

KNOX COUNTY RETIREMENT AND PENSION BOARD

November 21, 2022

The Knox County Retirement and Pension Board met in regular session on Monday, November 21, 2022, at 3:00 P.M. in Room 640, City-County Building, Knoxville, Tennessee.

The following members were present: Commissioner Larsen Jay, Vice Chairman, Commissioner Richie Beeler, Secretary, Commissioner Kyle Ward, Commissioner Terry Hill, Mr. Chris Simons, Mr. Kevin Clark and Ms. Janet Samar. Chairman Chris Caldwell, Proxy for Mayor Jacobs, and Mr. Jim Snowden were absent.

Also present at the meeting were:

USI Consulting Group: Mr. Bob Cross, Mr. Ralph Leeman and Ms. Brenda Trollope

Legal Counsel: Ms. Ashley Trotto, Mr. Bill Mason, Mr. John Owings and Ms. Sarah Jarrard

Retirement Staff: Ms. Jennifer Schroeder and Ms. Terri Chase

Nationwide: Mr. Don Reagan via phone

IN RE: CALL TO ORDER

In Chairman Caldwell's absence, Commissioner Jay presided and called the meeting to order.

IN RE: AMENDMENTS TO AGENDA

Commissioner Jay reported that there were no amendments to the agenda.

IN RE: APPROVAL OF MINUTES OF OCTOBER 24, 2022

Commissioner Jay presented the minutes for the board meeting held on October 24, 2022. Mr. Simons made a motion to approve the minutes for October 24, 2022, as written. The motion was seconded by Commissioner Beeler. 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:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>		<u>EFFECTIVE DATE</u>
Julieta Garner	Schools	5 years	4 months	December 1, 2022
Boyd Haynes	Schools	9 years	10 months	December 1, 2022
Marilyn Hereford	Trustee	44 years	11 months	December 1, 2022
Edna Owsley	Schools	22 years	3 months	December 1, 2022
Linda Patty	Schools	5 years	2 months	December 1, 2022
Kristin Phillips	Trustee	28 years	2 months	December 1, 2022
Donald Seagle	EPW	22 years	6 months	December 1, 2022
Curtis Thomas	EPW	32 years	7 months	December 1, 2022
Randall Williams	Schools	2 years	6 months	December 1, 2022

A motion was made by Ms. Samar 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 Mr. Simons. All members present voted in favor. The motion passed unanimously.

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

Ms. Ashley Trotto reviewed the proposed amendment and restatement as follows: (1) Increase RMD commencement age to 72 in accordance with the SECURE Act; (2) Simplify administration by limiting distribution options for spousal beneficiaries under the Asset Plan, 457 Plan, and MERP to fixed dollar installments, lump sum distribution and/or direct rollover; (3) Simplify administration by including a monthly distribution option in MERP; and (4) Make certain housekeeping changes (e.g., correct erroneous references and make certain conforming changes to keep defined contribution plans consistent).

A motion was made by Ms. Samar to approve the first reading of plan amendment and restatement for the Employee Benefit System. The motion was seconded by Mr. Clark. All members present voted in favor. The motion passed unanimously.

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

Ms. Trotto reviewed the proposed amendment and restatement as follows: (1) Increase RMD commencement age to 72 in accordance with the SECURE Act; (2) Simplify administration by limiting distribution options for spousal beneficiaries to fixed dollar installments, lump sum distribution and/or direct rollover; and (3) Make certain housekeeping changes (e.g., correct erroneous references and make certain conforming changes to keep defined contribution plans consistent).

A motion was made by Commissioner Beeler to approve the first reading of plan amendment and restatement for the Sheriff's Total Accumulation Retirement Plan. The motion was seconded by Commissioner Hill. All members present voted in favor. The motion passed unanimously.

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

Ms. Trotto reviewed the proposed amendment and restatement as follows: Increase RMD commencement age to 72 in accordance with the SECURE Act.

A motion was made by Commissioner Beeler to approve the first reading of plan amendment and restatement for the Uniformed Officers Pension Plan. The motion was seconded by Commissioner Hill. All members present voted in favor. The motion passed unanimously.

IN RE: BOARD ELECTION FOR TWO EMPLOYEE REPRESENTATIVES

- **County Seat** – Commissioner Jay reviewed the County seat, Kevin Clark up for election.
- **Schools Seat** - Commissioner Jay reviewed the Schools seat, Janet Samar up for election.
- **Election Day** – Election day will be February 9, 2023.
- **Chairman Appoints Election Committee** – Commissioner Jay appointed Mr. Ace Rule, Ms. Alison

Rogers, Mr. Chris Simons, Commissioner Richie Beeler and Ms. Jennifer Schroeder to serve on the election committee. Discussion was held regarding if the Board should continue to have two designated School seat positions or to designate a Schools seat and a Sheriff's Office seat. This decision was deferred to the Election Committee to be considered and make a recommendation to the full Board.

IN RE: REPORT OF EXECUTIVE DIRECTOR

- **Update on Schools Communication for Classified Employees in the Asset Plan** – Ms. Schroeder stated that the finalized communication pieces were sent to current classified employees in the Asset plan. The presentation and any other information were put on the retirement website. The first group meeting was held Tuesday, October 25, 2022 in the Great Room at the Sarah Simpson building. One-on-one meetings can be requested by the employees with representatives from the retirement office, Schools, USI and TCRS. All current Schools employees in the Asset plan will need to make an irrevocable election to either stay in the Asset plan or move to TCRS by January 31, 2023. Elections will be effective July 1, 2023.
- **Update on Audit with Pugh and Company** – Ms. Schroeder gave an update on the current audit being performed by Pugh and Company. Ms. Schroeder reviewed the draft financials and stated those will be presented at the December board meeting.
- **COLA (Cost of Living Adjustment) Update** – Ms. Schroeder reviewed the upcoming 2023 cost of living adjustments for the defined benefit plans. The DB plan is strictly 3% each year. UOPP and Teachers Plan will have a 3% COLA for Participants under age 62 and a 4% COLA for Participants over age 62, based on the CPI adjustment described in the Plan documents. A motion was made by Mr. Clark to approve the COLA calculations, including the CPI adjustment for UOPP and Teachers. The motion was seconded by Ms. Samar. All members present voted in favor. The motion passed unanimously.
- **New IRS Contribution Limits for 2023** – Ms. Schroeder reported the new IRS limits for 2023. For participants under the age of 50, the IRS limit will increase from \$20,500 to \$22,500. For participants over the age of 50 and elected on their forms, the IRS limit will increase from \$27,000 to \$30,000.
- **Nationwide Update** – Ms. Schroeder reminded the Board of the probation letter sent to Nationwide a year ago. This matter will be reviewed by the investment committee in February.
- **Prior Military Service UOPP** – Ms. Schroeder informed the Board of an appeal made by UOPP officers regarding prior military service. A document committee meeting will be scheduled to hear this matter.

IN RE: REPORT OF INVESTMENT COMMITTEE

- **Investment Committee Summary and Recommendations from November 8, 2022** – Mr. Simons reported on the investment committee meeting held on November 8, 2022. Mr. Simons reviewed the committee's Recommendation which is attached hereto and incorporated by this reference. After discussion, a motion was made by Mr. Simons to accept the committee's recommendation for USI's

experience studies. The motion was seconded by Commissioner Beeler. All members present voted in favor. The motion passed unanimously.

A motion was made by Mr. Simons to accept the committee's recommendation for the following: (1) revision of the investment policy statements, (2) approval of a \$15,000 per year Disability Plan administrative fee, in addition to the \$12,000 per year actuarial services fee currently paid to USI, effective 2023, and (3) approval of various allocation and fund changes for the DB Plans, including the addition of bank loans as a new asset class, as described in the attached *Recommended Allocation Changes* documents. The motion was seconded by Ms. Samar. All members present voted in favor. The motion passed unanimously.

A motion was made by Mr. Simons to accept the committee's recommendation for the proposal from State Street to increase its fees 5% (~\$6,000 annually). The motion was seconded by Ms. Samar. All members present voted in favor. The motion passed unanimously.

- **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: REPORT OF LEGAL COUNSEL

Mr. Owings reported on the status of the Rathbone lawsuit. Mr. Rathbone appealed to the Board in August regarding his disability offset for worker's compensation. Following that meeting and Mr. Rathbone's receipt of the Board's denial of his appeal, Mr. Rathbone filed suit in Chancery court to review the decision of the Board. Ms. Schroeder confirmed that the Board's denial, including his option to appeal to the Chancery Court within 60 days, was sent to Mr. Rathbone via certified mail and that letter is documented to be received the next day. The appeal seems to have been filed 64-days following the letter. This would be grounds for a motion to dismiss based on statute of limitations.

Mr. Mason had no report.

IN RE: REPORT OF ACTUARY

Mr. Cross had 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 Nov 2022 For FY 23 (Legal Invoices are approved for the previous Months Expense)	Fiscal 23 YTD Approved Invoices 10/31/2022	NOV Invoices For Approval	Fiscal 23 YTD Approved 11/30/2022	FY 23 Budget vs. Actual 11/30/2022
BENXL Invoice #		\$0.00		Budget \$50,000.00 From FY21 \$50,000.00 Expenses \$0.00 Remaining Budget \$100,000.00
TOTAL BENXL	\$0.00	\$0.00	\$0.00	
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice # 227535		\$800.00		QDRO* \$2,000.00 Rec'd from Particips \$4,000.00 Expenses \$1,600.00 -\$3,600.00
TOTAL KENNERLY, MONTGOMERY & FINLEY, P.C.	\$800.00	\$800.00	\$1,600.00	
Owings, Wilson & Coleman Invoice # 9942M Etters Invoice # 9993M Rathbone Invoice # *** TOTAL OWINGS, WILSON & COLEMAN		\$18,108.28 \$800.00 \$0.00 \$4,024.25		Budget \$125,000.00 Expense -\$22,932.53 Remaining Budget \$102,067.47
USI CONSULTING GROUP Invoice # 90074113 Invoice # TOTAL USI CONSULTING GROUP		\$53,410.75 \$0.00 \$53,410.75		Budget \$475,000.00 Expense -\$148,823.00 Remaining Budget \$326,177.00
Invoices for Nov 2022 For FY 23	\$100,236.50	\$73,119.03	\$173,355.53	

*** Retainer not included in approved billings for the Board

		Fiscal 22 YTD
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	\$74,000.00
Fees Received from QDRO* Participants	\$500 (DC Fee)	\$0.00
	\$2,000 (DB & UOPP Fee)	\$4,000.00

*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 Beeler that the Board authorize the payment indicated above to be paid from the designated Retirement Plans. The motion was seconded by Mr. Simons. All members present voted in favor. The motion passed unanimously.

ADJOURNMENT

Commissioner Jay asked if there was a motion to adjourn. Mr. Simons made a motion to adjourn, which was seconded by Commissioner Beeler, and the meeting was adjourned.



MAYOR GLENN JACOBS, CHAIRMAN

BY PROXY, CHRIS CALDWELL



COMMISSIONER RICHIE BEELER, SECRETARY

Attachments:

- 1.) First Reading & Restatement – Employee Benefit System
- 2.) First Reading & Restatement – STAR
- 3.) First Reading & Restatement – UOPP
- 4.) Investment Committee Recommendation

RESTATEMENT OF THE
KNOX COUNTY EMPLOYEE BENEFIT SYSTEM

Effective January 1, ~~2022~~2023

20232(1)

Retirement System

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM

THIS KNOX COUNTY EMPLOYEE BENEFIT SYSTEM hereby amended and restated this 19th day of December, 2021-2022 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 ~~2019~~2022;

NOW, THEREFORE, effective January 1, ~~2022~~2023, except as otherwise provided herein, the System is amended and restated as follows:

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 ~~70½~~72, 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.

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.

I-1.116 "Sheriff's Total Accumulation Retirement Plan" or "STAR" shall mean the Knox County Sheriff's Total Accumulation Retirement Plan established and maintained pursuant to Charter § 7.05 and referred to in the Charter as the "2014 Officers Plan".

I-1.117 "Spouse" shall mean the individual to whom a Participant is lawfully married.

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 ~~70-1/2~~72, if later.

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

SECTION VI-4 - BENEFITS

VI-4.01 Payment of Benefit

(a) **Determination of Value.** The value of an Individual Account to be distributed pursuant to the standard form of benefit described in Section VI-4.01(d) or (e) shall be equal to the vested balance of such Individual Account as of the Participant's Severance Date, together with earnings, gains or losses credited or charged thereto to the date of distribution, less the portion of such account, if any, which is to be paid to an Alternate Payee in accordance with the terms of a Qualified Domestic Relations Order, and less the portion of such account, if any, applied pursuant to Section VIII-1.02 to obligations of the Participant which may be owed to the Employer. Until distributed, a Participant's Individual Account shall continue to be subject to adjustment for investment gains and losses and any assignment of benefits to an Alternate Payee.

(b) General Conditions.

- (1) Before payment of any benefit hereunder, the Board may require that written application be made by the Participant or Beneficiary, as the case may be, and submitted to the Board in such form and manner as it shall uniformly and non-discriminatorily prescribe.
- (2) The Board shall require the written consent of the Participant prior to the commencement of the distribution of any part of his or her benefit if the value of such benefit is greater than one thousand dollars (\$1,000).
- (3) Any payment made in accordance with the provisions of the Plan to a Participant or Beneficiary, Alternate Payee or legal representative, shall constitute full satisfaction of claims hereunder against the Trustee and the Board as to the method of computation as well as the amount thereof. The Trustee or the Board may require such Participant, Beneficiary Alternate Payee or legal representative, as a condition precedent to such payment, to execute a receipt and release therefor in such form as the Trustee or Board may require.
- (4) The distribution of the Participant's entire interest in the Plan shall be distributed as elected by the Participant pursuant to Section VI-4.07 or VI-5.02, as applicable or Spouse Beneficiary in a lump sum or in periodic payments over a period not exceeding the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and his or her Spouse. 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.

- (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.
 - (2) If a Participant dies after Severance, the Vested status of the Individual Account shall be determined as of the Participant's Severance. 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 VI-4.08(b).
- (b) **Distribution upon Death.** Upon the death of a Participant, the death benefit shall be payable as provided in Section VI-4.01(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 VI-4.08(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, in substantially equal installments over the Life Expectancy of the Spouse Beneficiary. Additionally, the date distributions are required to begin shall not be as provided in Section VI-4.08(b)(2)(i) but rather shall be any date not later than the date on which the Participant would have attained age ~~70-1/2~~72, 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 VI-4.08(b)(2), payments will be calculated by use of the return multiples specified in Regulation § 1.72-9. ~~Life Expectancy of a surviving Spouse may be recalculated annually.~~

Participant is a "qualified individual," as such term is defined in the CARES Act. The Administrator shall determine if any Participant is a "qualifying individual" under this Section 4.13 and may amend the Participant Loan Program to incorporate procedures necessary or appropriate to administer loans under this Section 4.13, in accordance with the CARES Act or other applicable federal law or regulation, the Code and the Plan.

SECTION VI-5 - FORM OF PAYMENT

VI-5.01 Description of Optional Benefits

The following optional forms of benefit shall be available for election, upon Retirement on or after attainment of Early Retirement Age or Normal Retirement Age, or death, in lieu of the standard form in accordance with Section VI-4.01(d):

(a) Option A - Time Period Installments shall be defined as distribution of a Participant's Individual Account payable in monthly, quarterly, semi-annual or annual installments, over a specified period of years as elected by the Participant provided the minimum period shall be ten (10) years and the maximum period shall be the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and Beneficiary. The distribution in any year shall be determined as a fraction of the remaining Individual Account value, such fraction being determined as of the most recent Valuation Date as one (1) divided by the remaining number of years of specified installments, in accordance with the election of the Participant; provided, however, that no arrangement may be made which would result in a periodic payment of less than two hundred fifty dollars (\$250). Distributions shall continue until there is no balance remaining in the Individual Account.

(b) Option B - Level Dollar Installments shall be defined as distribution of a Participant's Individual Account in level monthly, quarterly, semi-annual or annual installments of such amount as elected by the Participant, payable until there is no balance remaining in the Individual Account, provided that the Minimum Period over which installments may be paid, as determined at the time the election is made, shall be ten (10) years and the maximum period shall be the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and Beneficiary. No arrangement may be made which involves a periodic payment of less than two hundred fifty dollars (\$250).

(c) Option C - Modified Lump Sum shall be defined as distribution beginning with an initial payment of any amount up to twenty-five percent (25%) of the Participant's Individual Account paid as a single lump sum, and the remainder of the Individual Account paid in accordance with either other optional form of payment available under this Section VI-5.01.

VI-5.02 Election of Options

A Participant or Beneficiary entitled to a Retirement or Death-benefit under the Plan may elect, upon written notice of such election filed with the Board in such form and manner as prescribed by the Board, to receive such benefit payable in the Standard Form under Section VI-4.01(d) or in accordance with any one of the options provided in Section VI-5.01 with the Board's approval. The election of any option may be revoked and a new option elected if such election

is made and duly filed prior to the date benefits would otherwise commence. The election of any option may not be changed after the date benefit payments have commenced except upon reemployment under Section VI-1.02(b) or as follows:

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 ~~70½~~72, if later.
 - (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.

(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 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 to the Participant's Beneficiary 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

(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 ~~70½~~72, if later.
 - (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.

(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 ~~70-1/2~~72, if later.

(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.

- (4) The distribution of the Participant's entire interest in the Plan shall be distributed as elected by the Participant or Beneficiary pursuant to Section X-3.03 or Section X-3.0807, 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

- (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, ~~substantially equal installments over the Life Expectancy of the Spouse Beneficiary~~. 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 ~~70~~ 4/272, 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. ~~Life Expectancy of a surviving Spouse may be recalculated annually.~~
- (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.
- ~~(5) Subject to the provisions of Section X-3.02(d), the Beneficiary may choose to receive payments in accordance with Section X-3.07.~~

(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

- (1) Option A - Time Period Installments shall be defined as distribution of a Participant's Individual Account payable in monthly, quarterly, semi-annual or annual installments, over a specified period of years as elected by the Participant provided the minimum period shall be ten (10) years and the maximum period shall be the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and Beneficiary. The distribution in any year shall be determined as a fraction of the remaining Individual Account value, such fraction being determined as of the most recent Valuation Date as one (1) divided by the remaining number of specified installments, in accordance with the election of the Participant; provided, however, that no arrangement may be made which would result in a periodic payment of less than two hundred fifty dollars (\$250). Distributions shall continue until there is no balance remaining in the Individual Account.
- (2) Option B - Level Dollar Installments shall be defined as distribution of a Participant's Individual Account in level monthly, quarterly, semi-annual or annual installments of such amount as elected by the Participant, payable until there is no balance remaining in the Individual Account, provided that the Minimum Period over which installments may be paid, as determined at the time the election is made, shall be ten (10) years and the maximum period shall be the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and Beneficiary. No arrangement may be made which involves a periodic payment of less than two hundred fifty dollars (\$250).
- (3) Option C - Modified Lump Sum shall be defined as distribution beginning with an initial payment of any amount up to twenty-five percent (25%) of the Participant's Individual Account paid as a single lump sum, and the remainder of the Individual Account paid in accordance with any other optional form of payment available under this Section X-3.08.
- (4) Option D - Reserved.

(b) Election of Options.

A Participant or ~~Beneficiary~~ entitled to a Retirement or Death benefit under the Plan may elect, upon written notice of such election filed with the Board in such form and manner as prescribed by the Board, to receive such benefit payable in the Standard Form under Section X-3.02(d) or in accordance with any one of the options provided in Section X-3.07(a) with the Board's approval. The election of any option may be revoked and a new option elected if such election is made and duly filed prior to the date benefits would otherwise commence. The election of any option may not be changed after the date benefit payments have commenced except upon reemployment under Section VI-1.02(b), STAR 3.02(b), UOPP 3.05(b) or as follows:

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 ~~70½~~72, if later.
 - (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.

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 ~~May 4~~November 2, 2022, ~~May 8~~November 6, 2022, and ~~May 15~~November 13, 2022,

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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 ~~2022~~2023.

Executive Director, Knox County Retirement & Pension Board

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

Effective ~~July 1, 2022~~ January 1, 2023

| 2023~~2~~ (1)

KNOX COUNTY SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN

THIS KNOX COUNTY SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN hereby adopted this ~~6th-19th~~ day of ~~June-December~~ 2022 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 ~~2019-2021~~ and to incorporate prior amendments to the Plan;

NOW, THEREFORE, effective ~~July 1, 2022~~ January 1, 2023, except as otherwise provided herein, the Plan is amended and restated as follows:

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 ~~70½~~72, 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.

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.

1.85 "Spouse" shall mean the individual to whom a Participant is lawfully married.

1.86 "System" shall mean the Knox County Employee Benefit System created and established as of July 1, 1968, and amended from time to time. As used herein, the System does not include this Plan or the Uniformed Officers Pension Plan.

ARTICLE VI - BENEFITS

6.01 Payment of Benefit

(a) **Determination of Value.** The value of an Individual Account to be distributed pursuant to the standard form of benefit described in Section 6.01(d) or (e) shall be equal to the Vested balance of such Individual Account as of the Participant's Severance Date, together with earnings, gains or losses credited or charged thereto to the date of distribution, less the portion of such account, if any, which is assigned to an Alternate Payee in accordance with the terms of a Qualified Domestic Relations Order, and less the portion of such account, if any, applied pursuant to Section 8.02 to obligations of the Participant which may be owed to the Employer. Until distributed, a Participant's Individual Account shall continue to be subject to adjustment for investment gains and losses and any assignment of benefits to an Alternate Payee.

(b) General Conditions.

- (1) Before payment of any benefit hereunder, the Board may require that written application be made by the Participant or Beneficiary, as the case may be, and submitted to the Board in such form and manner as it shall uniformly and non-discriminatorily prescribe.
- (2) The Board shall require the written consent of the Participant prior to the commencement of the distribution of any part of his or her benefit if the value of such benefit is greater than one thousand dollars (\$1,000).
- (3) Any payment made in accordance with the provisions of the Plan to a Participant, Beneficiary, Alternate Payee or legal representative, shall constitute full satisfaction of claims hereunder against the Trustee and the Board as to the method of computation as well as the amount thereof. The Trustee or the Board may require such Participant, Beneficiary, Alternate Payee or legal representative, as a condition precedent to such payment, to execute a receipt and release therefor in such form as the Trustee or Board may require.
- (4) The distribution of the Participant's entire interest in the Plan shall be distributed as elected by the Participant pursuant to Section 6.05 or 7.02 ~~or Beneficiary in a lump sum or in periodic payments over a period not exceeding the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and his or her Beneficiary.~~ 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.

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 ~~substantially equal installments over the Life Expectancy of the Spouse Beneficiary~~ 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 ~~70-1/2~~ 72, 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. ~~Life Expectancy of a surviving Spouse may be recalculated annually.~~
- (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.

~~(5) Subject to the provisions of Section 6.01(d), the Beneficiary may choose to receive payments in accordance with Section 7.02.~~

(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), 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-

ARTICLE VII - FORM OF PAYMENT

7.01 Description of Optional Benefits

The following optional forms of benefit shall be available for election, upon Retirement on or after attainment of Normal Retirement Date or death, in lieu of the standard form in accordance with Section 6.01(d):

(a) Option A - Time Period Installments shall be defined as distribution of a Participant's Individual Account payable in monthly, quarterly, semi-annual or annual installments, over a specified period of years as elected by the Participant provided the minimum period shall be ten (10) years and the maximum period shall be the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and Beneficiary. The distribution in any year shall be determined as a fraction of the remaining Individual Account value, such fraction being determined as of the most recent Valuation Date as one (1) divided by the remaining number of specified installments, in accordance with the election of the Participant; provided, however, that no arrangement may be made which would result in a periodic payment of less than two hundred fifty dollars (\$250). Distributions shall continue until there is no balance remaining in the Individual Account.

(b) Option B - Level Dollar Installments shall be defined as distribution of a Participant's Individual Account in level monthly, quarterly, semi-annual or annual installments of such amount as elected by the Participant, payable until there is no balance remaining in the Individual Account provided that the Minimum Period over which installments may be paid, as determined at the time the election is made, shall be ten (10) years and the maximum period shall be the Life Expectancy of the Participant or the joint Life Expectancy of the Participant and Beneficiary. No arrangement may be made which involves a periodic payment of less than two hundred fifty dollars (\$250).

(c) Option C - Modified Lump Sum shall be defined as distribution beginning with an initial payment of any amount up to twenty-five percent (25%) of the Participant's Individual Account paid as a single lump sum, and the remainder of the Individual Account paid in accordance with either other optional form of payment available under this Section 7.01.

7.02 Election of Options

A Participant or ~~Beneficiary~~ entitled to a Retirement or ~~death~~ benefit under the Plan may elect, upon written notice of such election filed with the Board in such form and manner as prescribed by the Board, to receive such benefit payable in the Standard Form under Section 6.01(d) or in accordance with any one of the options provided in Section 7.01 with the Board's approval. The election of any option may be revoked and a new option elected if such election is made and duly filed prior to the date benefits would otherwise be paid or commenced. The election of any option may not be changed after the date benefit payments have commenced except upon reemployment under Section 3.02 or System Sections III-3.01 or VI-1.02(b) or as follows:

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 ~~70½~~72, if later.
 - (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

Following a public notice on ~~May 1, 2022~~ ~~May 8, 2022~~ and ~~May 15, 2022~~ November 2, 2022,
November 6, 2022, and November 13, 2022.

†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 ~~July~~
~~2022~~ January 2023.

Executive Director, Knox County Retirement & Pension Board

**RESTATEMENT OF THE KNOX COUNTY
UNIFORMED OFFICERS PENSION PLAN**

Effective ~~May 1, 2020~~ January 1, 2023

| 20230 (1)

KNOX COUNTY UNIFORMED OFFICERS PENSION PLAN

THIS KNOX COUNTY UNIFORMED OFFICERS PENSION PLAN hereby amended and restated this ~~27th-19th~~ day of ~~April-December~~ 2022 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 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 ~~2019~~2020, and to incorporate all previous amendments into a single comprehensive document;

NOW, THEREFORE, effective ~~May 1, 2020~~January 1, 2023, except as otherwise provided herein, the Plan is amended and restated as follows:

(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 3.065(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.

1.26 "Direct Rollover" shall mean a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

1.27 "Disability Benefit" shall mean the benefit from this Plan, the Disability Plan or the System to which a Disabled Participant is entitled on account of the Disability.

1.28 "Disability Date" shall mean, for each Participant, the date the Participant is Disabled. The Board's determination of a Participant's Disability Date shall be final. The Disability Date

(b) 415 Compensation shall include only those items specified in Regulation § 1.415-2(d)(i) and exclude those specified in Regulation § 1.415-2(d)(2).

(c) Notwithstanding the above, the determination of 415 Compensation shall be made by:

(1) including any elective deferral (as defined in Code § 402(g)(3)), and any amount which is contributed by the Employer at the election of the Participant pursuant to a salary reduction agreement and which is not includible in the gross income of the Participant by reason of Code §§ 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Participant Contributions described in Code § 414(h)(2) that are treated as Employer contributions. Amounts not includible in gross income under Code § 125 shall be deemed to include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that the Participant has other health coverage, provided the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(2) Including Post-Severance Compensation.

(d) 415 Compensation includes Compensation paid to a Participant who is Disabled.

(e) 415 Compensation for a Limitation Year shall not include amounts earned but not paid during the Limitation Year solely because of the timing of pay periods and pay dates.

(f) 415 Compensation shall include amounts that are includible in the gross income of a Participant under the rules of Code §§ 409A or 457(f)(1)(A) or because the amounts are constructively received by the Participant.

(g) Differential Wage Pay is treated as 415 Compensation.

(h) With respect to a Participant who is Disabled and who is permanently and totally disabled within the meaning of Code § 22(e)(3), 415 Compensation shall mean the 415 Compensation the Participant would have received for the Limitation Year if the Participant was paid at the rate of 415 Compensation paid immediately before becoming so disabled.

1.53 "Handicapped Child" means a child, over age nineteen (19), who satisfies the following requirements:

(a) The child is severely, permanently handicapped, either mentally or physically, so as to be unable to engage in self-supporting compensable activities and is otherwise dependent on care and support from the Participant or Former Participant; and

(b) The Participant or Former Participant is the natural parent of the child; and

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 ~~70½~~72, 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.

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.

1.86A "Retirement" shall mean any of the forms of retirement set forth in Sections 5.01, 5.02 and 5.03.

1.87 "Retirement Date" means the date as of which a Participant retires for reasons other than Disability whether such retirement occurs on or after a Participant's Normal Retirement Date or Early Retirement Date.

1.88 "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,

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 ~~70-1/2~~72, if later.
 - (ii) If the Participant's surviving Spouse is not the Participant's sole Beneficiary, then distributions to the Beneficiary will begin by December

Following a public notice on ~~April 2, 2020, April 12, 2020, and April 19, 2020.~~ November 2, 2022, November 6, 2022, and November 13, 2022,

¶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.

Executive Director, Knox County Retirement & Pension Board

**Investment Committee
Summary and Recommendations**

USI presented the experience studies for the Closed DB Plan, UOPP, Teacher's Plan, and Disability Plan. The substantive changes to the plans are set out in the attached *Defined Benefit Plan Projections* and *Executive Summary* and are summarized as follows:

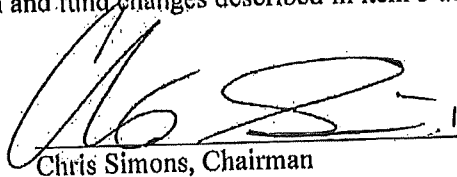
- Closed DB Plan: fund at \$3,100,000.00 for 15 years (or ADC if higher); reduce assumed rate of return from 7% to 6.5%; and adjust pre- and post-retirement mortality tables.
- UOPP: increase assumed salary increases; adjust pre- and post-retirement mortality tables; and adjust assumed retirement age.
- Teacher's Plan: fund at \$1,500,000.00 for 15 years (or ADC if higher); reduce assumed rate of return from 7% to 6.75%; and adjust post-retirement mortality tables.
- Disability Plan: reduce assumed rate of return from 7% to 6.5% (already approved by Board); increase assumed salary increases; adjust pre- and post-retirement mortality tables; and reduce rate of disablement for Closed DB and Asset Plan participants.

In addition, USI has proposed the following:

1. Revision of the Investment Policy Statements for the Closed DB Plan, UOPP, Teacher's Plan, and Disability Plan, to reflect the results of the experience studies.
2. Approval of a \$15,000 per year Disability Plan administrative services fee, in addition to the \$12,000 per year actuarial services fee currently paid to USI, effective for 2023.
3. Various allocation and fund changes for the DB plans, including the addition of bank loans as a new asset class, as described in the attached *Recommended Allocation Changes* documents.

Ms. Schroder presented a proposal from State Street to increase its fees by 5% (~\$6,000 annually).

Recommendation: The Investment Committee recommends that the Board consider and approve: (1) the experience studies for the Closed DB Plan, UOPP, Teacher's Plan, and Disability Plan, including all recommended changes contained therein and described above; (2) revision of the Investment Policy statements as described in item 1 above; (3) the additional administrative services fee for the Disability Plan as described in item 2 above; (4) the allocation and fund changes described in item 3 above; and (5) the 5% increase in State Street fees.


Chris Simons, Chairman 11/14/22