing the Plan

(a) Investment of all Plan assets and all transactions of the Trust Fund shall be made in accordance with the terms of the Trust Agreement, as it may be amended from time to time, which shall constitute a part of the Plan.

(b) Notwithstanding the foregoing, a Participant may, subject to procedures established by the Board, applied in a uniform and nondiscriminatory manner, direct the Trustee to invest the Individual Account, ~~not including the Employer Supplemental Contribution Account,~~ in specific assets, specific funds or other investments permitted under this Plan. That portion of the Individual Account of any Participant so directing shall thereupon be considered a Participant's Directed Investment Account.

(c) As of each Valuation Date, all Participant Directed Investment Accounts shall be charged with the net earnings, gains, losses and expenses as well as any appreciation or depreciation in the market value using publicly listed fair market values when available or appropriate.

- (1) To the extent that the assets in a Participant's Directed Investment Account are accounted for as pooled assets or investments, the allocation of earnings, gains and losses of each Participant's Directed Investment Account shall be based upon the total amount of funds so invested, in a manner proportionate to the Participant's share of such pooled investment
- (2) To the extent that the assets in the Participant's Directed Account are accounted for as segregated assets, the allocation of earnings, gains and losses from such assets shall be made on a separate and distinct basis.

### 4.02 Employer Contributions

(a) For each payroll period during the period January 1, 2014, through July 1, 2022, the Employer shall contribute to the Plan as an Employer Base Contribution on behalf of each Participant an amount, net of allocable Forfeitures, equal to ten percent (10%) of Participant Compensation to be allocated to the Participant's Employer Base Contribution Account. Effective for payroll periods commencing after July 1, 2022, the Employer shall contribute to the Plan as an Employer Base Contribution on behalf of each Participant an amount, net of allocable Forfeitures, equal to six percent (6%) of Participant Compensation to be allocated to the Participant's Employer Base Contribution Account.

(b) For each payroll period during the period January 1, 2014, through July 1, 2022, the Employer shall contribute to the Plan as an Employer Supplemental Contribution on behalf of each Participant an amount, net of allocable Forfeitures, equal to two percent (2%) of Participant Compensation to be allocated to the Participant's Employer Supplemental Contribution Account. No further Employer Supplemental Contribution shall be made by Employer for any payroll period commencing after July 1, 2022.

(c) RESERVED.

(d) For each calendar year during the period January 1, 2014, through December 31, 2024, in lieu of any Employer Contribution under Sections 4.02(a), (b) and (c), following the end of the Plan Year, the Employer shall contribute to the Plan as an Employer Disability Contribution on behalf of each Participant who is Disabled for that entire Plan Year and who is receiving or is entitled to receive a Disability Benefit for that entire Plan Year an amount, net of allocable Forfeitures, equal to two percent (2%) of Participant Pre-Disability Compensation for the calendar year to be allocated to the Participant's Employer Base Contribution Account.

(e) If in connection with a return to work program a Disabled Participant is receiving a Disability Benefit under the Disability Plan while working as a Participant under this Plan, the Participant shall be allocated the greater of: (1) the Employer Contribution on his or her Compensation under Sections 4.02(a) through (c); or (2) the Employer Disability Contribution on Participant's Pre-Disability Compensation pursuant to Section 4.02(d).

(f) For each payroll period commencing on or after January 1, 2024, the Employer shall contribute to the Participant's Employer Base Contribution Account as a matching contribution on behalf of each Active Participant an amount equal to one hundred percent (100%) of the Participant's contributions to the 457 Plan, up to a maximum contribution established as a percentage of Participant Compensation per payroll period, net of allocable Forfeitures, in accordance with the following schedule:

<u>Participant's Years of Service</u>	<u>Maximum Matching Contribution as a percent of Participant Compensation per payroll period</u>
<u>Less than 5</u>	<u>0%</u>
<u>At least 5 but not 10</u>	<u>2%</u>
<u>At least 10 but not 15</u>	<u>4%</u>
<u>15 or more</u>	<u>6%</u>

For purposes of eligibility for the matching contribution under this Section 4.02(f), a Participant's Years of Credited Service shall be determined as of the first day of the month in which his or her Credited Service anniversary date falls (or on such more frequent basis as the Board may determine from time to time). The percentages of matching contributions set out in this Section 4.02(f) may be revised from time to time by appropriate action of the Board, subject to the provisions of the Charter.

#### **4.03 Participant Contributions**

(a) Except as provided in Section 4.03(b), each Participant shall be required to make Participant Contributions to the Plan through payroll deduction in an amount equal to six percent (6%) of Compensation to be allocated to the Participant Contribution Account. Such contributions will be picked up by the Employer in accordance with Code § 414(h).



(b) Conditioned upon initial Internal Revenue Service qualification of the Plan; provided the return is made within one (1) year after the denial of qualification of the Plan.

#### **4.08 Tax-Free Rollovers**

The Plan may accept a Participant's contribution or direct rollover (within the meaning of Code § 401(a)(31)) of an eligible rollover distribution from (1) a qualified plan described in Code §§ 401(a) or 403(a) including after-tax employee contributions provided such amounts are accompanied by records determined by the Board or its designee to be sufficient to determine the taxable portion of any such after-tax amounts, (2) an annuity contract or custodial account described in Code § 403(b), including after-tax employee contributions provided such amounts are accompanied by records determined by the Board or its designee to be sufficient to determine the taxable portion of any such after-tax amounts, (3) an eligible plan under Code § 457 that 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 (4) amounts transferred from a conduit individual retirement account provided that the conduit individual retirement account has no assets other than assets which (A) were previously distributed to the Participant by another "qualified plan", (B) were eligible for tax-free rollover to a "qualified plan" and (C) were deposited in such individual retirement account within sixty (60) days of receipt thereof. For purposes of this Section, the term "qualified plan" means any tax qualified plan under Code § 401(a) or any other plans from which distributions are eligible to be rolled over to a conduit individual retirement account. The rollover shall consist of a contribution, comprised of cash and/or property, which is all or a portion of a lump sum distribution with respect to which, unless otherwise provided by law, all of the following conditions are met:

- (a) The amount distributed from such plan is transferred to this Plan no later than the sixtieth (60<sup>th</sup>) day after such distribution was received by the Employee;
- (b) The distribution constituted the Participant's entire nonforfeitable interest in such plan and was made within one (1) taxable year of the Employee's Severance as a lump sum distribution;
- (c) The amount transferred to this Plan does not include any amounts contributed by the Participant to the Prior Plan; and
- (d) No part of the rollover is a distribution from a plan that was required due to the age of the Participant pursuant to Code § 401(a)(9).

#### **4.09 Participant's Election as to Investment Funds**

(a) **Initial Elections.** Each Participant shall be entitled at the time of or promptly following initial enrollment in the Plan to make an election to direct how the Participant's Individual Account (~~not including the Employer Supplemental Contribution Account~~) shall be invested in and among the investment funds then offered to Participants under the terms of the Plan. Such election shall be made at the time of or promptly following enrollment and shall become effective promptly thereafter. Each such election shall specify the percentage of the Participant's Individual Account balance (~~not including the Employer Supplemental Contribution Account~~) to be invested in and among the funds in percentage increments, subject to such rules and procedures as the Board in its sole discretion shall establish. Each election made pursuant to this Section 4.09(a) shall remain in effect until changed pursuant to the provisions of Section 4.09(b).

(b) **Elections to Change Investment Selection.** Each Participant shall be entitled to change direction as to how contributions to the Individual Account (~~not including the Employer Supplemental Contribution Account~~) shall be invested in and among the investment funds offered under the terms of the Plan. The Board shall establish such rules and procedures applicable to changes in investment selection as it shall determine, in its sole discretion, are appropriate to the Plan's administrative capabilities.

(c) **Elections to Transfer Assets among Investment Funds.** Each Participant shall be entitled to transfer amounts or percentages attributable to the Individual Account (~~not including the Employer Supplemental Contribution Account~~) among the investment funds offered under the terms of the Plan. The Board shall establish such rules and procedures applicable to Participant directed asset transfers as it shall determine, in its sole discretion, are appropriate to the Plan's administrative capabilities.

(d) **Form of Elections.** Each election made pursuant to this Section 4.09 shall be submitted and executed in the form and manner as shall be prescribed by the Board including, without limitation, in writing or electronically. The Plan Investment Policy shall specify the investment fund to be used in the event a Participant has not made an effective investment election.

## ARTICLE V - ALLOCATIONS TO INDIVIDUAL ACCOUNTS

### 5.01 Individual Accounts

On each Valuation Date the Trustee shall determine the value of the Fund, at its fair market value adjusted for appropriate accrual items, and the balances of all Individual Accounts shall be brought up to date in accordance with this Article V so that the sum total of the balances of all Individual Accounts shall equal the value of the Fund on such date. All entries to Individual Accounts shall be conclusive and binding on all Participants and Beneficiaries.

### 5.02 Account Adjustments

(a) **Allocation of Contributions.** As of each Valuation Date, the Employer Contribution, Voluntary Rollover and Participant Contribution Accounts of each Participant shall be brought up to date and credited with contributions made since the last Valuation Date, as applicable.

(b) **Allocation of Trust Fund Earnings.** As of each Valuation Date, each Participant's accounts shall be credited or charged with the Trust Fund Earnings allocable to each such account in proportion to the value of the account for the period since the last Valuation Date, and debited by the amount of withdrawals, if any, made since that Valuation Date. Adjustments may be made in an equitable manner to accurately reflect Trust Fund Earnings based upon an average account balance during the period. Provided, however, Participants Directed Investment Accounts shall be adjusted for earnings, gains and losses in accordance with Section 4.01.

(c) **Use of Forfeitures.** In accordance with such procedures as the Board may establish from time to time, for each Plan Year, Forfeitures may be used by the Board to: reinstate previously Forfeited Individual Account balances of reemployed Participants, if any, in accordance with Section 3.02 and 3.03; and to pay any administrative expenses of the Plan. Remaining Forfeitures, if any, shall be used to reduce the Employer Supplemental Contribution for the Plan Year, if any, and then to reduce the Employer Base Contribution for the Plan Year.

### 5.03 Limitation on Allocations

(a) **Annual Additions Limitation.** Subject to further reduction under Sections 5.03(b) and 5.03(c), the Annual Additions to the Individual Account of a Participant shall not exceed the Maximum Permissible Amount.

(b) **Aggregation of Plans.** If, in addition to this Plan, the Employer maintains another qualified defined contribution plan, then the limitations under Code § 415 shall apply as if such other plan and this Plan were one (1) plan, and the limitation under Section 5.03(a) shall be reduced correspondingly by the amount of Annual Additions allocated to the account or accounts of a Participant covered under such other plan.

(1) For purposes of applying the limitations of Code § 415, all defined contribution plans (without regard to whether a plan has been terminated) ever maintained by the Employer (or a "predecessor employer") under which the Participant receives

(b) No amount shall be paid to a Participant or Former Participant under this Plan in any month in which he or she is entitled to receive or is receiving a Disability Benefit under the Disability Plan, UOPP or Closed DB. Payment of any benefit from this Plan shall cause the immediate and permanent cessation of Disability Benefits under the Disability Plan.

**6.05 Vested Benefit**

(a) **Determination of Vested Benefit.** If a Participant Severs Employment other than because of death, Disability or Normal or Delayed Retirement and is not then entitled to a benefit under any other Section of this Article VI, he or she shall be entitled to a Vested Benefit under this Section 6.05. Such Vested Benefit shall be determined as follows:

(1) ~~(4)~~—The Vested percentage of the Employer Base Contribution Account and Employer Supplemental Contribution Account, if any, shall be determined according to the following schedule:

<u>Years of Service at Severance Date</u>	<u>Vested Percentage</u>
<u>Less than 1</u>	<u>0%</u>
<u>1</u>	<u>20%</u>
<u>2</u>	<u>40%</u>
<u>3</u>	<u>60%</u>
<u>4</u>	<u>80%</u>
<u>5 or more</u>	<u>100%</u>

<u>Years of Service at Severance Date</u>	<u>Vested Percentage of Employer-Base Contribution Account</u>
<u>Less than 10</u>	<u>0%</u>
<u>10 or more</u>	<u>100%</u>

(2) ~~RESERVED~~The Vested percentage of the Employer Supplemental Contribution Account, if any, shall be determined according to the following schedule:

<u>Years of Service at Severance Date</u>	<u>Vested Percentage of Employer Supplemental Contribution Account</u>
<u>Less than 15</u>	<u>0%</u>
<u>15 or more</u>	<u>100%</u>

(3) Except for the Employer Base Contribution Account and the Employer Supplemental Contribution Account, if any, the remainder of the Participant's Individual Account shall be Vested at all times.

~~(4) A Participant who is the Sheriff or Chief Deputy when he or she completes eight (8) Years of Service shall be fully Vested in the Individual Account.~~

(b) Except as provided in Sections 8.02 and 8.11, the right of any Participant to benefits payable under this Section shall not be forfeited or waived for any reason on Severance, provided that such Severance occurs after the Participant has met the requirements which would qualify him or her for such benefits.

(c) **Reserved.**

(d) **Distribution of Vested Benefit**

(1) Upon a Participant's Severance pursuant to this Section 6.05, unless an optional form of benefit payment is available and elected in accordance with Section 7.01, the Vested Benefit shall be payable as provided in Section 6.01(d), with payment commencing within sixty (60) days following the date which would have been the Participant's Normal Retirement Date had he or she remained employed with the Employer until that date, or as soon thereafter as is administratively feasible.

(2) Alternatively, the Participant may elect to receive the Vested Benefit in a single lump sum payment, with such payment to be made as soon as administratively feasible following both the Participant's election and Severance.

(3) Alternatively, the Participant may elect to receive a single lump sum payment of his or her Participant Contributions Account, with such payment to be made as soon as administratively feasible following both the Participant's election and Severance. At any time thereafter, such Participant may request distribution of the remainder of his or her Vested Benefit as a single lump sum payment. Alternatively, a Participant who has reached his or her Normal Retirement Date may elect to receive a distribution of the remainder of his or her Vested Benefit in accordance with Article VII.

(4) Notwithstanding Sections 6.05(d)(1)-(3), if a Participant's Vested Benefit does not exceed ~~\$5,000~~7,000 as of his or her Severance Date, such Participant shall receive an automatic lump sum distribution of such Vested Benefit as soon as administratively practical following Severance. In such event, if the Participant does not elect to have the distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover in accordance with Section 6.08 or to receive the distribution in accordance with this Section 6.05(d)(4), the Board will pay the distribution in a Direct Rollover to an Individual Retirement Plan designated by the Board.

(e) An Employee whose Employment with Knox County is Severed due to the transfer of the Employee's position and employment to a non-governmental employer which is not an agency of Knox County government, where such Severance would otherwise prevent the Vesting of

Employer Contributions for the Employee, may be fully Vested and entitled to receive, or have transferred for his or her benefit, the Individual Account regardless of the requirements this Section 6.05 subject to application to, and review and approval by, the Board and the appropriation of any necessary funding by Knox County or provision of funding to the Plan by such non-governmental employer.

## **6.06 Death Benefit**

### **(a) Benefit.**

- (1) If a Participant dies while employed by the Employer, the Individual Account shall be Vested. In such case, the Participant's Beneficiary shall be entitled to a death benefit equal to the full value of the Individual Account and payable as provided in Section 6.06(b).
- (2) If a Participant dies after Severance, the Vested status of the Individual Account shall be determined as of the Participant's Severance Date. In such case, the Participant's Beneficiary shall be entitled to a death benefit equal to any remaining portion of the Vested Individual Account and payable as provided in Section 6.06(b).

**(b) Distribution upon Death.** Upon the death of a Participant, the death benefit shall be payable as provided in Section 6.01(d) commencing as soon as is practicable following the date of the Participant's death. The Beneficiary may elect to defer payment subject to the following distribution provisions:

- (1) If the Participant dies after distribution of the Individual Account has commenced, the remaining portion of such Individual Account will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
- (2) If the Participant dies before distribution of the Individual Account commences, the Participant's entire Individual Account will be distributed no later than five (5) years after the Participant's death except to the extent that an election is made to receive distributions in accordance with Sections 6.06(b)(2)(i) or (ii):
  - (i) If any portion of the Participant's Individual account is payable to a non-Spouse Beneficiary, distributions shall be made in a single lump sum or direct rollover. Such distribution shall commence at such time as the Board shall determine, but no later than sixty (60) days after the end of the Plan Year in which death occurs, or one (1) year after the date of death.
  - (ii) If the Beneficiary is the Participant's surviving Spouse, distributions may be made in a single lump sum, in fixed dollar installments, or by direct rollover. Additionally, the date distributions are required to begin shall not be as provided in Section 6.06(b)(2)(i) but rather shall be any date not later

than the date on which the Participant would have ~~attained age 72~~reached his or her Required Beginning Date. Effective, January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date. ~~and, if~~ the Spouse dies before payments begin, subsequent distributions shall be made as if Spouse had been the Participant.

- (3) For purposes of Section 6.06(b)(2), payments will be calculated by use of the return multiples specified in Regulation § 1.72-9.
  - (4) For purposes of Sections 6.06(b)(1), (2) and (3), any amount paid to a Child of the Participant will be treated as if it had been paid to the surviving Spouse if the amount becomes payable to the surviving Spouse when the Child reaches the age of majority.
- (c) The Board may require such proper proof of death and such evidence of the right of any person to receive payment of the Vested Benefits of a deceased Participant as the Board may deem desirable. The Board's determination of death and of the right of any person to receive payment shall be conclusive.

#### **6.07 In-Service Distribution**

(a) Except as provided in Section 6.07(b)-(d), a Participant may not withdraw any portion of his or her Individual Account balance while in Employment or on Leave of Absence, other than the Voluntary Rollover Account. A Participant may elect to withdraw, transfer or rollover his or her Voluntary Rollover Account, in whole or in part, at any time while in Employment or after Severance. A Participant's election hereunder must be in writing and approved by the Board and shall be effective as soon as administratively feasible following the date such election is received and approved by the Board.

(b) An Employee who previously was in the Eligible Class and who currently is in the Ineligible Class may elect to receive an in-service distribution of his or her entire Vested Individual Account in a single lump-sum payment, upon approval of the Board, if:

(1) The Employee is also not an Eligible Employee currently under either Asset Plan or the Medical Expense Retirement Plan; and

(2) The Employee elects to receive an in-service distribution of his or her entire Asset Plan and Medical Retirement Plan Individual Account balances, if any, and

(3) Either:

(i) The Employee is eligible for and actually participates in another State or Employer qualified retirement plan; or

- (ii) The Employee has been in the Ineligible Class for at least six (6) continuous months.

An Employee who elects to receive an in-service distribution under this Section 6.07(b) shall Forfeit any unvested balance of the Employer Contributions Account.

(c) In accordance with Section 2202(a) of the CARES Act, as amended or interpreted by future federal law or regulation, a Participant may elect to receive an in-service distribution if such distribution is “coronavirus-related,” as such term is defined in the CARES Act. The Administrator shall determine if any distribution under this Section 6.07(c) is a “coronavirus-related” distribution and shall establish and may amend from time to time procedures necessary or appropriate to administer benefits under this Section 6.07(c), in accordance with the CARES Act or other applicable federal law or regulation, the Code and the Plan.

(d) A fully Vested Participant may elect to receive an in-service distribution from his or her Vested Individual Account in a single lump sum payment in an amount not to exceed the lesser of (1) \$5,000; or (2) 50% of the Participant’s Vested Individual Account. No more than one (1) distribution is permitted pursuant to this Section VI-4.09(d) in any a 3-year period.

#### **6.08 Transfer to an Eligible Retirement Plan**

(a) Notwithstanding any provision of the Plan to the contrary, a Distributee may elect, at the time and in the manner the Board prescribes, to have any portion of an Eligible Rollover Distribution that is equal to at least \$500 paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(b) A non-Spouse Beneficiary, by a Direct Rollover, may roll over all or any portion of his or her distribution to an Individual Retirement Account described in Code § 408(a) or an individual retirement annuity described in Code § 408(b) (other than an endowment contract) that is established for the purpose of receiving the distribution. Such distribution must otherwise satisfy the definition of an Eligible Rollover Distribution.

(c) If a non-Spouse Beneficiary receives a distribution from the Plan, the distribution is not eligible for a “60-day” rollover.

(d) If the Participant’s Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a beneficiary within the meaning of Code § 401(a)(9)(E).

(e) A non-Spouse Beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Regulations and other IRS guidance. If the Participant dies before his or her Required Beginning Date and the non-Spouse Beneficiary rolls over to an individual retirement account the maximum amount eligible for rollover, the Beneficiary may elect to use either the 5-year rule or the Life Expectancy rule, pursuant to



A Participant who is receiving benefit payments in installments pursuant to the terms of Sections 7.01(a), 7.01(b) or 7.01(c) shall be permitted to make one change to such election, to either of the optional forms of benefit described in Section 7.01(a) or 7.01(b), at any time after benefit payments have commenced. Notwithstanding the above, a Retiree may elect to receive the entire remaining Individual Account in a single lump sum payment or to receive, from time to time, a portion of the remaining Individual Account in accordance with the Plan's Partial Lump Sum Distribution Procedure.

A Beneficiary shall be permitted to make one change to the election made by the Participant to either of the optional forms of benefit described in Section 7.01(a) or (b), upon the death of the Participant. Notwithstanding the above, a Beneficiary may elect to receive the entire remaining Individual Account in a single lump sum payment.

### **7.03 Required Minimum Distributions**

(a) The Board may not distribute nor direct the Trustee to distribute the Participant's Individual Account, nor may the Participant elect any distribution of the Individual Account, under a method of payment which, as of the Required Beginning Date, does not satisfy the minimum distribution requirements of Code § 401(a)(9). The requirements of this Section 7.03 take precedence over any inconsistent provisions. Notwithstanding any provisions of the Plan to the contrary, distributions shall be determined and made in accordance with a good faith interpretation of Code § 401(a)(9). This Section 7.03 shall not be interpreted to provide any form of benefit not otherwise provided in this Plan.

#### **(b) Time and Manner of Distribution**

- (1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (2) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the Participant's surviving Spouse is the Participant's sole Beneficiary, then distributions to the Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 72reached his or her Required Beginning Date, if later. Effective January 1, 2024, the surviving Spouse may elect to defer distributions to December 31 of the calendar year in which the surviving Spouse would reach his or her Required Beginning Date.
  - (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December

31 of the calendar year immediately following the calendar year in which the Participant died.

- (iii) If there is no Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iv) If the Participant's surviving Spouse is the Participant's sole Beneficiary and the Spouse dies after the Participant but before distributions to the Spouse begin, this Section 7.03(b)(2) other than Section 7.03(b)(2)(i), will apply as if the Spouse were the Participant.

For purposes of this Section 7.03(b) and Section 7.03(d), unless Section 7.03(b)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 7.03(b)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the Spouse under Section 7.03(b)(2)(i).

- (3) Unless the Participant's interest is distributed in the form of a Contract or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections 7.03(c) and 7.03(d).

(c) Required Minimum Distributions during Participant's Lifetime

- (1) During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
  - (i) The quotient obtained by dividing the Participant's Individual Account balance by the number in the Uniform Life Table set forth in Regulation § 1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the Distribution Calendar Year; or
  - (ii) If the Participant's sole Beneficiary for the Distribution Calendar Year is the Participant's Spouse, the quotient obtained by dividing the Participant's Individual Account balance by the number in the Joint and Last Survivor Table set forth in Regulation § 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the Distribution Calendar Year.
- (2) Required minimum distributions will be determined under this Section 7.03(c) beginning with the first Distribution Calendar Year and annually thereafter up to and including the Distribution Calendar Year that includes the Participant's date of death.

(d) Required Minimum Distributions after Participant's Death

(1) Death On or After Distributions Begin

(i) If the Participant dies on or after the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Beneficiary, determined as follows:

(I) The Participant's remaining Life Expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(II) If the Participant's surviving Spouse is the Participant's sole Beneficiary, the remaining Life Expectancy of the Spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the Spouse's age as of the Spouse's birthday in that year. For Distribution Calendar Years after the year of the Spouse's death, the remaining Life Expectancy of the Spouse is calculated using the attained age of the Spouse as of the Spouse's birthday in the calendar year of the Spouse's death, reduced by one for each subsequent calendar year.

(III) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, the Beneficiary's remaining Life Expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

(ii) If the Participant dies on or after the date distributions begin and there is no Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the Participant's remaining Life Expectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(2) Death before Date Distributions Begin.

- (i) If the Participant dies before the date distributions begin and there is a Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Individual Account balance by the remaining Life Expectancy of the Participant's Beneficiary, determined as provided in Section 7.03(d)(1).
- (ii) If the Participant dies before the date distributions begin and there is no Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iii) If the Participant dies before the date distributions begin, the Participant's surviving Spouse is the Participant's sole Beneficiary, and the Spouse dies before distributions are required to begin to the Spouse under Section 7.03(b)(2)(i), this Section 7.03(d)(2) will apply as if the Spouse were the Participant.

(e) For purposes of this Section 7.03, a Participant's Individual Account balance shall be determined as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year.

Following a public notice on ~~November 2~~ October 29, 2022~~2023~~, ~~November 5~~ 6, 2022~~2023~~, and ~~November 13~~ 12, 2022~~2023~~, the above stated **Knox County Sheriff's Total Accumulation Retirement Plan** was duly adopted pursuant to the provisions of the Charter and shall be effective on the first day of January ~~2023~~2024.

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Executive Director, Knox County Retirement & Pension Board

# Total of All Plans

As of 1/1/2024

Total Contributors	2538	
Retirement Eligible	722	28.45%
Normal	610	24.03%
Longevity (or Early)	112	4.41%

Total Medical Eligible (>65)	188	7.41%
M.E. & Normal	151	5.95%
M.E. & Longevity (or Early)	13	0.51%
M.E. & Not Eligible	24	0.95%

Retire Elig (age 50 - 64)	
Years of Service	
5 - 9	95
10 - 14	61
15 - 19	71
20 - 24	81
25 - 29	126
30 - 34	62
35+	36

**Total  
532**

AGE	Not Eligible	Retire Eligible
18 - 29	404	0
30 - 39	507	0
40 - 49	494	10
50 - 59	341	327
60 - 64	62	205
65 - 69	21	101
70 - 79	3	52
80+	0	11

Not Eligible	Retire Eligible
15.92%	0.00%
19.98%	0.00%
19.46%	0.39%
13.44%	12.88%
2.44%	8.08%
0.83%	3.98%
0.12%	2.05%
0.00%	0.43%

**20.96%**

As of 7/1/2024

Total Contributors	2538	
Retirement Eligible	748	29.47%
Normal	638	25.14%
Longevity (or Early)	110	4.33%

Total Medical Eligible (>65)	205	8.08%
M.E. & Normal	169	6.66%
M.E. & Longevity (or Early)	19	0.75%
M.E. & Not Eligible	17	0.67%

Retire Elig (age 50 - 64)	
Years of Service	
5 - 9	99
10 - 14	67
15 - 19	65
20 - 24	80
25 - 29	127
30 - 34	75
35+	35

**Total  
548**

AGE	Not Eligible	Retire Eligible
18 - 29	379	0
30 - 39	500	0
40 - 49	501	12
50 - 59	329	325
60 - 64	64	223
65 - 69	14	129
70 - 79	3	48
80+	0	11

Not Eligible	Retire Eligible
14.93%	0.00%
19.70%	0.00%
19.74%	0.47%
12.96%	12.81%
2.52%	8.79%
0.55%	5.08%
0.12%	1.89%
0.00%	0.43%

**21.59%**