

SHELBY COUNTY RETIREMENT SYSTEM

SUMMARY OF PLAN D

Effective
July 1, 2011

SUMMARY OF PLAN D

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SUMMARY OF PLAN D

THE SYSTEM

Shelby County maintains a retirement system (the "System") for the benefit of certain of its employees, its elected and appointed officials, and certain other persons who are employees of governmental entities closely connected with the County. For purposes of this summary, all of the employing entities will be called the "County" even though some participants' employers may not be the County.

The System currently consists of four separate plans, Plan A, Plan B, Plan C, and Plan D.

Plan B's participants are (1) employees who were participants in Plan B as of November 30, 1978, who didn't make an election effective December 1, 1978 to become members of Plan A, and who've been continuously employed by the County (or other participating employer) since that date, (2) retirees from among that class of employees, and (3) survivors of deceased employees in that class.

Plan A's participants are (1) eligible employees hired (or rehired) on or after December 1, 1978, but before March 1, 2005, who didn't make an election in 2005 to become members of Plan C, (2) participants of Plan B who made an election effective December 1, 1978 to transfer to Plan A and who didn't make a further election in 2005 to become members of Plan C, (3) retirees from among those two classes of employees, and (4) survivors of deceased employees in those two classes.

Plan C's participants are (1) eligible employees hired on or after March 1, 2005 and before July 1, 2011, (2) former participants of Plan A who made an election in 2005 to become members of Plan C, (3) retirees from among those two classes of employees, and (4) survivors of deceased employees in those two classes.

Plan D's participants are (1) eligible employees hired on or after July 1, 2011 (except certain re-hires who return to participation in Plan A or C), (2) retirees from that class of employees, and (3) survivors of deceased employees in that class.

The System is administered by the Shelby County Retirement System Board of Administration and Trust (the "Board"), which is composed of 14 individuals, consisting of the County Mayor, two members of the County Commission, the County's Director of Administration and Finance, an elected official chosen by the vote of all other elected officials, two active participants, two retirees, three citizens of the County who are not participants, and two other County citizens who may or may not be plan participants or retirees but who have demonstrated financial or investment expertise. The Board conducts its business at a monthly meeting, usually on the first Tuesday of the month.

The members of the Board also act as the Trustees of the trust which manages the funds of the System.

The Board delegates its ministerial duties to the County's Retirement Office, which manages the day-to-day affairs of the System. The Retirement Office is located in Suite 950, 160 North Main Street, Memphis, Tennessee 38103, and its telephone number is 901-545-3570.

The Board's duties, both administrative and fiduciary, and its operational rules, including rules and procedures relating to claims for benefits, are set forth in a document called "Administrative and Trust Agreement of the Shelby County, Tennessee, Retirement System." You may obtain a copy of this document from the Shelby County website, where it is in PDF format, or from the Retirement Office.

PLAN D DOCUMENT

The Plan D document itself is a very complicated legal document more than 60 pages in length. It isn't possible to fully explain all of its provisions in a summary. While this summary has been prepared to give you as full an explanation of the most important provisions as reasonably possible, please note that, if the provisions of the Plan D document and the explanations contained in this summary conflict, the provisions of the Plan D document will control. Furthermore, if there are any ambiguities contained in the Plan D document itself, the Board has the exclusive right to interpret Plan D and resolve any ambiguities.

You may obtain a copy of Plan D on the County's website, where it is in PDF format, or from the Retirement Office.

DEFINITIONS

Plan D contains many capitalized terms. These terms are specifically defined in the document and have the same meanings each time they are used. Some of these capitalized terms are used in this summary. For example, the term "Spouse" refers to the person to whom you have been legally married for at least three (3) consecutive years before a relevant event occurs. It is very important to remember while reading this summary that such capitalized terms may not have the ordinarily understood meanings. Each capitalized term will be explained in this summary the first time it is used, but not afterwards.

PARTICIPATION

Participation in Plan D is mandatory for each employee who meets the eligibility requirements and whose date of employment is on or after July 1, 2011. (Some, but not all, employees rehired on or after July 1, 2011 will become participants in the plans they were originally in.)

"Eligible Employees" include all full-time and part-time County employees and elected and appointed officials with some exceptions. Among the exceptions are employees classified as "temporary employees" and employees of the Shelby County Board of Education. Furthermore, employees of certain other governmental agencies or entities to which the County is connected aren't "Eligible Employees" unless the County is obligated under contract or legislation to provide them with participation in the Plan. For example, certain employees of the Shelby County District Attorney General's Office are "Eligible Employees" under a legislative mandate to that effect.

Thus, if you're an "Eligible Employee," you became a participant in Plan D on your date of employment. As a condition of employment, all new hires are required to fill out an application form and provide certain other information to the Retirement Office.

CONTRIBUTIONS

Plan D is a contributory plan; that is, as a condition of employment, you're required to contribute from each paycheck a certain percentage of your Earnings.

Your "Earnings" consists of your base pay, shift differential, hazardous duty pay, and longevity pay, but overtime pay and certain other extraordinary payments not included in your salary scale are excluded from the definition. Furthermore, the amounts you voluntarily defer under the flexible benefits plan and the County's "457" deferred compensation plan (or any similar plan maintained by your Employer) are treated as part of your Earnings even though you never actually receive them and don't pay federal income tax on them.

The initial contribution percentage is 8% of your Earnings, although the County does retain the right to change the percentage from time to time. Your contributions are automatically deducted from your paychecks and added to the Trust Fund. You are not required to pay federal income tax on your contributions.

The County also makes contributions to the Trust Fund to ensure that the benefits you have earned are funded to the satisfaction of the System's actuarial firm.

BOOKKEEPING ACCOUNT

Since you are required to make contributions to Plan D, the System maintains a bookkeeping account in your name. It's called your "Participant Contributions Account." Your contributions are credited to this Account. Each quarter, your Account is increased by an interest factor, so the Account grows in much the same way as if you had made your contributions to a savings account that earned 2% interest annually.

The amounts in your Participant Contributions Account are fully "vested" and non-forfeitable at all times.

CREDITED SERVICE

You earn "Credited Service" for each day you're actively employed and paid as an Eligible Employee, except that, if you aren't paid for 51% or more of a calendar month for whatever reason, you receive no Credited Service for that month. For example, if you are ill and miss work more than half a month, you will receive Credited Service for that month if you have sufficient accumulated sick leave, but you will not received Credited Service for that month if you do not have sufficient accumulated sick leave.

Credited Service ceases when you have an "Interruption of Service." An "Interruption of Service" occurs when your employment terminates. However, an approved leave of absence (including as a result of an on-the-job injury), with or without pay, and termination followed by your receipt of payments under the County's longterm disability insurance contract won't cause an "Interruption of Service."

If you have an Interruption of Service and are later reemployed, Credited Service earned prior to the Interruption of Service isn't tacked on to the Credited Service earned after the Interruption of Service. There are a few exceptions. The most common exception is your rehire within two (2) years of termination, if you repay any lump sum distributions previously made to you and if certain other conditions are satisfied.

Thus, if you terminate employment and are rehired after two (2) years, depending upon the number of years of Credited Service both before and after the termination, you may eventually become entitled to two (2) separate pensions, the total of which may be less than if you had been rehired within the two-year period, or you may lose the benefit of the Credited Service earned before or after the termination altogether, if you didn't complete at least 7 ½ years of Credited Service during one of both of your employment tenures.

BENEFITS

In General

Plan D is known as a "defined benefit" plan, and except for required refunds and mandatory cash-outs of smaller retirement amounts, all retirement benefits are expressed in terms of a monthly pension benefit payable at a specific time in the future.

Retirement Pensions; Normal Forms of Pensions

There are three types of Retirement Pensions: a Normal Retirement Pension, an Early Retirement Pension, and a Deferred Vested Retirement Pension. The "normal forms" of these Retirement Pensions are discussed below.

There are two classes of employees who are eligible for these three types of Retirement Pensions: Public Safety Employees and employees who are not Public Safety Employees. The precise definition of "Public Safety Employee" is contained in the appendix to this summary. It includes only certain (and not all) employees of the Sheriff's Office, the Fire Department, the Department of

Corrections, and the Juvenile Court/Juvenile Court Clerk's Office. The work Public Safety Employees perform is called "Public Safety Service."

If you are single (or have been married for less than three years) when your pension becomes payable, the "normal form" of your retirement pension will be a life only annuity, that is, a payment made to you monthly for the rest of your life. If you have been married for at least three years when your pension becomes payable, the "normal form" of your retirement pension will be a 75% joint and survivor annuity, that is a payment made to you monthly for the rest of your life and, if your Spouse at the time your pension began survives you, a continuing pension of 75% of your pension for the rest of your Spouse's life. The amount of your pension, if your normal form is a 75% joint and survivor pension, starts with your life only annuity amount which is then actuarially reduced, using actuarial factors contained in the plan, to reflect the fact that it could be paid for a longer period of time, since another person is involved.

When you are eligible to begin drawing your Retirement Pension, you may choose a differently designed pension, called an "Optional Pension," rather than the "normal form." Optional Pensions are also described below.

When you're about to become eligible to begin receiving your Retirement Pension, the Retirement Office will assist you by explaining your options and by making alternate calculations if requested, so that you can make an informed choice.

Normal Retirement Pensions

Public Safety Employees

If you are a Public Safety Employee, you may retire as early as age 55 so long as you have at least 7 ½ Years of Credited Service and the last 20 years of Credited Service before you reach age 55 was Public Safety Service (or if you have fewer than 20 years of Credited Service, all of it was Public Safety Service). You are eligible for a lifetime Normal Retirement Pension when you have attained age 55, or, if later, when you have completed seven and one-half (7 ½) years of Credited Service.

The Public Safety Normal Retirement Pension is calculated in one of two ways, whichever produces the higher benefit to you.

The first calculation is a formula producing a monthly benefit by multiplying (1) your "Final Average Earnings," (2) your years of Credited Service (to a maximum of 35 years), and (3) 2.175%. Your "Final Average Earnings" means your total Earnings (SEE: Contributions) in the 60 consecutive month period in which your total Earnings were the highest, divided by 60 to arrive at your highest average monthly Earnings. This calculation is called the "formula calculation." (Your years of Credited Service will be calculated in terms of days, months, and years, not just years.)

The second calculation (the "contributions account method") is the "Life Annuity Equivalent" of your Participant Contributions Account, that is, the monthly amount your Account, including the interest factor that has been added, would produce for your life if invested when your payments are to begin and using actuarial factors contained in the Plan document.

Again, if you have a Spouse at the time set for your pension to begin, then the amount of your pension, whether calculated under either the formula method or the contributions account method, is actuarially reduced to provide your Spouse with a survivor pension equal to 75% of your pension after your death, if your Spouse survives you.

Non-Public Safety Employees

If you are not a Public Safety Employee, your Normal Retirement Pension is calculated in the same way as that for a Public Safety Employee except that it is not payable until you attain age 67 or, if later, until you complete 7 ½ years of Credited Service. This is called the "Standard Normal Retirement Pension" and is also reduced actuarially if you have a Spouse at the time of your retirement, since it will be paid in the form of a 75% joint and survivor annuity.

Early Retirement Pensions

Public Safety Employees

If you are a Public Safety Employee, you may retire at any time after you have attained age 50 if you have completed at least 20 years of Credited Service and the last 20 years of your Credited Service constituted "Public Safety Service." The amount of the Public Safety Early Retirement Pension is also the greater of two calculations - a formula calculation and a contributions account calculation. The calculations are the same as those to determine a

Normal Retirement Pension except that, for the "formula calculation," the figure 2.175% is replaced by a lower percentage set forth in a table, the ERP-PS Table. The pension will be further actuarially reduced if paid in the normal form of a 75% joint and survivor annuity, assuming you have a Spouse at the time you begin to receive your Pension.

To enable you to estimate what your pension might be (using the "formula calculation"), the ERP-PS Table is reproduced in Appendix 2 to this Summary. Note that the table percentages are based upon whole numbers for ages, whereas when you actually begin taking your pension the exact calculation will take into account partial years of age. Note also that the resulting calculated pension will be a "life only" pension, unreduced for the required 75% joint and survivor annuity, if applicable.

Non-Public Safety Employees

If you aren't eligible for a Public Safety Early Retirement Pension, you may retire at any time after you have attained age 62 after completing at least 7 ½ years of Credited Service. Again, your pension is calculated in the same way as the Public Safety Early Retirement Pension (including the actuarial reduction for the 75% joint and survivor annuity, if applicable) except that the table reduction factor is set forth in the ERP-S Table, also reproduced in Appendix 2.

Deferred Vested Retirement Pensions

If you have completed at least 7 ½ years of Credited Service and terminate employment before becoming eligible for either a Normal Retirement Pension or an Early Retirement Pension, you are entitled to a Deferred Vested Retirement Pension, assuming you are not required to be cashed-out (SEE: Mandatory Lump Sum Distributions for Smaller Benefits, below). You may elect to start receiving your lifetime Deferred Vested Retirement Pension at any time after you attain age 62, and you are required to begin your pension when you attain age 67 if it has not already begun by then. Again, the amount of the Deferred Vested Retirement Pension is also the greater of two calculations. The calculations are also the same as those to determine a Standard Normal Retirement Pension except that, for the "formula calculation," the figure 2.175% is replaced by another percentage set forth in another table, the DVRP Table.

To enable you to estimate what your pension might be (using the "formula calculation"), the DVRP Table is reproduced in Appendix 3 to this Summary. Again, the table percentages are based

upon whole numbers for ages, whereas when you actually begin taking your pension the exact calculation will take into account partial years of age; your pension will also be reduced if you have a Spouse and take the normal form of a 75% joint and survivor annuity.

Optional Forms of Pensions

All of the Retirement Pensions described above are the "normal forms" of benefits provided by the Plan. When you become eligible for an immediately payable Retirement Pension, you will have the right to elect one of the optional forms of pensions permitted by the Plan.

Optional Annuity with Your Spouse

Instead of the normal form of survivor pension with your Spouse as your beneficiary, you may elect to receive a 100% joint and survivor annuity with your Spouse. This is an annuity translated into a specific dollar amount for your life, with the same dollar amount (rather than 75%) payable to your Spouse for your Spouse's life. The pension you will receive will be somewhat less than the pension you would have received if you had chosen the normal form of Retirement Pension, but your Spouse (if your Spouse survives you) will receive more than the normal survivor benefit. The joint and survivor annuity is calculated by the Plan's actuarial consultant, and it must be the actuarial equivalent of a life annuity for your life.

Other Optional Pension Forms

You may elect to receive, in lieu of the normal form of Retirement Pension, a joint and survivor annuity with another person as your survivor. For example, if you aren't married at the time your pension is payable, the normal form of your pension is a life annuity for your life. However, you may wish to receive a pension for your life and for the lives of your children after your death. Or if you're married but haven't been married for three (3) years when your pension is payable, you may wish to receive a joint and survivor annuity with your spouse who wouldn't otherwise be entitled to a normal survivor benefit. In both cases, your own benefit will be less than what it would have been if you had elected to take a life annuity, since the optional annuity will provide a special survivor benefit.

You may elect to receive a Retirement Pension for your life only, if that is not your "normal form."

You may elect to receive a Retirement Pension for your life only, with a 10-year certain payment. This means that your Retirement Pension would be somewhat reduced from your "normal form" of Retirement Pension, but, if you die within 10 years from the date your pension begins, your named beneficiaries will receive your pension payment for the remainder of the 10-year period.

All of the optional pensions discussed in this heading are calculated actuarially and must be the actuarial equivalent of a life only annuity.

NOTE: If you have a Spouse, you may not elect an optional pension (other than the 100% joint and survivor annuity with your Spouse) unless your Spouse irrevocably consents in writing on a form supplied by the Board, with the spousal consent being witnessed by a designee of the Board. It is the intent of the County that survivor benefits for Spouses be protected.

Lump Sum Distributions

Mandatory Lump Sum Distribution for Smaller Benefits

If you terminate employment without having completed 7 ½ years of Credited Service and are, therefore, not vested, you will receive a distribution of your Participant Contributions Account. As a general rule, this distribution will not take place until after 180 days following your termination, but if your employment terminated as a result of a lay-off, you will have the option to receive it earlier, and if it is otherwise under \$5,000 at the time of your termination of employment, it will be paid to you as soon as administratively practicable after your termination.

If you have earned a Deferred Vested Retirement Pension upon your Termination but if the present value of your pension is \$30,000 or less at the time of your Termination, you won't have an option to receive a pension. Instead, you will receive a lump sum payment after the lapse of 180 days after your Termination, unless your termination was a result of a lay-off, in which case you will have the option to receive it earlier. The lump sum payment is calculated actuarially based upon your "accrued benefit" (that is, the monthly pension you would have been entitled to if the plan had permitted you to receive a monthly pension at the time of your Termination), your age, and mortality and interest factors set forth in the Plan.

Optional Lump Sum Distribution

If you have earned a Deferred Vested Retirement Pension but the present value of it is between \$30,000 and \$50,000 on the date of your termination, you have the option to receive a lump sum distribution. The timing on the distribution is the same as if the distribution had been mandatory.

Rollover Option; Re-Employment; Pay-Back

You may direct the Retirement Office to make any lump sum distribution you are required to take or that you elect to take either directly to you or to an IRA for your benefit or to a qualified retirement plan maintained by your current employer if such plan accepts transfers.

If you're rehired within two (2) years after your termination and have already received a lump sum distribution, you may have your prior years of Credited Service restored if, within one (1) year after rehire, you repay to the System the amount distributed to you, plus interest at the same interest rate applied in calculating the amount of your distribution. If you have rolled over your distribution, the System will accept a retransfer from your rollover IRA or subsequent employer's plan as part of the amount you must repay to have your Credited Service restored.

Disability Benefit

No disability pensions are provided under the Plan with a single exception applicable only to former employees who transferred to the City and thereafter incurred an "ordinary disability" under the City's retirement plan.

Benefits to disabled participants are payable under a long-term disability insurance contract that the County maintains with an insurance company. The insurance company, not the County, administers the disability contract. So long as you are disabled, you may continue to draw such benefits until you attain age 65 (or, if later, five years after your disability commenced).

However, when you attain age 65 (or, if later, five years after your disability commenced) and are no longer eligible to continue drawing such benefits, you are entitled to receive a Normal Retirement Pension if you had completed at least 7 ½ years of Credited Service before you became disabled. You are given Credited Service for the entire period of time you were being paid under the disability contract, and your Final Average Earnings is adjusted by a cost of living factor from your date of disability

until your 65th birthday (or, if later, five years after disability commenced). This pension also is reduced if you then have a Spouse.

Survivor Pensions

If you become entitled to a Retirement Pension but die before or after pension payments have begun, survivor pensions may become payable as a result of your death.

Death of Active Participant or Disabled Participant

If you die when you are actively employed and have completed at least 7 ½ years of Credited Service or if you die while disabled and receiving disability payments under the County's long-term disability contract, the following survivor pensions are payable to your survivors.

First, if you have any Dependent Children, then, if you have completed at least 7 ½ years of Credited Service, they will together receive 50% of your Final Average Earnings for as long as they are Dependent Children. (A "Dependent Child" is a natural or adopted child of either you or your Spouse and who is dependent upon you or upon you and your Spouse for at least 50% of his support. The child must be unmarried and, unless permanently and severely handicapped, must be under the age of 19 (or 23 if a full-time student in an accredited school)). While payable to more than one Dependent Child, the survivor pension is divided among all Dependent Children equally.

Secondly, a lifetime survivor pension is payable to your Spouse if you have completed at least 15 years of Credited Service. (For this purpose, the existence of a "Spouse" is determined at the time of your death. Thus, if you had been married for fewer than three years before your death, you don't have a surviving "Spouse" at the time of your death for this purpose.) The Spouse's survivor pension is the greater of:

- (1) 75% of the product of (i) your Final Average Earnings, (ii) your years of Credited Service (limited to 35), and (iii) 2.175% - payable when your Spouse attains age 67 and actuarially reduced if your Spouse chooses to begin the pension before age 67, or
- (2) the "Life Annuity Equivalent" of your Participant Contributions Account, that is, the monthly amount your Participant Contributions Account would produce

if invested at your Spouse's age when payments are to begin and using actuarial factors contained in the Plan document.

If the present value of your Spouse's pension is less than \$50,000 at the time of your death, your Spouse may elect to receive a lump sum distribution (which may be rolled over into an IRA), payable as soon as administratively practicable after your death.

If you die with fewer than 15 years of Credited Service, then your Spouse will receive a lump sum distribution of your Participant Contributions Account. In lieu of a cash distribution, your Spouse may direct the System to transfer the amount directly into an IRA.

If you do not have a surviving Spouse upon your death (or if your Spouse has agreed in writing, on a form supplied by the System, not to be your beneficiary), your Participant Contributions Account will be paid to your named beneficiary (or into your named beneficiary's IRA) in a lump sum.

Death of Terminated Participant Not Entitled to Immediate Pension

If you die after termination of employment but before being eligible to draw a Retirement Pension, the survivor benefits of your Spouse (or named beneficiary, as the case may be) are calculated in the same way as if you had died as an Active Participant, except that your Dependent Children, if any, are not entitled to a survivor benefit under this circumstance.

Death of Terminated Participant Receiving (or Entitled to Immediate Receipt of) Retirement Pension

If you die while receiving a Retirement Pension (or, having terminated employment, when you are entitled to immediate receipt of a Retirement Pension, even though it had not yet begun to be paid), then, as a function of your normal form 75% joint and survivor annuity, your surviving Spouse, if any, is entitled to receive 75% of the Retirement Pension you were receiving (or entitled to immediate receipt of) at the time of your death, unless you had earlier elected to receive an Optional Pension (SEE below). (Only the Spouse at the time you began to receive your pension is entitled to receive a continuation of your pension.)

As explained above, for all purposes of this summary, the term "Spouse" means the person to whom you have been legally married for three (3) consecutive years - in this case - at the time the

pension to you actually begins. Thus, if you have been married for fewer than three years before your pension begins, you don't have a surviving Spouse under the Plan at the time of your death, and no survivor pension is payable (However, SEE: Optional Pensions).

Your Dependent Children, if any, are not entitled to a survivor benefit under the Plan under this circumstance.

MISCELLANEOUS PROVISIONS

Claim Procedures

Claims for benefits must be submitted to the Board on forms provided by the Retirement Office. Each claim will be submitted to the Board at a regular monthly meeting as soon as reasonably possible after the claim has been filed. The claimant will receive written notice of the Board's disposition of the claim within 10 business days after the later of (a) the Board meeting at which the claim was addressed or (b) the date the claimant (if an employee) has received his last paycheck.

If the claim is denied, the written notice will set forth the reasons for the denial, with citation to any relevant provisions of the Plan, and will explain the appeal procedure. The claimant will be given the opportunity to review all relevant documents in the Board's possession, if requested.

Each claimant has an automatic right to appeal an adverse determination by the Board. The appeal is to the Board itself. A copy of the appeal procedure will be given to the claimant when notice of the adverse determination is given.

Cost of Living Increases (COLAs)

As of the first of each calendar year after a pensioned participant attains age 67, his Retirement Pension is increased by a "cost-of-living adjustment" which is based upon the increase in the federally-calculated Consumer Price Index - All Urban for the 12-month period ending on the previous September 30. The maximum annual increase is 2%, however. This adjustment is referred to as the "COLA." The COLA applies to a Spouse's survivor pension after the Spouse attains age 67 and further is used to determine the amount of the initial survivor pension under certain circumstances. It is also applied to benefits for Dependent Children.

Limitations on Benefits

Qualified plans such as this Plan are not permitted by the Internal Revenue Code to pay an annual retirement pension that exceeds a certain dollar figure, which typically changes each year. That maximum dollar figure is reduced for payments made to participants younger than age 65. Under certain rare circumstances, the pensions resulting from the formulas explained earlier in this Summary may be required to be reduced in a particular calendar year so as not to exceed the maximum IRS-established dollar figure.

Employees Transferred Between the County and City of Memphis

The County and the City of Memphis enacted a joint resolution in 1982, containing their agreement regarding recognition of Credited Service earned for both employers in the case of transfers, provided certain conditions are met. The essence of the joint resolution is embodied in the Plan.

Retirement Pensions for transferred employees are paid by both the County and the City. These pensions are prorated between the City and the County under a formula set forth in the Plan.

IF YOU'RE A TRANSFERRED EMPLOYEE WITH YEARS OF CREDITED SERVICE FOR BOTH THE COUNTY AND THE CITY, YOU SHOULD NOT RELY UPON THE PREVIOUS EXPLANATIONS OF RETIREMENT AND SURVIVOR PENSIONS OR UPON THE TABLES BEHIND THIS SUMMARY. CHECK WITH THE RETIREMENT OFFICE AND REQUEST A COPY OF THE RELEVANT PORTIONS OF THE PLAN DOCUMENT FOR THE FORMULAS APPLICABLE TO YOU.

While no disability pensions are payable under Plan D to active employees who become disabled, an ordinary disability pension may be payable to a City employee who had previously been a member of Plan D before transferring to the City. In addition, if you are a City employee who was formerly a participant in Plan D before transferring to the City and if you incur a line of duty disability as defined in the City Plan, then you are entitled to a distribution of your Participant Contributions Account.

ERISA Not Applicable

Plan D is a "governmental plan" and, therefore, isn't subject to the provisions of the Employee Retirement Income Security Act of 1974, commonly known as "ERISA."

As a governmental plan, Plan D is subject to all laws of the State of Tennessee that are applicable to it, in addition to applicable federal laws other than ERISA.

Correction of Errors; Cessation of Benefits; Penalties for Deliberate False Statements; Forfeiture upon Conviction of Malfeasance in Office Felony

If, through administrative error, you or any survivor receives an overpayment of benefits, upon the Board's discovery of such error, the Board will correct the error by either requiring a cash repayment or adjusting future benefits in a reasonable and practicable manner.

Upon the Board's discovery of a false or incorrect statement resulting in an overpayment to you or any survivor, benefit payments will immediately stop. Unless future benefits are forfeited pursuant to the last paragraph under this heading, the Board may adjust future benefits in a reasonable and practical manner until the Plan has made full recovery, and the Board may additionally take whatever legal action it deems necessary to recover the overpayment.

If any person knowingly and willfully makes a false statement or falsifies (or permits to be falsified) Plan or County records in an attempt to defraud the System in any manner, such person will be subject to punishment prescribed by law. The Board may refer the matter for criminal proceedings and may also bring civil proceedings for repayment of amounts wrongfully retained.

Tennessee law provides that, with certain exceptions, any participant in a public plan in this State who is convicted of a felony constituting malfeasance in office forfeits all rights to future benefits he would otherwise have been entitled to under such public plan. Plan D is such a public plan.

Benefits May Not Be Assigned and Aren't Subject to Legal Attachment or Garnishment

No benefit under the Plan may be assigned to any creditor of yours or any survivor. No benefit is subject to attachment, garnishment, or any other legal process, other than pursuant to the provisions of the preceding heading and of State or federal law. And, since the Plan isn't subject to ERISA, it doesn't recognize "qualified domestic relations orders" that purport to assign benefits to a former spouse pursuant to a divorce proceeding.

Plan Amendments

The County has the absolute right to amend the Plan from time to time, and it may be amended prospectively or retroactively. No amendment to the Plan may reduce your "accrued benefit" (that is, the monthly Retirement Pension entitlement you've already earned before the date of the amendment). Otherwise, you have no contractual rights under the Plan, including the right that the benefits and other provisions of the Plan remain the same.

APPENDIX 1 - DEFINITION OF PUBLIC SAFETY EMPLOYEE

"Public Safety Employee" means only an employee or elected official who falls within one of the following categories:

(a) Shelby County Sheriff's Office:

- * The duly elected Sheriff of the County;
- * Law enforcement officers certified by the State POST Commission;
- * Deputy jailers and correction deputies;
- * Counselors A and B.

(b) Shelby County Fire Department:

- * The County Fire Chief;
- * Firefighters and other employees in related classifications but only if such employees are certified by the State's Department of Commerce and Insurance and by the Bureau of Apprenticeship Training of the United States Department of Labor.

(c) Shelby County Department of Corrections:

- * Correctional officers who are certified by the State and whose employment situs is the County Correction Center, as well as the chief of security;
- * Care and custody counselors who are certified by the State and whose employment situs is the County Correction Center, as well as the chief of care and custody.

(d) Shelby County Juvenile Court and Court Clerk:

- * Detention officers and supervisory personnel whose work shifts mandate that they be housed in a detention area;
- * Court bailiffs who have received State-mandated training through the Shelby County Sheriff's Office;
- * Probation counselors B.

APPENDIX 2 - EARLY RETIREMENT TABLES

TABLE ERP-S

FOR CALCULATING EARLY RETIREMENT PENSIONS

FOR PARTICIPANTS NOT ELIGIBLE FOR PUBLIC SAFETY EARLY RETIREMENT

AGE	PERCENTAGE
67	2.17500%
66	1.97732%
65	1.80197%
64	1.64591%
63	1.50656%
62	1.38175%

TABLE ERP-PS

FOR CALCULATING EARLY RETIREMENT PENSIONS

FOR PARTICIPANTS ELIGIBLE FOR PUBLIC SAFETY EARLY RETIREMENT

AGE	PERCENTAGE
55	2.17500%
54	2.01855%
53	1.87538%
52	1.74412%
51	1.62355%
50	1.51264%

APPENDIX 3 - DEFERRED VESTED RETIREMENT TABLE

TABLE DVRP
FOR CALCULATING DEFERRED VESTED RETIREMENT PENSIONS

AGE	PERCENTAGE
67	2.17500%
66	1.97732%
65	1.80197%
64	1.64591%
63	1.50656%
62	1.38175%