

SUMMARY PLAN DESCRIPTION

FOR THE

KENT DISTRICT LIBRARY EMPLOYEES'

RETIREMENT PLAN

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THE KENT DISTRICT LIBRARY EMPLOYEES' RETIREMENT PLAN

Your Retirement Plan

The Kent District Library Board established the Kent District Library Employees' Retirement Plan in 1996 to provide retirement benefits for eligible employees. This is a summary of the Plan as amended through February 21, 2002. We will refer to the Kent District Library Employees' Retirement Plan as the "**Plan**" throughout this summary. The terms "**we**" and "**Library**" refer to Kent District Library.

The Plan is funded by a combination of Library and employee contributions. The retirement benefits you receive from the Plan will be in addition to your benefits from Social Security.

How the Plan Works

The terms and conditions of the Plan are contained in a written "**plan document**" which is maintained by the Library. The plan document specifies the eligibility requirements for participating in the Plan and receiving benefits.

The money contributed to the Plan is maintained in a "**trust fund**." The trust fund is managed and controlled by the Pension Board of Trustees. The Pension Board of Trustees is comprised of two participants elected by members of the Plan, two members of the Library Board and one citizen of Kent County experienced in financial matters, who is appointed by the Library Board. The Library transmits employee contributions and additional funds as determined annually by the actuary. All payments are transmitted on a bi-weekly basis.

The Pension Board of Trustees pays retirement benefits to eligible employees at the direction of the Library. The Pension Board of Trustees decides questions concerning eligibility on the basis of the provisions of the Plan. The Plan provides a right of appeal to persons whose rights are affected by decisions of the Pension Board of Trustees.

Plan Year

Plan records are maintained on a calendar year basis. The "**plan year**" is the same as the calendar year.

HOW YOU BECOME A MEMBER IN THE PLAN

Eligible Employees

All persons who are employed by the Library in a position normally requiring 500 or more hours of work per year are eligible to participate in this Plan, except employees who are working for us pursuant to a contract with an employee leasing organization or agency, or an individual employment contract. If you are working for us pursuant to a contract, you will not be eligible to participate in the Plan unless the contract specifically provides for your eligibility.

Contribution and Service Requirements

Contributions of 4.5% (or other as indicated in the KDL labor contract) of compensation are required after you have completed employment sufficient to earn six (6) months of vesting service.

Entry Dates

If you are an eligible employee, you will become a participant in the Plan after satisfying the service requirement and after you begin making the contributions described above.

HOW YOU EARN SERVICE CREDITS TO BE ELIGIBLE FOR BENEFITS

Credited Service

The *amount* of your benefit will be based on your years of “**credited service**” and on your compensation. You will be *eligible* for a retirement benefit under the Plan as soon as you have earned a certain number of years of “**vesting service.**” Your service includes regular time, vacation time, sick time, holidays and other hours for which you are paid by the Library. Excepting the first six (6) months of employment, you will earn no credited service unless you make the required 4.5% (or other as indicated in the KDL labor contract) contribution for each pay period.

If you are a full-time employee, you will earn a month of credited service for every month for which you are paid or entitled to payment by the Library for 10 or more work days. If you are a part-time employee, you will earn a year of credited service for each plan year in which you complete 1,800 or more hours of service as an employee of the Library. If you complete less than 1,800 hours but more than 500 hours, you will be given credit for a partial year of credited service based on a fraction: the numerator is the number of hours worked during the year and the denominator is 1,800 hours.

If you take an authorized leave of absence for military service and return to employment during the period in which your reemployment rights are protected by federal law, you will be credited with the number of hours per week, weeks per year and years of service that you would have received if you remained in the employ of the Library during the period of military service. If you served in active duty with the armed forces of the United States you may be able to “purchase” some or all of this credited service for purposes of this Plan. Contact the Human Resources Department if you have served in the military and would like more information about military service purchases.

Required Employee Contributions

You are required to contribute 4.5% (or other as indicated in the KDL labor contract) of your compensation to the Plan in order to earn credited service. You are not required to contribute during your first six (6) months of employment but will receive credited service for these months if you are otherwise eligible to participate. You are always 100% vested in your contributions plus earnings (your “accumulated contributions.”) If your employment terminates before you

become vested, your benefit is limited to payment of your accumulated contributions plus any accrued interest. Future monthly pension payments are forfeited.

Employee contributions made after January 1, 2003 are treated as “picked-up” under the Internal Revenue Code. Under this approach, your contributions are not subject to current income tax (but remain subject to FICA taxes.)

Vesting Service

The Plan uses the “**elapsed time**” method for determining years of vesting service. You earn vesting service for each full year of employment during your “**period of employment.**” Your period of employment begins on your date of hire and ends on the date you incur a severance of service. If you have more than one period of employment, your years of employment from each period of employment will be combined.

A severance of service occurs on the **earlier** of the following:

- the date on which you quit, are discharged, die, or retire, or
- the first anniversary of the date on which you have been absent from employment (with or without pay) for any reason other than a leave of absence authorized in writing by the Library or service in the Armed Forces of the United States.

For example, let’s assume that your period of employment is September 2, 1999 through December 5, 2002, the day on which you quit. You will be credited with years of vesting service as follows.:

September 2, 1999 – September 1, 2000	<i>1 year</i>
September 2, 2000 – September 1, 2001	<i>1 year</i>
September 2, 2001 – September 1, 2002	<i>1 year</i>
September 2, 2002 – December 5, 2002	No vesting service credited (Incurred an immediate severance of service by quitting)
Total years of vesting service:	<i>3 years</i>

Let’s change the example above and assume that you were laid off on August 1, 2000 and recalled November 1, 2000. Since you returned to work before the first anniversary of the layoff, you do not incur a severance of service and will be credited with years of vesting service as follows:

September 2, 1999 – September 1, 2000	<i>1 year</i>
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Layoff: August 1, 2000 – November 1, 2000	Must return to work prior to August 1, 2001, the first anniversary of the layoff.
September 2, 2000 – September 1, 2001	<i>1 year</i> (Period of absence from August 1, 2000 to November 1, 2000 is ignored because there was no severance of service)
September 2, 2001 – September 1, 2002	<i>1 year</i>
September 2, 2002 – December 5, 2002	No vesting service credited (Incurred an immediate severance of service by quitting)
Total years of vesting service:	<i>3 years</i>

Finally, let's change the preceding example and assume that you were not recalled until November 1, 2001. You will be charged with a severance of service on August 1, 2001, the first anniversary of the layoff, and you will begin a new period of employment on November 1, 2001. You will be credited with years of vesting service as follows:

September 2, 1999 – September 1, 2000	<i>1 year</i>
Layoff: August 1, 2000 – November 1, 2001	Severance of service occurs on August 1, 2001, the first anniversary of the layoff.
September 2, 2000 – September 1, 2001	No vesting service credited (Incurred a severance of service prior to the end of the year – see above)
<i>Begin new period of employment:</i>	
November 1, 2001 – October 31, 2002	<i>1 year</i>
November 1, 2002 – December 5, 2002	No vesting service credited (Incurred an immediate severance of service by quitting)
Total years of vesting service:	<i>2 years</i>

You will be eligible for a retirement benefit under the Plan as soon as you have earned five (5) or more years of “vesting service.” The amount of your benefit in excess of your contributions plus earnings (accumulated employee contributions) will be forfeited if your employment terminates before you complete five (5) years of vesting service.

SERVICE CREDITS UPON REEMPLOYMENT

Credited Service

If your employment with the Library terminates and you take a distribution of your accumulated employee contributions you will not be eligible for any other benefits from the Plan. If you are later rehired by the Library your prior credited service will be restored to you after you repay your prior distribution of accumulated employee contributions, plus interest from the date of distribution. Such repayment must be made before the earlier of five (5) years after the date of reemployment or a period after reemployment equal to the period of absence. If you are rehired and you have not taken a distribution of your accumulated employee contributions, your prior credited service will be restored immediately.

Vesting Service

If you are rehired and you have not taken a distribution of your accumulated contributions, your prior vesting service will be restored immediately. If you had satisfied the requirements for vesting (five (5) years of vesting service) at the time your employment terminated and you are later rehired after a distribution of your accumulated contributions, your prior vesting service will be restored after you earn one (1) additional year of vesting service after you return. If you had not satisfied the requirements for vesting and you are rehired after a distribution of your accumulated contributions, your prior vesting service will be restored after you earn one (1) year of vesting service after you return only if your severance from service was less than 60 months (72 months if the severance of service is due to pregnancy, childbirth, placement of a child in connection with adoption or child care immediately following birth or adoption.)

REQUIREMENTS FOR PENSION BENEFITS

You will be eligible for pension benefits under the Plan if your employment with the Library terminates after you have completed the age, service or other requirements for the particular benefit. You must file a written application for an early retirement benefit at least 30 days but not more than 90 days prior to the date you want the benefit to begin. The requirements for each of the following benefits are:

- **Normal Retirement**
 - ✓ Age 60 and at least five (5) years of vesting service; or
 - ✓ Any age and 25 years of credited service.
- **Early Retirement**
 - ✓ Termination of employment after attainment of age 55 and between 15 and 25 years of credited service.

- **Deferred Vested Pension**

- ✓ Any age and five (5) or more years of vested service.
- ✓ You must not be receiving or entitled to receive any other benefit under the Plan.
- ✓ Payments will not begin until after you reach age 60 and apply for benefits as described above.

- **Death Benefit**

- ✓ Death of an employee of the Library who has 15 or more years of credited service.
- ✓ Your beneficiary has not waived the survivor benefit in favor of the return of accumulated employee contributions.
- ✓ You are survived by a spouse (including a former spouse if the EDRO so provides) or other dependent receiving more than one-half of his or her support from you for at least two (2) years immediately preceding your death.

- **Disability Benefit**

- ✓ 10 or more years of credited service for a disability not related to work. There is no service requirement for work related disability.
- ✓ You must have a physical or mental condition that permanently prevents you from satisfactorily performing your usual duties for the Library as a result of personal injury or disease.
- ✓ You will not be considered disabled for the purposes of this Plan if your condition is the result of alcohol or other controlled-substance abuse or felonious activity.
- ✓ You must be eligible for this benefit within 30 days of the last day of employment or a Library-approved leave of absence.
- ✓ You must not have attained normal retirement age.

HOW YOUR PENSION BENEFIT IS DETERMINED

Accrued Benefit

Your accrued benefit is the portion of your normal retirement benefit that you have earned as of a particular date. This is the amount you will be entitled to receive each month for the balance of your life when you reach age 60 or after completing 25 years of credited service, if earlier. Your

accrued benefit is equal to 2.25% times your final average salary times your years of credited service. For purposes of determining your benefit the maximum Library-financed portion cannot exceed 75% of your final average salary.

Full-time members

Your “final average salary” for a month will be determined by looking at the 60 consecutive months of vesting service with the Library preceding termination. From this 60 month period, the average monthly salary will be determined by taking the 36 consecutive months of vesting service during which your compensation was the highest and dividing that number by 36.

EXAMPLE: Let’s assume you are 45 years old, you have earned 20 years of service, and your final average monthly salary is \$2,000. Your accrued benefit is determined as follows:

$$20 \text{ years} \times 2.25\%/\text{year} \times \$2,000$$

$$\text{Monthly Benefit} = \$900$$

Part-time members

Your “final average salary” will be compensated as follows:

$$150 \times \frac{[36 \text{ months of vesting service with highest compensation out of 60 months preceding termination}]}{\text{Number of hours worked in 36 month period}}$$

Normal Retirement Benefit

Your normal retirement pension will be equal to your accrued benefit at age 60 or completion of 25 years of credited service, if earlier. This benefit is payable on the first day of each month after you satisfy the eligibility requirements and will continue for the balance of your life. This benefit may be paid in one of the optional forms described in *How Your Pension is Paid at Retirement*. If you work beyond age 60 or completion of 25 years of credited service, benefit payments will be delayed until you actually retire. You will, however, earn additional credited service until the date you retire, subject to the 75% limit on the Library-financed portion of your benefit.

Your Early Retirement Benefit

Your early retirement benefit is equal to your accrued benefit. You will be eligible for this benefit if you terminate employment after you have reached age 55 and completed at least 15 but less than 25 years of service. You may elect to receive this benefit on a reduced basis prior to your normal retirement date.

If you are younger than age 60 and have fewer than 25 years of credit service at the time of this election, the monthly payments will be actuarially reduced. The reduction in the monthly benefit is intended to reflect the fact that you probably will receive the early retirement benefit for a longer period of time.

EXAMPLE: Let's assume you retire at age 58 with less than 25 years of credited service and with an accrued benefit of \$400. Your early retirement benefit will be determined as follows:

Monthly pension payable at age 60:	\$400.00
Less early retirement reduction of $.1759 \times \$400$:	<u>\$-72.36</u>
Benefit payable at age 58:	\$329.64

You may begin to receive early retirement benefits on the first day of the month after you meet all the requirements for eligibility.

Deferred Vested Pension

You will be entitled to a vested pension if you have earned five (5) years of vested service at the time your employment terminates. The deferred vested pension will be payable to you commencing at age 60. If you terminate employment prior to earning five (5) years of vested service you will be entitled to the return of your accumulated employee contributions and earnings. You may choose to have the entire amount of your accumulated contributions paid to you in a cash, lump sum payment, or you may choose to have the taxable portion of your accumulated contributions paid in the form of a direct rollover to an IRA or a retirement plan of a successor employer.

EXAMPLE: Let's assume you terminate your employment at age 40 after 15 years of service. Let's assume your accrued benefit as of the date of termination is \$400. You are 100% vested in your accrued benefit and, therefore, your deferred vested benefit is \$400 per month payable at age 60.

Death in Service (Survivor) Benefit

The survivor benefit is determined as if you retired in the manner for which you were eligible on the day before your death and elected to receive payment in the form of a joint and 100% survivor annuity with your beneficiary.

Payment of the survivor's benefit will be in the form of a monthly lifetime pension beginning on the first day of the month following your death and will continue every month until the death of your beneficiary. The amount of this allowance will not be reduced to reflect commencement of payment prior to your attainment of your minimum service retirement age.

You should designate a beneficiary on the form provided by the Library at the time you enroll in the Plan. Your beneficiary may be your spouse or another person receiving at least one-half of their support from you for at least two (2) years immediately preceding your death. You may change your beneficiary at any time prior to commencement of the benefit. If no spouse or designated beneficiary survives you or you do not have 15 years of credited service, then no payment will be made to your spouse or beneficiary except for payment of your accumulated contributions and earnings thereon to your spouse or beneficiary or to your estate.

Post Retirement Increases

Retirement benefit payments are adjusted under a cost of living formula beginning on the January 1st that is at least three (3) years after the retirement benefit begins. Benefits are increased by one (1%) percent of the original benefit for each full year in the period from 12 months before the benefit is first adjusted to the current January 1st. The benefit increase payable, however, cannot exceed the rise in the “consumer price index” from the date benefits begin until the date the increase is to become payable.

Disability Pension Benefit

If you become totally and permanently disabled for any reason as a result of any personal injury or disease which is not related to your employment and you have ten (10) or more years of credited service you will be eligible to receive payment of your accrued benefit. The amount of this disability pension will be computed based on your years of credited service earned up to the date of your disability, plus accumulated sick leave.

If you become totally and permanently disabled as the direct and proximate result of a personal injury or disease arising out of and in the course of performing your duties as an employee you will be eligible to receive a disability benefit regardless of the number of your years of credited service. The amount of your accrued benefit for this purpose will be computed by adding to your years of credited service an additional amount of credited service equal to the credited service from the date of the disability to your attainment of age 60.

These computations of accrued benefit will be subject to the 75% limit on the Library-financed accrued benefits. The accrued benefits will not be reduced to reflect early payment and will commence after the Pension Board of Trustees approves the payment. Disability benefits will be retroactive to the date of onset of the disability. The benefit will be paid in one of the forms described in *How Your Pension is Paid at Retirement*.

Your monthly disability benefits will be paid to you as long as you remain disabled. The Pension Board of Trustees may require you to undergo periodic physical examinations to confirm your disabled status. Examinations will not be required more than once per year or after age 60.

If you receive any disability allowance under this Plan during your period of disability, your payments will be reduced as needed so that they do not exceed 90% of your final average salary less:

- workers compensation payments,
- disability benefits from social security,
- disability income payments, and
- compensation or any reimbursement from employment or self-employment.

HOW YOUR PENSION IS PAID AT RETIREMENT

Your pension benefit will be paid to you after you have retired and filed an application for benefits. Your entire benefit for all service with the Library after December 31, 1995 and for

service with Kent County prior to January 1, 1996, will be paid from this Plan. It may be paid to you in various optional forms.

You Must Elect a Form of Payment Before You Retire

Upon your request, the Library will furnish you with an explanation of the optional forms of benefit and the monthly benefits available to you under each option. This explanation will be given to you prior to the date on which you are eligible to begin receiving benefits and you will have a reasonable time in which to consider the options.

If the “**present value**” of your deferred vested pension and your accumulated employee contributions are both less than \$5,000 at the time you terminate employment, the Pension Board may, at its discretion, pay you a single lump sum payment of the greater of those amounts. The present value of your deferred vested pension benefit will be determined by the actuaries employed by the Kent District Library Board and will be based on the actuarial assumptions stated in the Plan.

Optional Forms of Payment

You may elect any one of the forms of payment described below. The value of each form of payment will be the same, but the monthly payment will be adjusted according to the form selected. If you are married at the time payments are to begin, your spouse must consent to your choice of a benefit form.

The optional forms of payment are as follows:

- **Life Benefit**
This form pays you a monthly pension for your life only. There are no further benefits after your death, other than the terminal benefit, described below. This is the normal form of accrued benefit.
- **Life with 10-Year Certain Benefit**
This form pays you a monthly lifetime pension. If you die before the end of the 10 years, payments will be paid to your beneficiary for the remainder of the 10-year period. If you live beyond the 10-year period, you will continue to receive the monthly pension until your death. If your death occurs after the 10-year period is over, no death benefit is payable to your beneficiary. You may, with the consent of your spouse, change your beneficiary at any time.
- **Joint and 100% Survivor Benefit**
This form pays you a monthly lifetime pension. After your death, 100% of your monthly pension will be paid monthly to your spouse or other beneficiary for the balance of the spouse’s or other beneficiary’s life.
- **Joint and 50% Survivor Benefit**
This form pays you a monthly lifetime pension. After your death, 50% of your monthly pension will be paid monthly to your spouse or other beneficiary for the balance of the spouse’s or other beneficiary’s life.

EXAMPLE: Let's assume that you retire at age 60, your accrued benefit is \$400 per month, and your spouse's age is 57.

<u>FORM OF PAYMENT</u>	<u>APPROXIMATE MONTHLY PAYMENT</u>
Life Option	\$400.00
Life with 10-Year Certain Period Option	\$388.28
Joint and 100% Survivor Option to	
• <i>Retiree</i>	\$352.95
• <i>Surviving Spouse</i>	\$352.95
Joint and 50% Survivor Option to	
• <i>Retiree</i>	\$375.01
• <i>Surviving Spouse</i>	\$187.51

The amounts will vary based on your accrued benefit, your age, and your spouse's age at the time of your retirement.

Reduction of Benefits for Previous Payment

If you receive a payment of your accumulated employee contributions under this Plan before your normal retirement date and are reemployed by the Library thereafter, your accrued benefit will be computed on the basis of your credited service earned after reemployment unless you repay your prior distribution, plus interest.

Terminal Benefit

If the total of all benefits paid to you up to the time of your death (or the later death of your beneficiary if you had elected a benefit form with continuing benefits for a spouse or other beneficiary) are less than the value of your accumulated employee contributions determined at the time of retirement, then the difference between the accumulated employee contributions and the total of the retirement payments will be paid to your designated beneficiary, or if none, to your estate.

Suspension of Benefit

If your allowance commences at retirement and you are subsequently rehired by the Library, your allowance payments will be suspended until you again terminate employment. You will receive no allowance increases as a result of your later employment. There are limited exceptions to this and you will be notified at the time of your reemployment whether they apply to you.

Benefit Payments Pursuant to Orders by Divorce Courts

A divorce court may order the Plan to pay part of your benefits under the Plan to your spouse, former spouse, child, or other dependent (an “**alternate payee**”) through an “**eligible domestic relations order**.” If the Library receives a domestic relations order involving your benefits under the Plan, the Library will notify you of the receipt of the order and give you an opportunity to comment on the contents or the validity of the order. The Library will then determine whether the order satisfies the requirements for a qualified domestic relations order and notify you accordingly. If the order does qualify, the Library will comply with the terms of the order.

Payment to the alternate payee will be made upon proper application by the alternate payee and may begin anytime after the date on which you become entitled to benefit payments under the Plan or your 55th birthday, whichever is earlier.

HOW PAYMENTS FROM THE PLAN ARE TAXED

The amounts we contribute to the Plan on your behalf are not included in your income for tax purposes until you begin to receive payments from the Plan. The taxation of your benefits is deferred until you actually receive those benefits. If you made contributions to the plan prior to January 1, 2003, those contributions were made after-tax, and a portion of each distribution will be non-taxable. The Library will advise you of the portions which are taxable and non-taxable at the time distributions begin.

If you are eligible to receive a return of accumulated employee contributions, special rules apply. The amounts which you contributed as after-tax contributions prior to January 1, 2003 will not be taxable when they are later paid to you. The contributions you made after January 1, 2003 and earnings on all your contributions will be taxable when paid and may be subject to an additional 10% penalty tax if you withdraw these amounts before age 59½. Also, the taxable amount of your accumulated contributions will be subject to a 20% withholding requirement for federal income tax purposes when paid to you. You may be able to defer taxes on the earnings portion of your accumulated employee contributions and amounts you contribute after December 31, 2002, avoid the additional 10% tax and avoid the 20% federal withholding requirement by rolling these amounts over to an individual retirement account (IRA) or the retirement plan of your next employer. These rules and options will be explained in more detail when you become eligible for this distribution.

The rules on the taxation of distributions from this plan are complex and contain a variety of exceptions and special provisions. You should contact your own tax adviser to discuss the tax consequences of your distributions and the techniques you may employ to defer or minimize the taxes payable with respect to the distribution.

HOW AND WHEN YOU APPLY FOR BENEFITS

Please be advised of your pension options and how to apply when you terminate your KDL employment, or if still employed at KDL, when you reach retirement age. If you are no longer employed by KDL you must apply for pension benefits to begin and must apply 30 days in advance of your 60th birthday if you wish benefits to begin at that time. Applications must be made through the Human Resources Department and received at HR at least 30 days but not more than 90 days before your payments are to begin. You may begin to receive retirement benefits on the first day of the month after you meet all of the requirements for eligibility.

Once you leave KDL employment, failure to apply for benefits in accordance with the following will result in the loss of monthly benefits. Please be advised of the following:

- If you have 25 years of credited service as defined by the Plan, you may retire at any age. Credit for time spent in military service may be given as defined in the Plan.
- If you do not have 25 years of service, but are age 55 and have the number of years of credited service required by the Plan, you may take an early retirement benefit; however, your monthly benefit will be actuarially reduced.
- Delaying application after your 60th birthday does not result in the increase of monthly benefits such as may be the case with Social Security or other retirement plans.
- If you apply at some time after your 60th birthday a monthly pension is paid from that point forward, but there is no payment retroactive to your 60th birthday.
- You must apply *before* the date of your 63rd birthday or you will lose your monthly pension option entirely. In that case, just as with those who leave KDL and decide to take a one time payout instead of a monthly pension, you will only be eligible for your untaxed payroll contributions plus interest. When taking a payout, you lose the additional money contributed by KDL that would have been included in your monthly pension payment.

If you meet the requirements, your pension will be calculated and you will be contacted to discuss the amount of your pension and the optimal methods of payments. If you are not eligible for a benefit, we will give you a written explanation of why you are ineligible and your right to appeal the decision.

The procedure for filing an appeal is:

- You may review any documents that are pertinent to your appeal;
- You must first file a *written* notice of appeal with us within 60 days after you receive a notice of denial;
- You must file *in writing* all the materials and arguments that you wish to have considered in the appeal not later than 30 days after you file your notice of appeal;
- Unless there are special circumstances requiring more time, we will review your appeal and advise you *in writing* of our decision within 60 days after the Pension Board's review of your appeal. If an extension is necessary, we will notify you before the end of the initial 60 day appeal period. The extension will be for 60 days or less.

- Our decision on your appeal will be delivered to you *in writing*. The decision will be written in a manner that you can understand and will refer you to the provisions in the Plan upon which we based our decision.

YOUR RIGHTS AS A PARTICIPANT

Limitations

This Plan is only a retirement plan. The Plan covers eligible employees as long as they remain in the employ of the Library. The Plan does not constitute a contract of employment and does not give you any right to continued employment with the Library. If your employment with the Library terminates for any reason, you will be entitled to the benefits you have earned under the terms of the Plan in effect on the date your employment terminates.

This summary outlines the provisions of the Plan as in effect on and after February 21, 2002. These provisions apply to persons who are employed by the Library on or after that date. The rights and benefits, if any, of former employees who terminated employment prior to February 21, 2002, will be paid under and governed by the provisions of the Plan in effect on the date their employment terminated.

Plan Amendments

The Library may amend the Plan at any time and from time to time. An amendment cannot reduce the benefits that you have earned to the date of the amendment. An amendment will ordinarily be effective on the first day of the plan year in which it is adopted. If the amendment significantly changes the provisions of the Plan outlined in this summary plan description, a new summary plan description or supplement will be furnished to participants and beneficiaries.

Plan Termination

Although the Library intends to continue the Plan on a permanent basis, it reserves the right to terminate the Plan at any time subject to its collective bargaining obligations. If the Plan terminates, you will become 100% vested in your accrued benefit insofar as it is funded by the trust fund.

Plan Administration - Responsibility

The Library is the “**plan administrator**” and has the responsibility and discretionary authority for interpreting the terms of the Plan, for determining eligibility for participation and benefits, and for determining the amount of a participant’s benefits. The plan administrator will resolve all disputes with respect to the interpretation of the Plan in accordance with the appeal procedures for the Plan.

Protection from Creditors

Your interest in this Plan is subject to the “**spendthrift**” provisions of the Plan. The spendthrift provisions protect your interest from garnishment or seizure by your creditors. These provisions also prevent you from assigning or pledging your interest in the Plan as a security for a loan or other obligation. These spendthrift provisions do not apply to assignments made in a “qualified domestic relations order” that is entered by a divorce court.

BASIC PLAN INFORMATION

Plan Sponsor: The Board of Trustees of Kent District Library

Information and Communication: Kent District Library
Human Resources Department

Address: 814 West River Center NE
Comstock Park, MI 49321-8955

Phone: (616) 784-2226

Name of Plan: Kent District Library Employees' Retirement Plan

Type of Plan: Defined Benefit Pension Plan

Plan Effective Date: January 1, 1996

Plan Year: January 1 to December 31

Agent for Service Process: Kent District Library
Human Resources Director

Name and Address of Trustees: Pension Board Trustees
Kent District Library Employee's Retirement Plan
c/o Human Resources Director
Kent District Library
814 West River Drive NE
Comstock Park, MI 49321-8955