

**January 1, 2009**

**Summary Plan Description  
for  
Town of New Fairfield Retirement Income  
Plan**

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## Introduction

Like so many other important events in life, retirement has a way of getting here sooner than we expect. That's why it's never too early to start planning for those years when you no longer have a regular paycheck.

Where will the money come from to support a secure retirement? Social Security, designed to provide for the basic necessities of life, will be one source of income. Both you and your employer contribute to Social Security during your working years. Another major source will be your own savings -- money that you set aside specifically for retirement in vehicles such as bank accounts, individual retirement accounts, and savings bonds.

We're pleased to tell you that a third source will be the Town of New Fairfield Retirement Income Plan (called the "Plan" throughout this booklet). This valuable benefit, funded entirely by Town of New Fairfield (called the "Employer" throughout this booklet), is intended to supplement Social Security and your personal savings in meeting your post-retirement needs. Subject to the Plan's terms and conditions, the Plan offers you:

- A monthly Plan Benefit for life starting at the Normal Retirement Date of age 65
- Optional early retirement once you've reached age 62
- The right to future Plan Benefits you have earned under the Plan after 5 years of Service - - whether or not you continue to work for the Employer
- Survivor Plan Benefits for your Spouse, even if you die before you retire.
- A choice of ways to receive your monthly Plan Benefit, to help you better plan for your later years

The Plan is a defined benefit pension plan. This means that your retirement benefit is accrued over the period of your covered employment and that the amount of your retirement benefit is determined by a formula that is defined in the plan document. More information about how your benefits accrue and your retirement benefit formula is provided in this booklet.

Since the Plan Benefits provided by the Plan play a key role in your future financial security, we urge you to read this summarized description of the Plan carefully. This description summarizes the Plan in effect on January 1, 2009 and updates and replaces any prior descriptions. Employees whose employment terminated before January 1, 2009 may be subject to different Plan provisions.

Please remember, however, that this information is only an *overview* of the Plan's important provisions. Full details can be found in the legal Plan document which is available for your

review in the Town of New Fairfield Finance Department during regular business hours. You should consult the Plan document itself if you have any questions about the Plan or your Plan Benefits that are not answered by this booklet.

If you would like your own copy of the Plan document, you may obtain a copy by writing to the Plan Administrator whose location is listed in this booklet's section entitled "*Getting Your Questions Answered*". There may be a small charge for this service.

## **Plan Highlights**

### **Who Is Covered**

Generally, you are covered under the Plan if you are employed by the Employer and if you are any individual who is classified by the Employer as a common law employee of the Employer and who is customarily employed by the Employer for more than 35 hours per week and for more than 5 months per calendar year. The term "Employee" shall not include any such individual who is: (1) an elected official, (2) a police officer, (3) a firefighter, (4) employed by the Town of New Fairfield Board of Education, or (5) a "leased employee". However, you will NOT be covered if

- You are employed by a leasing organization, but work for the Employer

Even if you are in a class of employees covered under the Plan, you will not participate (earn Plan Benefits) under the Plan until you meet the eligibility requirements described in the section "*When and How You Become a Participant*".

### **The Value Of Your Plan Benefit**

The monthly Plan Benefit you'll receive from the Plan is based upon:

- Your length of Service and Credited Service with the Employer
- Your Earnings and salary history with the Employer
- Your age when Plan Benefit payments begin

### **When You Can Retire**

- Normal Retirement Date: age 65
- Early Retirement Date: as soon as you reach age 62
- Late Retirement Date: generally, any time after your Normal Retirement Date

## **When You're Vested**

- 100% vesting after 5 years of Service

## **Plan Benefit Payment Options**

The Plan offers you a choice of different forms of payment to meet your needs and those of your Beneficiaries:

- Single Life Annuity
- Qualified Joint And Survivor Annuity
- Years Certain And Life Annuity with a ten year period certain
- Partial Single Sum Payment if you have a Cash Surrender Value from the former Aetna Pension Plan

## **Survivor Plan Benefits**

In addition to those payment options which provide a survivor with a Plan Benefit in the event of your death after your Annuity Starting Date, the Plan offers a Preretirement Spouse Benefit if you are married and die *before* your Annuity Starting Date.

## **When And How You Become A Participant**

If you are already a Participant in the Plan, you will continue as a Participant until you are no longer in a class of employees covered under the Plan. If you are not already a Participant, you are eligible to become a Participant if you are in a covered classification (see the section above entitled "*Who is Covered*").

You will begin participating as of the first day of the month coinciding with or immediately following the date you reach age 21 and you complete one year of Eligibility Service.

If your employment terminates and you are later rehired, you will be treated as a new employee and will become a participant upon meeting the eligibility requirements noted above.

## **Your Eligibility Service**

You are credited with Eligibility Service from your date of hire (or rehire) until your Severance Date (the earlier of the date your employment terminates or the date you are absent from work for 12 months).

## **The Factors That Determine Your Plan Benefit**

The amount of Plan Benefit you will receive from the Plan depends on several key factors:

- Your Service and Credited Service, both of which are based on your length of employment with your Employer
- Your Earnings and salary history while employed by your Employer
- Your age when retirement payments begin
- Certain legal limitations and requirements

Before we discuss how your Plan Benefit is calculated, it's essential that we clearly define these factors.

### **Your Service**

The term Service, as it's discussed in this booklet, refers to the portion of your employment with the Employer used to determine your eligibility to receive a Plan Benefit. You earn Service based on the number of whole years and full months you are employed by the Employer.

#### **How You Earn Service**

You earn Service from the date you are hired by the Employer until your Severance Date (the earlier of the date your employment terminates or the date you are absent from work for 12 months). Service is credited in whole years and full months.

Any interruption in your active employment with the Employer may be considered an interruption in your Service and is called a Break-in-Service. Breaks-in-Service can impact previously earned Service if you terminate employment with the Employer and later return to active employment. We'll talk about that in more detail shortly.

#### **Absences That Qualify As Service For Vesting Purposes**

The following absences are still counted as Service for purposes of determining your vested interest:

- Absence after your employment terminates if you return to work within 12 months of the date you were first absent from work.

- An authorized leave of absence, for any reason, of up to 24 months, as long as you return to active employment when your leave is over. If you don't return to active employment, you'll stop earning Service after the first 12 months of your leave
- Absence because of sickness, disability, layoff, etc. If you don't return to employment within 12 months of such an absence, you will stop earning Service after that 12 month period.
- Absence because of active duty with the Armed Forces of the United States, as long as you are eligible for reemployment rights under federal law and you apply for active employment within 90 days after you are eligible for release from active duty
- Absence because of employment with an employer who is legally affiliated with the Employer under IRS rules. The Plan Administrator can answer any questions you may have about this provision.
- Absence because of disability if you are eligible for or receiving disability benefits from a non-governmental program paid for by the Employer.
- A maternity/paternity absence due to pregnancy, the birth of a child or the adoption and placement of a child of up to 24 months.
- A leave of absence due to reasons covered under the Family and Medical Leave Act. In this case, Service will be credited to the extent required by the Act.

### **What Happens To Your Service If You Terminate Employment And Are Rehired?**

To answer this question, we first need to briefly explain the concept of vesting.

Although you earn a Plan Benefit while you are covered by the Plan, you are not entitled to that Plan Benefit until you become vested. To be vested simply means that you have earned a non-forfeitable right to your Plan Benefit.

Under the Plan, you are 100% vested once you have 5 years of Service - that is, you are entitled to all of your Accrued Plan Benefit (i.e. the Plan Benefit you have earned to date) at retirement age.

You are also automatically 100% vested if you're an active employee when you reach your Normal Retirement Date, regardless of your years of Service.

Now let's get back to what happens to your Service if you leave employment with the Employer but are later rehired. The answer to this question depends on whether you were vested before you left:

- If you leave employment *before you are vested* (i.e., before you have 5 years of Service) and are later rehired, the Service earned before you terminated employment will continue to count (i.e., you *will not* lose your Accrued Plan Benefit) *unless* you incurred five consecutive one year Breaks-in-Service.
- If you leave employment *after you are vested* (i.e. after 5 years of Service) and are later rehired, the years of Service earned before you left and those earned after you return will always be added together and counted toward your vesting requirements.

## **Your Credited Service**

Credited Service is the portion of your employment with the Employer that is used in calculating the *amount* of your Plan Benefit. The amount of your Credited Service may differ from your Service.

### **How You Earn Credited Service**

Credited Service consists of the whole years and full months (partial months are disregarded except for purposes of aggregating your Credited Service if you are reemployed) you have been employed by the Employer regardless of the number of hours worked.

Credited Service includes all periods of employment except the following:

- Periods of employment while you are in a job classification that is not covered by the Plan

### **Absences That Qualify As Credited Service**

Absences which qualify as Service (see the information under the heading "*Your Service*") do *not* count as Credited Service, unless you are absent for any of the following reasons:

- Absence without termination of up to 12 months
- Absence because of military service if you return to employment with the Employer while your reemployment rights are protected under federal law
- Absence because of an authorized leave of absence, for any reason, of up to two years, as long as you return to active employment with the Employer when your leave is over



## **What Happens To Your Credited Service If You Terminate Employment And Are Rehired?**

If you leave employment with the Employer and are later rehired, the Credited Service you earned prior to your termination will not be aggregated with the Credited Service you earn following your reemployment.

## **Your Earnings**

### **Your Earnings**

Earnings is your wages from the Employer as reported to you for federal income tax purposes on your form W-2. Earnings also includes contributions made on your behalf by the Employer under salary deferral arrangements.

- *Earnings Limitation.* The yearly amount of Earnings that may be used in determining your Plan Benefit cannot exceed the limit imposed by the federal government. For 2007, this limit is \$225,000.
- Earnings are measured over calendar years.

### **Your Average Annual Earnings**

Average Annual Earnings is your highest annual average Earnings received during any 3 consecutive calendar years during your period of employment with the Employer before your termination of employment.

If you have received Earnings for 3 or fewer consecutive full calendar years, the annual average is taken by using the consecutive calendar years that are available.

## **Your Age At Which Payments Begin**

As an alternative to retiring on your Normal Retirement Date, you may choose an Early Retirement Date or a Late Retirement Date. Obviously, the age at which you choose to retire and begin receiving your Plan Benefit affects the amount of Service and Credited Service you earn and the period of time over which your Plan Benefit will be paid.

## **Legal Limitations**

There are two important legal factors that may have a bearing on the amount of the Plan Benefit you are eligible to receive.

- *Limitations On Plan Benefits Mandated By Federal Law.* Your annual Plan Benefit may not exceed certain benefit limitations which are set and annually adjusted by the federal government. The Plan Administrator will notify you of these limits if they apply to you.

## **How Your Plan Benefit Is Calculated**

Now let's look at how your Plan Benefit is calculated in terms of the retirement date options that are offered under the Plan.

### **Normal Retirement**

If you retire on your Normal Retirement Date as defined in the Introduction, your Plan Benefit payments will begin on the first day of the month which coincides with or follows that date.

Your monthly Normal Retirement Benefit is 1/12<sup>th</sup> of the amount calculated as follows:

1 % of your Final Compensation multiplied by your years of Credited Service before January 1, 1991 plus 2 % of your Final Compensation multiplied by your years of Credited Service earned beginning on or after January 1, 1991.

- 1) 1 % of your Average Annual Earnings multiplied by your years of Credited Service before January 1, 1991, plus
- 2) 2% of your Average Annual Earnings multiplied by your years of Credited Service earned on and after January 1, 1991.

### **Early Retirement**

You may retire before your Normal Retirement Date if you have reached age 62. Thus, your Early Retirement Date can be any date after you are age 62 and before your Normal Retirement Date.

Your Early Retirement Benefit payments may begin as early as the first day of the month following the month you actually cease employment. However, payments must begin no later than your Normal Retirement Date.

The Early Retirement Benefit calculation is basically the same as the Normal Retirement Benefit calculation, but it is adjusted to its Actuarial Equivalent for early commencement. The Actuarial Equivalent, based on the age at which you start to receive benefit payments, reduces your monthly Plan Benefit to account for the additional years during which you'll receive payments.

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1 % of your Final Compensation multiplied by your years of Credited Service before January 1, 1991 plus 2 % of your Final Compensation multiplied by your years of Credited Service earned beginning on or after January 1, 1991.

- 1) 1 % of your Average Annual Earnings multiplied by your years of Credited Service before January 1, 1991, plus
- 2) 2% of your Average Annual Earnings multiplied by your years of Credited Service earned on and after January 1, 1991.

### **Early Retirement**

You may retire before your Normal Retirement Date if you have reached age 62. Thus, your Early Retirement Date can be any date after you are age 62 and before your Normal Retirement Date.

Your Early Retirement Benefit payments may begin as early as the first day of the month following the month you actually cease employment. However, payments must begin no later than your Normal Retirement Date.

The Early Retirement Benefit calculation is basically the same as the Normal Retirement Benefit calculation, but it is adjusted to its Actuarial Equivalent for early commencement. The Actuarial Equivalent, based on the age at which you start to receive benefit payments, reduces your monthly Plan Benefit to account for the additional years during which you'll receive payments.

## Late Retirement

If you continue to work after your Normal Retirement Date, the day on which you finally do retire is called your Late Retirement Date. Your benefits under the Plan continue to accrue as long as you are employed.

In general, Late Retirement Benefit payments must begin no later than the April 1 following the later of the year you reach age 70 1/2 or the year you retire.

The Late Retirement Benefit calculation is essentially the same as the Normal Retirement Benefit calculation, with Credited Service and Earnings based on the date you actually cease employment.

## When You Terminate Employment

The Plan provides a retirement benefit for Participants who terminate employment with the Employer before they are eligible to retire, provided they are vested. To be vested is to have earned a non-forfeitable right to a portion or all of your Accrued Plan Benefit.

The amount of Plan Benefit to which you are entitled is called your Vested Plan Benefit.

Your Vested Plan Benefit will be a percentage of the Plan Benefit described under the heading "*Normal Retirement*". The percentage is taken from this schedule:

<u>Years of Service</u>	<u>Percentage of Normal Retirement Benefit</u>
If you have less than 5 years:	0%
If you have 5 or more years:	100%

If you are an active Participant on or after your Normal Retirement Date, you are automatically 100% vested, regardless of your years of Service.

If the present value of your Vested Plan Benefit is greater than \$5,000, payment of your Vested Plan Benefit will begin on your Normal Retirement Date. If it is less than \$5,000, it will be paid out in a single sum cash payment (see below).

Instead of waiting until your Normal Retirement Date to begin receiving benefit payments, you may choose to start receiving your Vested Plan Benefit as early as the first day of the month following the day you reach age 62. If you do choose to begin receiving your Vested Plan Benefit before your Normal Retirement Date, your Vested Plan Benefit will be adjusted by an Early Commencement Factor (see the information under the heading "*Early Retirement*").

## Single Sum Cash Payment

### When The Value Of Your Plan Benefit Is \$5,000 Or Less

If the value of your Vested Plan Benefit is \$5,000 or less you will automatically receive your Vested Plan Benefit in a single sum cash payment at the time your employment terminates. The single sum payment will be equal to the full value of your Vested Plan Benefit at that time. You cannot elect another form of payment. Please refer to the section "*Direct Rollover Distributions*" for important information regarding single sum cash payments.

Similarly, if the value of the Survivor Plan Benefit payable to your Spouse or other Beneficiary is \$5,000 or less, payment may be made in a single sum cash payment.

### Special Rollover Rules Applicable To Single Sum Cash Payments

If your Vested Plan Benefit is required to be paid in a single sum cash payment as described above, the Plan Administrator will notify you and give you the opportunity to elect whether to (1) receive payment yourself or (2) have the payment rolled over directly to the IRA or other eligible plan that you select. If you do not make an election within the period prescribed by the Plan Administrator, tax rules require that the present value of your Vested Plan Benefit be rolled over directly to an IRA maintained by a provider selected by the Employer (an "automatic rollover IRA").

The automatic rollover rules only apply to you if the present value of your Vested Plan Benefit is more than \$1,000. If the present value of your Vested Plan Benefit is \$1,000 or less, and you do not make an election, payment will be made directly to you.

You are the beneficial owner of any automatic rollover IRA established for you. The automatic rollover IRA must initially be invested in products that are designed to preserve principal (the amount of the initial investment) and provide a reasonable rate of return, consistent with retaining liquidity (so that you can change investments readily). Examples of this kind of investment product are money market funds and certificates of deposit. As the IRA owner, you will be able to change your future investments.

All fees and expenses of maintaining the automatic rollover IRA will be paid directly from your IRA. For more information regarding automatic rollover IRAs, contact the Plan Administrator at the telephone number and address shown in the Section entitled **Getting Your Questions Answered**.

### If You Are Rehired

If you receive a single sum cash payment of the full value of your Vested Plan Benefit when your employment terminates and you are later rehired by the Employer, you will retain your previously

earned Service, and be 100% vested, but will lose your previously earned Credited Service. Thus, you will be considered a new employee in terms of accruing Credited Service. Because your previously earned Credited Service is not included in calculating the Plan Benefit earned after you are rehired, your Plan Benefit will *not* be reduced upon your subsequent retirement because of the single sum cash payment.

### **Tax Treatment**

If you terminate employment before age 55 and receive a single sum cash payment of your Plan Benefit, your Plan Benefit may be subject to both ordinary income tax and a 10% additional tax. However, the 10% additional tax will *not* apply to taxable Plan Benefit payments that are:

- Made after you reach age 59 1/2 or
- Made to your Beneficiary when you die or
- Used to pay unreimbursed medical expenses for you or your dependent in excess of 7.5% of your adjusted gross income as reported on your Form 1040 federal tax return or
- Made under the terms of a Qualified Domestic Relations Order.

The Plan Administrator will provide you with information regarding the tax consequences of your distribution, when it is made. However, you should consult your own tax advisor for more complete information regarding your own situation. For the most current tax information, pick up a free copy of IRS Publication 575 "Pension and Annuity Income" at your local IRS office.

### **Direct Rollover Distributions**

If you receive your Plan Benefit in a single sum cash payment, you may choose to have all or part of such payment rolled over to a qualified defined contribution plan or to an IRA. The portion of your Plan Benefit that is directly rolled over will be exempt from the mandatory 20% tax withholding rules that are otherwise applicable to single sum cash payments.

The Plan Administrator will provide you with more detailed information as to how to elect a direct rollover. However, for more information as to the tax consequences related to single sum cash payments that are *not* directly rolled over to a qualified defined contribution plan or IRA, you should consult your own tax advisor.

## **Forms Of Benefit Payment**

If the value of your Vested Plan Benefit is \$5,000 or less at the time you retire, your Plan Benefit will be distributed in a single sum cash payment. If, however, the value of your Vested Plan Benefit is over \$5,000, distribution of your Plan Benefit will automatically take the form of an Annuity.

An Annuity is defined as the payment of a benefit in equal installments, usually monthly, over a period of time. The amount of these installments is usually based on life expectancy. You may choose among several different Annuity arrangements.

In the following sections, we will discuss the normal form of payment as well as your other payment options. All of these are intended to produce equivalent results. If you are married, you will need your Spouse's consent to elect a form of payment other than the normal form of payment.

Under special IRS rules, you may not elect a form of payment that is expected to provide a Survivor Plan Benefit to your designated Beneficiary that is more than incidental when compared to the benefit amount expected to be paid to you. An exception to this rule applies if your Beneficiary is your Spouse.

### **Normal Form Of Payment**

The Annuity form under which your Plan Benefit is normally paid -- that is, the way it automatically will be paid to you unless you waive it and make another election -- depends on whether you have a Spouse on your Annuity Starting Date (the date as of which payments start). For purposes of this Plan, your Spouse is the person to whom you are legally married on your Annuity Starting Date.

#### **Normal Form Of Payment For Married Employees**

If you are married, the normal form of payment is a Qualified Joint And Survivor Annuity. Through this type of Annuity, your Vested Plan Benefit is reduced to provide a lifetime income for your Spouse if you die after your Annuity Starting Date. The reduction to provide this survivor benefit to your Spouse is based on actuarial tables which consider, among other things, your age and the age of your Spouse.

Under the Qualified Joint And Survivor Annuity, you receive reduced monthly payments for life. After your death, your Spouse will continue to receive monthly payments for life. The amount of your Spouse's benefit after you die will be 50% of the reduced Plan Benefit amount you were receiving. If your Spouse dies before you, no further monthly payments will be made after your death. However, you will continue to receive the reduced amount as long as you live.

If you have obtained your Spouse's consent, you may waive the Qualified Joint And Survivor Annuity and choose among the other available payment options.

### **Normal Form Of Payment For Unmarried Employees**

If you are not married, your Plan Benefit will be paid in the form of a Single Life Annuity -- that is, in level monthly payments to you as long as you live. No Survivor Plan Benefits will be paid after your death.

### **Other Payment Options**

The Plan also offers additional payment options which may suit your needs better than the normal form just described. Again, if you are married, you must receive your Spouse's consent to waive the Qualified Joint And Survivor Annuity and choose one of these other forms of payment.

#### **Single Life Annuity**

If you are married, the Plan permits you to waive the Qualified Joint And Survivor Annuity and receive your Plan Benefit in the form of a Single Life Annuity -- that is, in level monthly payments to you as long as you live, based on your monthly Plan Benefit as described in the section titled "*How Your Plan Benefit Is Calculated*". Under this form of payment, you will receive a larger Plan Benefit than you would have received under the Qualified Joint And Survivor Annuity, but no Survivor Plan Benefits will be paid after your death.

#### **Years Certain And Life Annuity With A Ten-Year Period Certain**

The Years Certain And Life Annuity with a ten-year period certain provides you with reduced monthly payments for as long as you live, with a guarantee of at least ten years of payments. If you die within ten years of your Annuity Starting Date, your designated Beneficiary will receive the same monthly payments for the remainder of that ten-year period. If you die more than ten years after your Annuity Starting Date, no Survivor Plan Benefits will be paid after your death.

#### **Single Sum Cash Payment**

If you were enrolled in the former Aetna pension plan, you may elect to receive a portion of your retirement income as a single sum distribution on your Retirement Date. The benefits to which you would otherwise be entitled will be reduced by the actuarial equivalent of the amount paid under this option. The amount of the single sum option will be equal to your Cash Surrender Value. The Cash Surrender Value is the vested cash value, if any, which is attributable to the individual life insurance contracts purchased under the Aetna plan.



If you die before your Retirement Date, your Beneficiary will receive a single sum distribution equal to the Cash Surrender Value reduced by the actuarial equivalent of any Preretirement Spouse Benefit payable under the terms of this Plan.

## **Electing Your Form Of Benefit Payment**

### **Timing**

The Plan Administrator will give you information about the Qualified Joint And Survivor Annuity and your other payment options 30 to 90 days before your Annuity Starting Date, and you may make your election at this time. If you are married and want to waive the Qualified Joint And Survivor Annuity, you must have your Spouse's consent and must notify the Plan Administrator in writing before your Annuity Starting Date. *Once your payments begin, your election is final and cannot be changed.* Some additional timing information specific to Survivor Plan Benefit coverage will be discussed in the next section, "*Survivor Plan Benefits*".

### **Spousal Consent**

If you are married and want to choose a form of payment other than the Qualified Joint And Survivor Annuity, your Spouse must consent to your choice in writing, and this written permission must be witnessed by a notary or a representative designated by the Plan Administrator. Your Spouse must consent to both a Beneficiary other than him/herself and the optional form of payment.

### **What Happens To Your Form Of Payment If You Terminate Employment And Are Rehired?**

If you leave employment with the Employer and are later rehired before your Annuity Starting Date, your election of form of benefit payment will become ineffective, and you will make a new election before your future Annuity Starting Date.

If you are later rehired after your Annuity Starting Date and if your Annuity Starting Date was before your Normal Retirement Date, your election of form of benefit payment will continue to be effective only for your benefit accrued at the time of your termination of employment, and you will make a new election before your future Annuity Starting Date for your benefit accrued after your reemployment. Your new election may be the same or different than your earlier election. If your original Annuity Starting Date was on or after your Normal Retirement Date, your election of form of benefit payment will be effective for your benefit accrued both at the time of your termination of employment and after your reemployment, and you will not make a new election before your future Annuity Starting Date.

## Survivor Plan Benefits

While the primary purpose of the Plan is to help you maintain a satisfactory standard of living after retirement, it also provides Survivor Plan Benefits under certain circumstances.

This section will discuss some of the key factors involved in determining when and to whom benefits will be paid after your death.

As you read through this material, it will be helpful for you to remember that your Annuity Starting Date is the critical turning point in terms of Survivor Plan Benefits:

- *If you are married*, the death benefit provided to your Spouse by the Preretirement Spouse Benefit coverage (which we'll discuss in a moment) is generally effective *up to your Annuity Starting Date*, whether you choose Early, Normal or Late Retirement or you terminate employment with a Vested Plan Benefit. Once your Annuity Starting Date occurs, the Qualified Joint And Survivor Annuity coverage becomes effective. Unless these coverages are waived or eligibility requirements are not met, your Spouse may receive a Survivor Plan Benefit regardless of when you die and whether you are employed or are retired.
- *If you are unmarried* and die before your Annuity Starting Date, no Survivor Plan Benefit is payable. However, you may elect to waive the normal form of payment and choose an optional form of payment that provides Survivor Plan Benefit coverage. The Survivor Plan Benefit available under the optional form of payment that you elected would be payable if you die after your Annuity Starting Date.

## Preretirement Spouse Benefit

### Spousal Benefits Before Your Annuity Starting Date

If you are married and you die before your Annuity Starting Date, your Spouse may be eligible to receive the Preretirement Spouse Benefit. Similar to the Qualified Joint And Survivor Annuity which provides a benefit to your Spouse if you die after your Annuity Starting Date, the Preretirement Spouse Benefit provides financial support to your Spouse if you die before your Annuity Starting Date.

### Eligibility Criteria For The Preretirement Spouse Benefit

Your Spouse will be eligible to receive the Preretirement Spouse Benefit if all of the following conditions are met:

- You were married at the time of your death

- You had a Vested Plan Benefit
- Your Annuity Starting Date had not occurred

### **Amount Of The Preretirement Spouse Benefit**

Essentially, your Spouse will receive the same payments he or she would have received under a 50% Qualified Joint And Survivor Annuity had your date of death been the date you retired.

As in the case of a Qualified Joint And Survivor Annuity, the benefit amount your Spouse receives will be based on the amount you would have received as determined in the section "*How Your Plan Benefit Is Calculated*", adjusted for the Qualified Joint And Survivor Annuity form of payment, and actuarially adjusted if the payments start before Normal Retirement Date.

As in the case of a Qualified Joint And Survivor Annuity, the benefit amount your Spouse receives will be based on the amount you would have received as determined in the section "*How Your Plan Benefit Is Calculated*", adjusted for the Qualified Joint And Survivor Annuity form of payment, and actuarially adjusted if the payments start before Normal Retirement Date.

### **Timing Of Preretirement Spouse Benefit Payments**

Your Spouse may choose to start receiving Preretirement Spouse Benefit payments as early as your earliest retirement age (the earliest possible age you would have been eligible to retire) or, if that date has passed, the first day of the month following your death. He or she may also defer the start of these payments until the date you would have reached age 70 1/2.

If your Spouse does not elect any of the above dates, payments will begin on the date that would have been your Normal Retirement Date or your date of death, if later.

### **When The Preretirement Spouse Benefit Will NOT Be Paid**

Payments under the Preretirement Spouse Benefit **will not** be made if your Spouse dies before the date on which he or she chooses to start receiving Preretirement Spouse Benefit payments.

### **Cash Surrender Value**

If an individual insurance contract was purchased to provide benefits to you in accordance with the terms of the former Aetna pension plan, then the Cash Surrender Value will be paid to your beneficiary. This Value will be reduced by the actuarial equivalent of any Preretirement Spouse Benefit payable under the terms of this Plan. .

## Circumstances That May Affect Your Plan Benefit

Here is a summary of some of the more common circumstances which may affect your Plan Benefit, with references to any sections of the booklet, which describe these situations in more depth.

- **Membership in an ineligible employee group** makes you ineligible for benefits under this Plan. Should you join such a group, you may lose your eligibility to earn further Plan Benefits. See the section "*When and How You Become a Participant*".
- **If you are disabled**, your retirement benefit will be based only on the Credited Service you earned before the disability.
- **Suspension:** If you retire and then return to work for the Employer (or any company legally affiliated with the Employer under IRS rules), your Plan Benefit payments may be suspended. They will resume when you retire again.
- **If you waive the Qualified Joint And Survivor Annuity (with spousal consent)** and then die after your Annuity Starting Date, your Spouse will have no right to any portion of your Vested Plan Benefit unless he or she was the designated Beneficiary for the Survivor Plan Benefit provided under the optional form of payment you elected.
- **If you terminate employment before you are vested**, you will not be eligible for a Vested Plan Benefit. See the section "*When You Terminate Employment*".
- **The amount of your actual Plan Benefit may not exceed the maximum** set by federal law, even if the calculation of your Plan Benefit results in such an amount. See the heading "*Legal Limitations And Requirements*" in the section "*The Factors That Determine Your Plan Benefit*".
- **If the full value of your Vested Plan Benefit is paid in a single cash payment**, you will receive no further payments.
- **If you divorce**, the court may direct that all or part of your benefit be paid to an alternate payee. This alternate payee will generally be your ex-spouse or your children. The Plan Administrator will notify you upon receiving such an order and will tell you what effect it has on your benefit.

## **Receiving Your Plan Benefit**

### **Applying For Your Benefit**

You or your Beneficiary will need to complete a benefit claim form available from the Plan Administrator. This form will allow the Plan Administrator to calculate your benefit and begin to process it.

### **Payment Of Your Benefit**

If your claim is approved, payments will be mailed to you monthly if you are receiving payment in the form of an Annuity. Again, if the value of your Vested Plan Benefit is \$5,000 or less, payment will be made in a single sum cash payment.

## **Getting Your Questions Answered**

The Plan Administrator is Town of New Fairfield. The Plan Administrator is responsible for administration of the Plan. In addition to administering the Plan, the Plan Administrator is responsible for benefit information and the Plan's adherence to legal requirements. Service of legal process may be made upon the Plan Administrator. The Plan Administrator may be contacted at:

- Address: Town of New Fairfield  
3 Brush Hill Road  
New Fairfield, CT 06812
- Phone: 203-746-8715

## **Additional Information**

- Plan Name: Town of New Fairfield Retirement Income Plan
- Effective Date: The Plan was established on September 1, 1970 and most recently revised on January 1, 2008.
- Plan Year: The Plan Year is the 12-month period ending on December 31.
- Recordkeeping Period: Records for the Plan are kept on a Plan Year basis.

- Plan Sponsor: Town of New Fairfield  
3 Brush Hill Road  
New Fairfield, CT 06812
- Plan Sponsor  
EIN: 13-3180631
- Plan Number: 001
- Type Of Plan: This is a defined benefit pension plan which provides a fixed retirement benefit to its participants based on specific formulas. Ongoing contributions to provide this benefit to you are made to a fund held by Prudential Retirement Insurance and Annuity Company. The amount of the contribution is actuarially determined.
- Type Of  
Administration: Contract Administration. Plan assets are held in a group annuity contract issued by Prudential Retirement Insurance and Annuity Company, P.O. Box 2975, Hartford, CT 06104. The Plan Administrator is responsible for administering the contract.
- Plan Costs: The Employer assumes the cost of your Plan Benefit.