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**Wayne County Airport Authority
Defined Benefit Plan Document
As of January 1, 2016**

Sec. 1. - Establishment of retirement system.

The Wayne County Employees' Retirement System established effective December 1, 1944, is hereby continued and restated under authority of the Home Rule Charter for the county and Section 12a of Act No. 156 of the Public Acts of Michigan of 1851 (MCL 46.12a, MSA 5.333(1)), as amended. The Wayne County Employees' Retirement System is the Plan Administrator for the Wayne County Airport Authority, which was established by Michigan Public Act 90 (2002).

Sec. 1-2. - Effect of collective bargaining agreements.

A conflict between the provisions of the Defined Benefit Plan Document and the provisions of a collective bargaining agreement or benefit plan document shall be resolved, to the extent of the conflict, in accordance with the collective bargaining agreement or benefit plan document.

Sec. 1-3. - Definitions.

The following words, terms and phrases, when used in this Defined Benefit Plan Document, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Accumulated member contributions means the balance in the individual's account in the reserve for accumulated member contributions.

Average final compensation means the average compensation paid a member determined in accordance with the member's coverage group.

Chief Executive Officer shall mean the Chief Executive Officer of the Wayne County Airport Authority or his or her designee.

Compensation means the salary and wages paid a member for personal services rendered the Wayne County Airport Authority while a member of the Wayne County Employees' Retirement System. Salary and wages shall include only those items of remuneration which are specifically stated to be included in the member's coverage group.

Coverage group means a group of individuals for the purpose of determining the benefits provided to the individuals under the collective bargaining agreement or benefit plan document.

Medical Director shall mean the individual or entity responsible for conducting independent medical examinations in connection with an application for disability retirement or re-examination of a disability retiree under the Wayne County Employees' Retirement System.

Member means an individual entitled to membership in the Wayne County Airport Authority as a result of the individual's employment with the Wayne County Airport Authority, its offices, departments, agencies, instrumentalities, authorities, and/or affiliates.

Pension means a series of monthly payments by the retirement system. Payment may be for a temporary period or throughout the future life of a retired member or survivor pension beneficiary.

Refund beneficiary means the individuals named by a member, former member, vested deferred member or retired member for the purpose of being paid accumulated member contributions, member account and employer account in the event of the death of the member, former member, vested deferred member or retired member as provided in this Defined Benefit Plan Document.

Retired member means defined benefit member who is being paid a pension on account of the individual's membership in the retirement system.

Retirement Commission shall mean the eight (8) member Wayne County Employees' Retirement Commission, consisting of the Chairperson of the Wayne County Commission, the County Executive or his or her designee, four (4) members of the Retirement System who are residents of the County and elected by the membership of the Retirement System, and two (2) retirees who are residents of the County and elected by the retired members and beneficiaries of the Retirement System.

Survivor pension beneficiary means an individual who is being paid or who is designated to be paid a pension in the event of the death of a member, vested deferred member or retired member as provided in this Defined Benefit Plan Document.

Vested deferred member means a former member who meets the requirements of a vested termination eligibility program.

Wayne County Airport Authority means the Wayne County Airport Authority of Wayne, State of Michigan, including its offices, boards and departments.

Worker's compensation benefit means wage loss benefits under the Michigan Worker's Compensation Act on account of an injury or disease resulting from Wayne County Airport Authority employment. Redemptions and voluntary pay agreements of a claim for worker's compensation liability are not admissions of worker's compensation liability and may only be considered worker's compensation upon review of all facts and circumstances. Amounts paid for loss of a specific body part or for bona fide medical expenses shall not be considered a worker's compensation benefit.

Cross reference

Sec. 1-4. - Membership of retirement system.

- (a) Inclusion; membership form.
 - (1) An individual who is employed by the Wayne County Airport Authority shall be a member of the retirement system unless employed in an excluded position described in subsection (b) of this section.
 - (2) A member shall file a completed membership form with the retirement system within ten days of last becoming a member of the retirement system.
- (b) Positions excluded from membership. Excluded positions are:
 - (1) Positions which are compensated on a basis not subject to withholding of federal income tax or FICA tax.
 - (2) A position held by an individual employed by the Wayne County Airport Authority under an employment contract, unless the individual is specifically included in membership in the retirement system pursuant to their employment contract.
 - (3) A position held by a retired member.
 - (4) A position which is temporary or seasonal as defined in the Wayne County Airport Authority personnel and salary plan.

- (c) Termination of membership. An individual shall cease to be a member upon separation of service with the Wayne County Airport Authority prior to vesting, or upon becoming employed in an excluded position.

Sec. 1-5. - Credited service.

- (a) Conditions for crediting service. Personal service rendered the Wayne County Airport Authority while a member shall be credited to the member's individual credited service account in accordance with the rules of the retirement commission. Service shall be credited to the nearest 1/12 year. In no case shall more than one year of service be credited on account of all service rendered by a member in a calendar year. A member who renders ten or more days of service in a calendar month shall be credited with service for that month. The Wayne County Airport Authority may credit a full year of service to a member who renders at least 10/12 of a year of credited service during a calendar year.
- (b) Forfeiture of credited service.
- (1) Credited service shall be forfeited upon termination of membership unless the former member is a vested deferred member.
- (2) Credited service of a vested deferred member for service rendered during a period of required defined benefit member contributions shall be forfeited upon withdrawal from the retirement system of the vested deferred member's accumulated member contributions. If as a result of the withdrawal the vested deferred member has insufficient credited service remaining for vested deferred member status, the vested deferred member shall become a former member and all credited service shall be forfeited.
- (c) Forfeited contributory credited service; reinstatement program. A member may reinstate forfeited credited service for service rendered during a period of required defined benefit member contributions by satisfying each of the following conditions:
- (1) The member pays the retirement system the total amount previously withdrawn, plus compound interest from the date of withdrawal to the date of repayment at the actuarially assumed rate of return of the plan.
- (2) Repayment is initiated and completed within the time periods established by the retirement commission. The time period for completion of repayment shall not be less than one year following the date of resumption of membership.
- (d) Forfeited noncontributory credited service; reinstatement program. A member of a defined benefit plan shall have forfeited credited service for service rendered during a period in which the member was not required to contribute to the retirement system reinstated upon acquiring three years of credited service after resumption of membership.

Sec. 1-6. - Military service; credited service.

- (a) Credit for intervening military service. A member who leaves the employment of the Wayne County Airport Authority to serve in any armed service of the United States, during time of declared war or period of national emergency or compulsory military service recognized by the retirement commission, shall be granted up to six years of credited service for periods of active duty lasting 30 or more days, if each of the following conditions are satisfied:
- (1) The period of military service has not and cannot be used under another retirement system for the purpose of obtaining or increasing a benefit from that retirement system.
- (2) No more than six years of credited service shall be granted on account of all military service of the member.
- (3) The member returns to Wayne County Airport Authority employment in a position entailing membership in the retirement system within one year from the date military service

terminates, or within 90 days of discharge from a hospital if found by the retirement commission to have been hospitalized on the date military service terminates on account of an injury or disease resulting from the military service.

(b) Credit for nonintervening military service; purchase program 1. A member who has served in any armed service of the United States, during time of declared war or period of national emergency or compulsory military service recognized by the retirement commission, shall be granted up to six years of credited service for periods of active duty lasting 30 or more days, if each of the following conditions are satisfied:

- (1) The period of military service has not and cannot be credited under the intervening military service provisions of subsection (a) of this section.
- (2) The period of military service has not and cannot be used under another retirement system for the purpose of obtaining or increasing a benefit from that retirement system.
- (3) The member pays the retirement system 50 percent of the increase in the actuarial present value of retirement system benefits, as determined by the retirement system, resulting from the purchase of credited service.
- (4) Credited service shall be purchased in one-month increments. Twelve months of purchased service are required for one year of credited service.
- (5) Military service purchase program 1 is specified for the member's coverage group.

(c) Credit for nonintervening military service; purchase program 2. A member who has served in any armed service of the United States, during time of declared war or period of national emergency or compulsory military service recognized by the retirement commission, shall be granted up to six years of credited service for periods of active duty lasting 30 or more days, if each of the following conditions are satisfied:

- (1) The period of military service has not and cannot be credited under the intervening military service provisions of subsection (a) of this section.
- (2) The period of military service has not and cannot be used under another retirement system for the purpose of obtaining or increasing a benefit from that retirement system.
- (3) The member pays the retirement system 100 percent of the increase in the actuarial present value of retirement system benefits, as determined by the retirement system, resulting from the purchase of credited service.
- (4) Credited service shall be purchased in one-month increments. Twelve months of purchased service are required for one year of credited service.
- (5) Military service purchase program 2 is specified for the member's coverage group.

Sec. 1-7. - Coverage groups.

(a) Included groups. The coverage groups are:

- (1) Members of a bargaining unit certified by the state employee's relations commission (one group for each bargaining unit).
- (2) Executive group employees, as certified by the Chief Executive Officer.
- (3) Exempt employees who are not executive group employees, as certified by the Chief Executive Officer.
- (4) Members who are not included in one of the preceding classifications.

Sec. 1-8. - Changes in specified benefits for a coverage group.

The terms and conditions governing a change in the benefits specified for a coverage group shall be as contained in the members coverage group or other document authorizing the change, and must comply with the Public Employee Retirement System Investment Act [MCL 38.1121, et al], which requires that a supplemental actuarial analysis shall be provided to the Retirement Commission before a benefit change is adopted. A certified copy of the agreement or document shall be filed with the Wayne County Employees' Retirement System within ten days of its effective date by the Chief Executive Officer.

Sec. 1-9. - Normal retirement.

The basic conditions for normal retirement shall be as follows:

- (a) A member or vested deferred member may retire normally upon completion of the following requirements:
 - (1) A written application for normal retirement, in the form prescribed by the Wayne County Employees' Retirement System, has been filed with the retirement system not less than 30 days nor more than 90 days prior to the date the pension is to commence.
 - (2) Membership is terminated prior to the selected date of retirement.
 - (3) The member or vested deferred member meets the requirements for normal retirement, prior to the selected date of retirement, a service and/or age requirement for normal retirement eligibility specified in the member's coverage group
- (b) The amount of a normal retirement pension is determined in accordance with the member's or vested deferred member's coverage group

Sec. 1-10. - Normal retirement pension amount.

- (a) The amount of a normal retirement pension under form of payment option SL (straight life), is subject to the limitation prescribed in the member's coverage group.

Sec. 1-11. - Vested termination service requirement.

The service requirement for vested termination of membership is eight or more years of credited service.

Sec. 1-12. - Disability retirement.

- (a) General requirements for disability retirement

The retirement commission may retire a member on account of disability (duty or non-duty) if each of the following conditions are satisfied:

- (1) A written application for disability retirement, in the form prescribed by the Wayne County Employees' Retirement System, has been filed with the retirement system by the member or in the manner authorized by the member's coverage group;
- (2) Membership is terminated prior to the selected date of retirement;
- (3) The member meets the service requirements for disability retirement specified by the member's coverage group;
- (4) The Wayne County Employees' Retirement System's medical director conducts a physical and/or mental exam, reviews member's medical records and all other relevant information and certifies that (i) the member is mentally or physically incapacitated for continued employment by the Wayne County Airport Authority, due to the disability or disabilities specifically listed in the written application for disability retirement (ii) the incapacity is likely to be permanent (iii) the disability is the direct or proximate result of a work-related injury or disease or is non-occupational in nature; and (iv) the member should be retired on account of the disability. The medical director is required to opine on whether the claimed disability is duty or non-duty in nature at the member's

initial examination, taking into account the member's disability application, the member's medical records, the medical director's own examination, and all other relevant information.

The amount of a disability retirement pension is determined in accordance with the disability pension amount program specified by the member's coverage group.

(b) Specific requirements for disability retirement.

The Retirement Commission may retire a member on account of duty-disability if each of the following conditions is satisfied:

- (1) The Retirement Commission finds the disability to be the natural and proximate result of actual performance of duty in the employ of the Wayne County Airport Authority; and
- (2) Worker's compensation is paid on account of the same disability.

The Retirement Commission may retire a member on account of non-duty disability if any of the following conditions are satisfied:

- (1) The member fulfills the service requirement of ten or more years of credited service; or
- (2) Eight or more years of credited service for a coverage group which has collectively bargained this disability eligibility; or
- (3) The member fulfills the requisite number of years of credited service granted in his/her coverage group.

(c) Reexamination, suspension and termination of disability retirement.

- (1) The Wayne County Employees' Retirement System may require a disability retired member to undergo periodic medical or other reevaluation if the member has not met an age and service requirement for normal retirement specified by the coverage group applicable to the disability retired member immediately prior to retirement.
- (2) The Wayne County Employees' Retirement System may suspend payment of a pension and benefits if the disability retired member refuses to submit to reevaluation. If the refusal continues for one year, the Wayne County Employees' Retirement System shall revoke the disability retired member's rights in and to the pension and benefits.
- (3) If the medical director reports that the disability retired member is no longer disabled from the original disabling physical or mental condition(s) to the extent required for disability retirement pursuant to this Defined Benefit Plan Document, then the retirement commission shall vote on termination of retirement benefits.

(d) Status of terminated disability retired member.

- (1) The membership status of a terminated disability retired member who is returned to the Wayne County Airport Authority employment shall be governed by section 1-4(a) and (b). Upon reacquisition of membership, the credited service of the member at time of disability retirement shall be restored. Credited service shall not be granted for the period of disability retirement unless the member was paid worker's compensation benefits, on account of the same incapacity, during the period of disability retirement. In no case shall credited service be granted for time on disability retirement after reaching age 60 years.
- (2) A terminated disability retired member who does not reacquire membership shall have actual credited service at time of disability retirement restored if the restoration enables the individual to be a vested deferred member.

Sec. 1-13. - Pre-retirement death; service and/or age requirement for automatic pension to spouse or children.

The service and age requirement for an automatic pension to a surviving spouse or children under the provisions of section 1-20 in the event of the death of a member or vested deferred member is:

- (1) Ten or more years of credited service;
- (2) Five or more years of credited service and age 60 years or older; or
- (3) Any amount of credited service if the member died from a personal injury or disease which the retirement commission finds to have been the natural and proximate result of the member's actual performance of duty as a Wayne County Airport Authority employee and worker's compensation is paid on account of the same injury or disease.

Sec. 1-14. - Pre-retirement death; amount of automatic pension to spouse or children.

The amount of pension of a spouse is the deceased member's accrued normal retirement pension under form of payment option 2 (life payments with 100 percent continuation to survivor pension beneficiary). If the member died from a personal injury or disease which the retirement commission finds to have been the natural and proximate result of the member's actual performance of duty as a Wayne County Airport Authority employee and worker's compensation is paid on account of the same injury or disease, the amount of pension shall not be less than \$400.00 per month.

The amount of pension of an eligible child is an equal share with each other eligible child of 50 percent of the deceased member's accrued normal retirement pension.

Sec. 1-15. - Pre-retirement death; service and/or age requirement for pension to elective survivor pension beneficiary.

The service and requirement for a pension to an elective survivor pension beneficiary under the provisions of section 1-21 is that the deceased member meets a service and age requirement for normal retirement.

Sec. 1-16. - Pre-retirement death; amount of pension to elective survivor pension beneficiary.

The amount of pension is the deceased member's accrued normal retirement pension under form of payment option 2 (life payments with 100 percent continuation to survivor pension beneficiary).

Sec. 1-17. - Member contribution rates.

Member contributions to the Wayne County Employees' Retirement System shall be made in accordance with the member's coverage group.

Sec. 1-18 – Defined Benefit Plan

- (a) Compensation. Compensation shall include, to the extent not excluded by a coverage group, base salary and wages, overtime, premium pay, cost-of-living payments and holiday pay. Compensation shall also include salary or wages deferred because of participation in a plan operated pursuant to section 457 of the Internal Revenue Code and reductions in salary or wages due to participation in a plan operated pursuant to section 125 of the Internal Revenue Code.
- (b) Normal retirement service and/or age requirement. The service and age requirement for normal retirement is either:
 - (1) Thirty or more years of credited service;
 - (2) Twenty-five or more years of credited service and age 55; or
 - (3) Twenty or more years of credited service and age 60 years or older; or
 - (4) Eight or more years of credited service and age 65 years or older.
- (c) Normal retirement pension amount.

- (1) Defined benefit pension. The amount of a normal retirement pension under form of payment option SL (straight life), is subject to the member's coverage group.
- (2) Vested termination service requirement. Defined Benefit. The service requirement for vested termination of membership is eight or more years of credited service.
- (3) Pre-retirement death; service requirement for pension to designated survivor pension beneficiary. The service requirement for payment of a pension to a designated survivor pension beneficiary under the provisions of section 1-21 in the event of the death of a member or vested deferred member is ten years of credited service. The service requirement is waived if the member died from a personal injury or disease which the Wayne County Employees' Retirement System finds to have been the natural and proximate result of the member's actual performance of duty as a county employee and worker's compensation is paid on account of the same injury or disease.
- (4) Pre-retirement death; amount of pension to designated survivor pension beneficiary. The amount of pension is the actuarial equivalent, determined in accordance with the rules of the retirement commission, of the survivor pension beneficiary's stipulated share of the sum of the vested balances in the individual's member account and employer account.
- (5) Member contribution rates. Member contributions to the retirement system shall be made in accordance with the contribution rate schedule made applicable to the member's coverage group.
- (6) Employer contribution rates. Wayne County Airport Authority contributions to the retirement system shall be made in accordance with the contribution rate schedule made applicable by the member's coverage group.
 - a. In no case shall the aggregate amount of contribution on behalf of a member exceed the maximum contribution permitted under the provisions of the Internal Revenue Code applicable to the retirement system.

Sec. 1-19. - Vested termination of membership.

The basic conditions for vested termination of membership shall be as follows:

- (a) A member who ceases to be a member for a reason other than death or retirement shall become a vested deferred member if the member meets the service requirement for vested termination specified by the member's coverage group. A vested deferred member may retire upon meeting the service and age requirements for normal retirement specified by the member's coverage group. The amount of pension shall be the member's accrued normal retirement pension amount at time of termination of membership. Determination of the member's accrued normal retirement pension shall be made in accordance with the retirement provisions of this Defined Benefit Plan Document in effect on the date membership terminates. Changes in this Defined Benefit Plan Document effective subsequent to the date membership terminates shall not be considered.
- (b) Withdrawal of accumulated member contributions by a vested deferred member shall cause the forfeiture of credited service attributable to periods of service for which the vested deferred member was required to make defined benefit member contributions. All rights in and to the portion of the defined benefit pension attributable to the forfeited credited service shall be forfeited.

Sec. 1-20. - Survivor pensions; pre-retirement death; automatic beneficiary.

Payments to the spouse or children of deceased member shall be as follows:

- (a) A pre-retirement death survivor pension shall be paid to the surviving spouse or surviving children of a deceased member who does not have an elective pre-retirement death survivor pension beneficiary designation in effect pursuant to section 1-21, if the member meets a service and age requirement for an

automatic pre-retirement death survivor pension specified by the member's coverage group and was a Wayne County Airport Authority employee at time of death.

(b) The amount of survivor pension shall be determined in accordance with the deceased member's coverage group and at time of death.

(c) A vested deferred member who dies prior to retirement shall be considered to have been a member at the time of death, for the exclusive purpose of determining the eligibility of a surviving spouse or surviving child for the benefits provided by this section. The following conditions shall apply in addition to those specified elsewhere in this Defined Benefit Plan Document for this benefit:

1. The requirement that the vested deferred member be a Wayne County Airport Authority employee at time of death is waived; and

2. Payment of a survivor pension shall not commence prior to the first day of the calendar month following the date the vested deferred member would have satisfied a service and age requirement for normal retirement, notwithstanding that an otherwise eligible beneficiary is thereby deprived of a survivor pension; and

3. Eligibility and pension amount shall be determined using the vested deferred member's coverage group at time of actual termination of membership rather than at time of death.

(d) A survivor pension shall be paid to the surviving spouse of a deceased member subject to the following conditions:

1. The deceased member was married to the surviving spouse at time of death.

2. A spouse's survivor pension shall terminate at the end of the month in which the spouse dies.

(e) A survivor pension shall be paid to a surviving child of a deceased member subject to the following conditions:

1. Payment shall not be made for any month for which a surviving spouse is paid a survivor pension.

2. The child is unmarried and is under age 18 years.

3. A surviving child's survivor pension shall terminate at the end of the month in which the child marries, attains age 18 years, or dies; except as provided in subsection (d) of this section.

(f) The retirement commission may continue a child's survivor pension beyond age 18 years if the medical director certifies to the retirement commission that the child is mentally or physically incapable of self-support.

Sec. 1-21. - Survivor pensions; pre-retirement death; elective beneficiary.

Optional form of payment 2; election and designation of survivor pension beneficiary spouse.

(a) A survivor pension beneficiary under this form of payment 2 shall be the member's spouse, where the member elected form of payment option 2 and designated his/her survivor pension beneficiary pursuant to section 1-24 if the member meets a service and age requirement specified by the member's coverage group.

(b) The amount of survivor pension shall be determined in accordance with the survivor pension amount program specified by the deceased member's coverage group

(c) The designated survivor pension beneficiary spouse shall be eligible for a survivor pension if the member was a Wayne County Airport Authority employee at time of death.

Sec. 1-22. - Survivor pensions; post-retirement death; automatic beneficiary.

Payments to the spouse or children of deceased disability retired member shall be as follows:

- (a) An automatic survivor pension shall be paid to the surviving spouse or surviving children of a deceased disability retired member who is being paid under form of payment SL, if the disability retired member meets the requirements of subsection (c) of this section.
- (b) The amount of survivor pension shall be 50 percent of the deceased disability retired member's pension at time of death.
- (c) The deceased disability retired member has not attained age 60 years at time of death. The disability retired member was married to the surviving spouse at time of death and the date of death is after December 31, 1989. A spouse's survivor pension shall terminate at the end of the month in which the spouse dies. The operation of any final order arising out of a divorce proceeding shall be recognized only to the extent that the total aggregate actuarial present value of the survivor pensions is not increased.
- (d) A survivor pension shall be paid to a surviving child of a deceased disability retired member subject to the following conditions:
 - 1. Payment shall not be made for any month for which a surviving spouse is paid a survivor pension.
 - 2. The child is unmarried and is under age 18 years.
 - 3. A surviving child's survivor pension shall terminate at the end of the month in which the child marries, attains age 18 years, or dies; except as provided in subsection (e) of this section.
- (e) The retirement commission may continue a child's survivor pension beyond age 18 years if the medical director certifies to the retirement commission that the child is mentally or physically incapable of self-support.

Sec. 1-23. - Survivor pensions; post-retirement death; elective form of payment option and designation of survivor pension beneficiary, disability retired member payment option.

Election of form of payment option; designation of survivor pension beneficiary. A retiring member or vested deferred member may elect to have pension payments made under a form of payment option provided in section 1-24 and, if applicable, name a survivor pension beneficiary. The election and naming of survivor pension beneficiary shall be made on a form furnished by and filed with the Wayne County Employees' Retirement System prior to the date the first pension payment is made. An election of form of payment option may not be changed after the date the first pension payment is made. Payment shall be made under form of payment option SL if there is not a timely election of another form of payment option. Unless otherwise specified in a coverage group, a disability retired member (duty or non-duty) may elect a form of payment option at any time prior to the disability retired member's 60th birthday; however, the member is required to select a permanent form of payment upon reaching age 60. Failure to make a selection will result in a straight life form of payment.

Sec. 1-24. - Form of payment options.

- (a) The amount of pension under each form of payment option shall have the same actuarial present value as the amount of pension under form of payment option SL. A named survivor beneficiary shall not be changed after the date the first pension payment is made if form of payment option 2 or form of payment option 3 is elected. Form of payment AP (accelerated payment) may be selected in conjunction with one of the other forms of payment, except form of payment option LS (lump sum) and such other forms of payment as the retirement commission may designate.
- (b) Form of payment option SL (life payment to the retired member). The retired member is paid the amount of pension determined according to the pension amount program specified by the retired member's coverage group.
- (c) Form of payment option 1 (life payment to the retired member with guaranteed minimum number of payments). The retired member is paid a reduced pension for life. The reduced pension is paid to the

named survivor pension beneficiary, until the guaranteed minimum number of payments have been made, if the retired member dies before the minimum number of payments have been made and is survived by a named survivor beneficiary. If no named survivor pension beneficiary survives, the actuarial present value of the remaining guaranteed minimum number of payments shall be paid to the estate of the deceased retired member. If a named survivor pension beneficiary dies after commencing to be paid but before the guaranteed minimum number of payments have been made, the actuarial present value of the remaining guaranteed number of payments shall be paid to the estate of the deceased named survivor pension beneficiary. More than one survivor pension beneficiary may be named, in which case they shall be paid the pension in the shares designated by the retired member. The guaranteed minimum number of payments shall be either 60, 120, 180 or 240, as selected by the retired member at the time of election of form of payment option 1. The selected guaranteed minimum number of payments may not be changed after the date the first pension payment is made.

(d) Form of payment option 2 (life payments to retired member with full continuation to survivor pension beneficiary). The retired member is paid a reduced pension for life under form of payment option 2. Upon the death of the retired member during the lifetime of the named survivor pension beneficiary, the named survivor pension beneficiary is paid the full amount of the reduced pension until death. Upon the death of the named survivor pension beneficiary during the lifetime of the retired member the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment option SL at time of retirement.

(e) Form of payment option 3 (life payments to retired member with one-half continuation to survivor pension beneficiary). The retired member is paid a reduced pension for life under form of payment option 3. Upon the death of the retired member during the lifetime of the named survivor pension beneficiary, the named survivor pension beneficiary is paid one-half the amount of the reduced pension until death. Upon the death of the named survivor pension beneficiary during the lifetime of the retired member the amount of pension shall be changed to the amount that would have been payable had the retired member elected form of payment option SL at time of retirement.

(f) Form of payment option AP (accelerated payments until specified age and reduced payments thereafter). The retired member is paid an increased pension to the adjustment date and a decreased pension thereafter under form of payment option AP. The adjustment date shall be the first day of the calendar month following the date the member could be paid a social security old-age benefit without reduction for early retirement. The increased pension payable to the adjustment age shall be the amount selected by the retiring member from the array of available amounts satisfying the following restrictions:

(1) The minimum amount of pension payable after the adjustment date is 50 percent of the amount of pension under form of payment option SL; and

(2) The maximum amount of increased pension payable to the adjustment date is 200 percent of the amount of pension under form of payment SL.

Sec. 1-25. - General provisions applicable to pension payments.

(a) Guaranteed minimum aggregate payout. If all pension payments permanently terminate before there has been paid an aggregate amount equal to the sum of the former member's accumulated member contributions, and member account the difference between the amount of accumulated member contributions and the aggregate amount of pension payments shall be paid to the former member's refund beneficiary. If no refund beneficiary survives the former member, the difference shall be paid to the former member's estate.

(b) Pensions; commencement and duration.

(1) Effective January 1, 1987, an early, normal or disability pension shall commence the first day of the calendar month following retirement. A pre-retirement survivor pension shall commence the first day of the calendar month following the date of the death resulting in the survivor pension.

A post-retirement survivor pension shall commence the first day of the calendar month following the date of the death resulting in the survivor pension.

(2) Termination of payment of a pension shall occur at the end of the calendar month in which the event causing termination occurs. Payment shall be made for the full month of termination.

(3) A change in the amount of a pension shall occur the first day of the calendar month following the date of the event causing the change.

(c) Denial of claim for benefits; appeal to retirement commission. A benefit claimant shall be notified in writing, within 30 days, of denial of a claim for a benefit or change in retirement benefit status. The notification shall give the reason for the denial or change in benefit status. A claimant may appeal the denial or change in benefit status and request a hearing before the retirement commission. The appeal shall be in writing filed with the retirement system within 45 days of the date of the notification of denial or change in benefit status. The appeal shall contain a statement of the claimant's reasons for claiming the denial to be improper. The Wayne County Employees' Retirement System shall schedule a hearing of the appeal before the retirement commission within 60 days of receipt of the appeal. Adjournments by the benefit claimant of the hearing of the appeal may be granted by the executive director upon good cause shown, but in no event shall the adjournment go beyond 60 days of receipt of the appeal.

Sec. 1-26. - Member contributions; refunds; amount of.

(a) General provisions. The Wayne County Airport Authority shall cause the contributions specified by the coverage group to be deducted from the compensation of the member. The deducted contributions shall be paid to the Wayne County Employees' Retirement System within five working days and shall be credited to the individual's account in the reserve for accumulated contributions for member accounts. Continuation of employment shall constitute consent to the deduction of the member contribution.

(b) Refunds of accumulated member contributions. An individual's accumulated member contributions shall be paid to the individual upon meeting each of the following conditions:

- (1) The individual applies to the retirement system for payment;
- (2) The individual does not meet an age and service eligibility requirement for normal retirement;
- (3) Membership in the retirement system has been terminated for at least ten days.

If an individual dies and no pension is or will become payable on account of the death, the individual's accumulated member contributions shall be paid to the refund beneficiary on file with the Wayne County Airport Authority. If no refund beneficiary survives the individual or if a refund beneficiary is not on file with the Wayne County Airport Authority, the accumulated member contributions shall be paid to the individual's estate.

(c) Refunds of member accounts.

(1) An individual's account and vested employer account shall be paid to the individual upon meeting each of the following conditions:

- a. The individual applies to the retirement system for payment;
- b. Membership in the Wayne County Employees' Retirement System has been terminated for at least ten days.

(2) If an individual dies and no pension is or will become payable on account of the death, the individual's account and vested employer account shall be paid to the refund beneficiary on file with the Wayne County Airport Authority. If no refund beneficiary survives the individual or if a refund beneficiary is not on file with the Wayne County Airport Authority, the account shall be paid to the individual's estate.

Sec. 1-27. - Wayne County Employees' Retirement System

(a) Composition.

(1) The Wayne County Employees' Retirement System shall consist of the following eight individual trustees:

- a. The chairperson of the Wayne County commission.
- b. The county executive or the individual designated by the executive to serve in the executive's place. The designation shall be in writing and filed with the retirement commission.
- c. Four members of the retirement system, who are residents of the county, to be elected by the members of the retirement system. Each member trustee shall be from a different county department, as provided in the county Charter on January 1, 1987, that is: the county commission; prosecuting attorney; sheriff; county clerk; county treasurer; register of deeds; corporation counsel; personnel; management and budget; health; public works; office of public services; and senior citizens. Employees of all other county agencies shall be considered collectively to be employees of one additional county department for the purposes of this provision. This restriction upon eligibility to serve as a trustee shall not be affected by changes made in the organization and administration of executive departments by an executive reorganization plan. The elections shall be conducted in accordance with procedures adopted by the retirement commission.
- d. Two retired members, who are residents of the county, to be elected by the retired members and beneficiaries. The elections shall be conducted in accordance with procedures adopted by the retirement commission.

(2) Retirement commission trustees shall serve without compensation for their service as a retirement commissioner but shall be reimbursed by the retirement system for their actual and necessary expenses incurred in the performance of the duties of retirement commissioner. Absence from work on account of retirement commission duties is authorized and shall be treated so that the individual suffers no loss of pay or benefits.

(b) Term of office; oath of office; vacancies.

(1) The term of office of the elected member trustees shall be four years, one such term of office to expire at the end of each calendar year. The term office of the elected retired member trustees shall be four years, one such term to expire at the end of each even-numbered calendar year.

(2) Each trustee shall, prior to taking office, take an oath of office administered by the county clerk.

(3) A vacancy shall occur on the retirement commission if a member elected trustee ceases to be a member or becomes employed in a county department in which is employed another member elected trustee or ceases to be a county resident or resigns.

(4) A vacancy shall occur on the retirement commission if a retired member trustee ceases to be a retired member or ceases to be a county resident or resigns.

(5) A vacancy shall be filled according to the retirement commission election policy.

(c) Meetings. The retirement commission shall schedule sufficient meetings to effectively carry out its duties and shall designate the time and place of each meeting. The retirement commission shall adopt rules of procedure. The retirement commission shall select from its membership a chairperson and a vice-chairperson.

- (d) Quorum; record of proceedings. Four trustees shall constitute a quorum at any meeting of the retirement commission. At least four concurring votes shall be required for a valid action by the retirement commission. The retirement commission shall keep a written record of its proceedings.
- (e) Executive director. The retirement commission shall appoint an executive director. The executive director shall be the secretary of the retirement system and shall be the administrative officer of the retirement system. The duties of the executive director shall be established by the retirement commission.
- (f) Employees of retirement commission; employment of outside services.
 - (1) The retirement commission may employ persons in the county classified service.
 - (2) The Wayne County corporation counsel shall be the legal advisor to the retirement commission.
 - (3) The retirement commission shall designate an actuary who shall advise the board on the actuarial operation of the retirement system and on such other subjects as the retirement system may determine. "Actuary" shall mean a member of the American Academy of Actuaries or an individual who has demonstrated the educational background necessary to effectively render actuarial advice to the retirement system and who has at least five years of relevant public employee retirement system actuarial experience. A partnership or corporation may be designated as actuary if the duties of actuary are performed by or under the direct supervision of an individual who meets the preceding requirements.
 - (4) The retirement commission shall employ a medical director who is licensed by the State of Michigan to engage in the practice of medicine.
 - (5) The retirement commission is authorized and empowered to employ such other persons and services as it requires to effectively carry out its duties.
- (g) Reports.
 - (1) The retirement commission shall prepare an annual report as required by the Public Employees Retirement System Investment Act, PA 314 [MCL 38.1121, et. al.] for each fiscal year. The annual report shall contain information about the financial, actuarial and other activities of the retirement system during the fiscal year. (2) A summary of the annual report shall be made available to the members, vested deferred members, retired members and beneficiaries of the retirement system.
- (h) Investment authority. The retirement commission is the trustee of the assets of the retirement system. The retirement commission has the authority to invest and reinvest the assets of the retirement system subject to all terms, conditions, limitations and restrictions imposed by the state on the investments of public employee retirement systems. The retirement commission may employ investment counsel to advise the board in the making and disposition of investments. In exercising its discretionary authority with respect to the management of the assets of the retirement system, the retirement commission shall exercise the care, skill, prudence, and diligence, under the circumstances then prevailing, that an individual of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and similar objectives.
- (i) Use of retirement system assets; prohibited actions.
 - (1) The assets of the retirement system shall be held and invested for the sole purpose of meeting the obligations of the retirement system and shall be used for no other purpose.
 - (2) Members of the retirement commission and its employees are prohibited from:
 - a. Having a beneficial interest, direct or indirect, in an investment of the retirement system.

- b. Borrowing from the defined benefit trust.
 - c. Receiving any pay or emolument from any individual or organization, other than compensation for personal services or reimbursement of authorized expenses paid by the retirement system, providing services to the retirement system.
- (3) No payment shall be made unless it has been authorized in advance by a specific or continuing resolution of the retirement commission. Authorized payments shall be made according to the Wayne County Employees' Retirement System's Board Policy.

Sec. 1-28. - Financial objective; contribution certification.

(a) Financial objective.

- (1) The financial objective of the Wayne County Employees' Retirement System is to receive contributions each fiscal year which, as a percentage of member payroll, are designed to remain level from year to year and are sufficient to (i) fund the actuarial cost allocated to the current year by the actuarial cost method, and (ii) fund unfunded actuarial costs allocated to prior years by the actuarial cost method as provided by law.
- (2) Contribution requirements for defined benefits shall be determined by annual actuarial valuation. The actuarial cost method shall be one which produces a contribution requirement not less than the contribution requirement produced by the individual entry-age normal cost method.
- (3) The excess of actual contributions made for periods after November 30, 1981, over the minimum required by subsections (a)(1) and (2) of this section may be used to reduce contributions required for subsequent fiscal years.

Certification of contribution requirement. The retirement commission shall certify to the Wayne County Airport Authority the amount of annual contribution needed to meet the financial objective.

Sec. 1-29. - Reserve accounting.

(a) Reserve for accumulated member contributions.

- (1) The reserve for accumulated contributions is the account in which is accumulated the defined benefit contributions deducted from the compensation paid to the retirement system, and which shall be charged with refunds of accumulated member contributions and transfers of accumulated member contributions as provided in this Defined Benefit Document.
- (2) Accumulated member contributions shall be transferred from the reserve for accumulated contributions to the reserve for pension payments if a pension becomes payable on account of retirement or death. At the expiration of a period of four years from the date an individual ceases to be a member and does not become a vested deferred member, the individual's accumulated contributions unclaimed by the individual or the individual's legal representative shall be transferred to the reserve for undistributed investment income.

(b) Reserve for pension payments.

- (1) The reserve for pension payments is the account which is charged for all pension payments and refunds of accumulated member contributions which have been transferred to this account. If a disability pension is terminated and the individual becomes a member or a vested deferred member, any excess of the accumulated member contributions transferred to this account as a result of the disability retirement over the aggregate amount of pension paid shall be transferred to the reserve for member contributions
- (2) Each year following receipt of the report of the annual actuarial valuation, the balance in the reserve for pension payments shall be set equal to the actuarial present value of pensions being paid retired members and beneficiaries by a transfer to or from the reserve for defined

benefit employer contributions. The pending transfer shall be taken into account by the actuary when making the actuarial valuation.

(c) Reserve for defined benefit employer contributions. The reserve for defined benefit employer contributions is the account to which is credited defined benefit employer contributions and other revenues from public sources and from which shall be made transfers to the reserve for pension payments and to the reserve for undistributed investment income.

(d) Reserve for undistributed investment income and administrative expenses.

(1) The reserve for undistributed investment income is the account to which is credited all interest, dividends, and other income from retirement system assets; all gifts and bequests; all unclaimed accumulated member contributions, member accounts and pensions; and, all other monies received by the retirement system the disposition of which is not specifically provided. There shall be transferred from the reserve account all amounts required to credit interest to the other reserve accounts and pay the expenses of operating the retirement system.

(2) The Wayne County Airport Authority shall provide the Wayne County Employees' Retirement System with the Wayne County Airport Authority services and facilities customarily furnished other employees. The cost of the services and facilities shall be paid for by the Wayne County Airport Authority.

(3) A trust account shall be maintained for the defined benefit plans.

(4) Whenever the Wayne County Employees' Retirement System determines the balance in the defined benefit subaccount is more than sufficient to cover current charges, the excess of any part thereof may be used to fund contingency reserves or meet special requirements of the other reserve accounts. Whenever the balance in the subaccount is insufficient to cover current charges, the amount of the insufficiency shall be transferred to the subaccount from the reserve for employer contributions.

(g) Asset segregation. The descriptions of the reserve accounts shall be interpreted to refer to the accounting records of the Wayne County Employees' Retirement System and not to the segregation of assets by reserve account.

(h) Interest credited to reserve accounts.

(1) The Wayne County Employees' Retirement System shall at least annually credit interest on the individual balances in the reserve for pension payments and the reserve for defined benefit employer contributions. The amount of interest so credited shall be charged to the reserve for undistributed investment income.

(2) The Wayne County Employees' Retirement System shall determine the rate or rates of interest to be used in the crediting of interest.

Sec. 1-30. - Assignments prohibited.

(a) The right of an individual to a pension, or any other right accrued or accruing to any individual, and the assets of the Wayne County Employees' Retirement System, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law except an eligible domestic relations order (EDRO) which meets the requirements as specified by Michigan statute for such an order, or a domestic relations order (DRO) which does not increase the financial or administrative obligation of the Wayne County Airport Authority or the Wayne County Employees' Retirement System, and shall be unassignable except as otherwise specifically provided by this plan document..

Sec. 1-31. - Deductions for certain benefits authorized.

If a retired member or beneficiary is covered by a group life insurance or group medical insurance or prepayment plan sponsored or participated in by the Wayne County Airport Authority, the retired member or beneficiary may authorize the Wayne County Employees' Retirement System to deduct from pension payments any required payments in consideration of the coverage.

Sec. 1-32. - Subrogation; right of setoff.

(a) If an individual becomes entitled to a pension or other benefit payable by the retirement system as a result of an accident or injury caused by the act of a third party, the Wayne County Airport Authority shall be subrogated to the rights of the individual against the third party to the extent of Wayne County Airport Authority-financed benefits which the Wayne County Employees' Retirement System pays or becomes liable for payment.

(b) The Wayne County Employees' Retirement System shall have the right of setoff to recover overpayments made by the retirement system and to satisfy any claim arising from embezzlement or fraud committed by a member, retired member, vested deferred member, beneficiary or other individual having a claim to benefits.

Sec. 1-33. - Correction of errors.

The Wayne County Employees' Retirement System shall correct errors in records and actions of the retirement system. The Wayne County Employees' Retirement System shall seek to recover overpayments and shall make up underpayments. Recovery of overpayments may be accomplished by reducing the amount of future payments so that the actuarial present value of actual payments to the recipient is equal to the actuarial present value of payments to which the recipient is correctly entitled. Overpayments which have occurred as the result of retirement system administrative errors and were not caused by erroneous information provided by the recipient/agent of the recipient or as the result of an intentional tort on the part of the recipient or on the part of any retirement system staff member shall be recovered.

Sec. 1-34. - Internal Revenue Code qualification.

(a) The retirement system is intended and has been administered to be a qualified pension plan under 401 of the Internal Revenue Code, as amended (IRC or Code), or successor provisions of law, including the Tax Reform Act of 1986 (TRA 86); the Technical and Miscellaneous Revenue Act of 1988 (TAMRA); the Unemployment Compensation Amendments of 1992 (UCA); the Omnibus Budget Reconciliation Act of 1993 (OBRA); the Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA); the Uruguay Round Agreements Act of 1994 (GATT); the Small Business Job Protection Act of 1996 (SBJPA 96); the Taxpayer Relief Act of 1997 (TRA 97); the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98); the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), and other applicable laws, regulations and administrative authority. The retirement system is a governmental plan under IRC 414(d) and is administered for the exclusive benefit of the plans participants and their beneficiaries. The retirement system trust is an exempt organization under IRC 501. The retirement commission may adopt such additional provisions to the retirement system as are necessary to fulfill this intent.

(b) Limitations on benefits and contributions. The amount of annual benefits and contributions credited a member in any given year shall be subject to the following limitations:

(1) Defined benefit plans. The maximum permissible annual pension benefit with respect to any member shall be in accordance with IRC 415(b), as adjusted by the department of treasury.

a. Special dollar limitations. If the benefit is payable prior to age 62, the dollar limitation shall be reduced to the actuarial equivalent of a benefit commencing at age 62. In the case of any full-time police or fire employees', who is a qualified participant as defined in IRC 415(b)(2)(G), there is no reduction in the dollar limitation. If the benefit is not payable until after age 65, the dollar limitation shall be increased to the actuarial equivalent of a benefit commencing at age 65.

b. In the case of an employee who has less than ten years of participation in the plan, the dollar limitation shall be reduced 1/10 for each year of participation in accordance with IRC 415(b)(5).

c. In the case of a member who is receiving pension benefits under the defined benefit plan, the defined benefit dollar limitation applicable to such individual will be automatically adjusted under IRC 415(d) in the manner and at such times as the department of treasury shall prescribe.

(2) Excess benefit payment. The retirement system shall not pay any benefit that would exceed the benefit limitations for governmental plans as set forth in IRC 415 and regulations, as amended. Benefits exceeding those limitations shall be paid through a qualified governmental excess benefit arrangement established by the applicable employer pursuant to IRC 415(m).

(3) Compensation. As defined by IRC 415(c)(3)(D) and Treas. Reg. 1.415-2(d)(2)(i), compensation means amounts actually paid to the employee during the limitation year, including: wages, salary, professional fees, percentage of profits, commissions, tips and bonuses paid or made available to the member during the limitation year for personal services actually rendered in the course of employment, any elective deferral, and any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of IRC 125 or 457.

(c) Distributions. With respect to distributions under the plan made for calendar years beginning on or after January 1, 2001, the plan will apply the minimum distribution requirements of IRC 401(a)(9) in accordance with the regulations under IRC 401(a)(9) that were proposed in January 2001, notwithstanding any provision in the plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under IRC 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service. Pursuant to IRC 401(a)(9)(A)(ii), a member's interest in the trust must begin to be distributed by the later of (i) April 1 of the calendar year following the calendar year that the employee attains the age of 70½, or (ii) April 1 of the calendar year the member retires.

(d) Maximum annual earnings. For plan years beginning on or after January 1, 1989 and before July 1, 1996, the annual compensation of each participant taken into account for determining all benefits provided under the plan for any determination period shall not include any amounts in excess of the annual compensation limit (originally \$200,000.00) provided for in IRC 401(a)(17) prior to the Omnibus Budget Reconciliation Act of 1993 (OBRA "93") and adjusted for inflation in the manner provided by IRC 401(a)(17). For plan years beginning on or after July 1, 1996, the annual compensation of each employee taken into account shall not exceed the annual compensation limit provided for in IRC 401(a)(17), as amended by the Omnibus Budget Reconciliation Act of 1993 (OBRA "93") (\$200,000.00 in 2002). This limit may be adjusted as required by federal law for qualified government plans and shall be further adjusted for inflation in the manner provided by IRC 401(a)(17). Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

(e) Actuarial assumptions. Actuarial equivalence will be determined on the basis of the interest rate and mortality tables adopted by the retirement commission. Actuarial assumptions that will be used to determine the amount or level of any optional benefit forms will be the actuarial equivalent of the normal retirement benefit. Optional benefits provided under the plan shall be actuarial adjusted in relation to the straight life annuity. For purposes determining the IRC 415 limitations, the interest rate assumption will not be less than the greater of five percent or the rate specified in the plan for determining actuarial equivalence for the particular form of retirement benefit. The actuarial early retirement reduction and reduction of the dollar limit if the employee has less than ten years of participation under IRC 415 do not apply to income

received as a pension or annuity as a result of an employee's personal injury, sickness or death and shall be administered in accordance with IRC 415(b)(2), as amended.

(f) Military service. Notwithstanding any provision of the plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with IRC 414(u) and regulations.

(g) Forfeitability of accrued benefits. An employee's right to his/her normal retirement benefit is nonforfeitable on the attainment of his/her normal retirement age as defined in IRC 411(d)(3) and as defined and protected by Article 9 Section 24 of the State of Michigan Constitution. In the event of termination or partial termination of the plan, a member's interest is nonforfeitable to the extent funded in conformity with applicable sections of the Code and Regulations.

(h) Prohibition against reversion. The retirement system and trust have been created for the exclusive benefit of the members and beneficiaries as set forth herein. The funds thereof have been established for the benefit of the members and for the operation of the retirement system. No part of the principal and income of any of the funds of the system and trust shall revert to or be returned to the Wayne County Airport Authority prior to the satisfaction of all liabilities hereunder to all members, beneficiaries and anyone claiming by or through them.

(i) Vesting. Pursuant to IRC 411(e) as in effect in 1974, a member shall be 100 percent vested in his/her accrued benefit when he or she attains normal retirement age.

(j) Plan year. The plan year shall be the 12 consecutive month period commencing on the sponsor's fiscal year and each anniversary thereafter.

(k) Permissive service credit purchase.

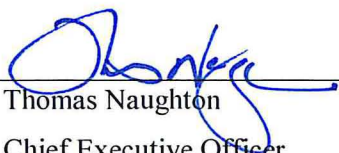
(1) Subject to the limits of IRC 415(n), a member of a defined benefit plan may purchase service credits of up to (5) five years after (5) years of employment excluding military service as provided by the member's coverage group.

(2) A member of a defined benefit plan who prior to becoming a member of the retirement system was employed by the Wayne County Airport Authority in a position that was excluded from membership in the Wayne County Employees' Retirement System may purchase at full actuarial cost only so much of his/her pre-membership service with the Wayne County Airport Authority as is necessary to cause the retirement system to be in compliance with the permissive service purchase rules of IRC 415(n).

Sec. 1-35. - Medicare benefits.

Thirty days prior to turning 65 years of age, the retirement member shall complete the necessary documents to apply for Part B Medicare benefits through the Social Security Administration.

The above Plan with revisions are effective upon signature by the CEO.



Thomas Naughton

Chief Executive Officer

Wayne County Airport Authority

Date: August 31, 2016