

**TRIMET DEFINED BENEFIT RETIREMENT PLAN
FOR MANAGEMENT AND STAFF EMPLOYEES**

**Amended and Restated
Effective January 1, 2023**

**TRIMET RETIREMENT PLAN FOR
MANAGEMENT AND STAFF EMPLOYEES**

This Plan has been adopted by the Tri-County Metropolitan Transportation District of Oregon (“TriMet”), a municipal corporation organized and existing under the laws of the State of Oregon, to provide retirement benefits for certain of its employees. The Plan in its entirety has been set forth in the following documents, subject to any applicable later amendment:

Retirement Plan adopted December 7, 1970

Retirement Plan restated June 30, 1988

Retirement Plan restated December 31, 2002

Retirement Plan restated January 1, 2008

Retirement Plan restated July 1, 2013

Retirement Plan restated January 1, 2023, which includes the following amendments after the 2013 restatement:

First Amendment, effective January 24, 2019

Second Amendment, effective November 24, 2021

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ARTICLE I

DEFINITIONS

1.1. **Actuarial Equivalent**. “Actuarial Equivalent” means that the present value of two payments or a series of payments shall be of equal value when calculated using the actuarial factors set forth in the Actuarial Appendix to this Plan document.

1.2. **ATU/TriMet Pension Plan**. “ATU/TriMet Pension Plan” means the Pension Plan for Bargaining Unit Employees of TriMet.

1.3. **Board of Directors**. “Board of Directors” means the Board of Directors of TriMet.

1.4. **Collective Bargaining Agreement**. “Collective Bargaining Agreement” means an agreement between TriMet and a bargaining representative of Employees, with respect to which retirement benefits were the subject of good faith bargaining.

1.5. **Credited Service**.

(a) **General Rule**. “Credited Service” means the Period of Service while a Participant in the Plan. The following periods shall count as Credited Service:

(1) **Military Service**. A period of service in the armed forces of the United States of America, as provided by law, including all uniformed service required to be credited by Internal Revenue Code Section 414(u) which is incorporated by this reference;

(2) **Vacation**. Authorized vacation;

(3) **LTD Before Age 62**. Up to age 62, the time during a period of total disability that commenced prior to July 1, 1988, and the time during which the Participant is entitled to disability benefits under the effective TriMet long term disability policy for a total disability that commenced on or after July 1, 1988;

(4) **Oregon Legislature**. A period of service in the Oregon State Legislative Assembly when the legislature or its committees are in session.

(b) **Authorized Non-work Period**. Credited Service shall include time during an authorized leave of absence, provided that the Participant returns to either Full-Time or Part-Time employment with TriMet immediately following completion of the authorized leave of absence and continues in employment with TriMet for a period of time equal to the length of the leave of absence.

(c) **Part-Time Work**. Credited Service during a period when an Employee is a Part-Time Employee shall be the period of time employed as a Part-Time Employee multiplied by the percentage of time the Part-Time Employee worked during that period relative to the time a Full-Time Employee would have worked.

(d) **Bridging Rule for Reemployment After Termination.** A Participant whose employment with TriMet terminates on or after January 1, 1997, whether or not then vested, and who is reemployed by TriMet on or before the third anniversary of the day immediately following the last previous day of TriMet employment, shall have the Period of Service before and after such period of absence counted as continuous Credited Service.

(e) **Excluded From Credit.** Subject to crediting under 3.2, Credited Service shall not include:

(1) Any period of time for which TriMet is required to make contributions on behalf of a Participant to the Oregon Public Employees Retirement System (“PERS”), any successor to PERS, or to any other state mandated retirement program;

(2) Any period of time when the individual is employed by TriMet in a capacity for which there are other TriMet funded retirement benefits, such as the ATU/TriMet Pension Plan;

(3) All Credited Service of a former TriMet Employee who was non-vested at the time of termination if such Employee does not return to TriMet employment by the third anniversary of the termination date required to receive “bridging” credit under 1.5(d).

(4) All service as an Eligible Employee for which benefits are provided under the Defined Contribution Plan. This exclusion covers (A) all TriMet service after April 26, 2003, unless benefit accrual continues under this Plan pursuant to 5.3(a)(4); and (B) all Credited Service before April 27, 2003, for which the accrued benefit under this Plan has been converted to a lump sum present value amount that has been transferred to the Defined Contribution Plan by irrevocable election of the Participant.

(f) **Special Bridging By Authority of General Manager.** Any Credited Service of a Participant occurring before a separation from TriMet, regardless of its duration or the circumstances of separation, shall be combined with Credited Service earned after returning to TriMet employment, if, prior to July 1, 2008, the General Manager gives written approval to such bridging of Credited Service in connection with the reemployment of the Participant. The combined total shall count as continuous Credited Service.

1.6. Defined Contribution Plan. “Defined Contribution Plan” means the TriMet Defined Contribution Retirement Plan for Management and Staff Employees, established in 2003.

1.7. Domestic Partner. “Domestic Partner” means an individual of the same or opposite sex who is in a committed relationship with an unmarried Employee, shares the same principal residence with the Employee, is not married to anyone by reason of a legal marriage ceremony or the common law marriage rules of any state, and is named as the nonspousal domestic partner of the Employee in an Affidavit of Domestic Partnership, provided by and filed with the administrative office, that has not been revoked or waived by the Employee, the designated domestic partner or a valid court order.

1.8. Effective Date. This Plan was originally adopted on December 7, 1970, and was previously restated in its entirety effective June 30, 1988, effective December 31, 2002, effective

January 1, 2008, and effective July 1, 2013. This 2023 restatement continues the defined benefit features and benefits for certain Participants who were Eligible Employees before April 27, 2003, and will be extinguished when the last defined benefit plan amount has been paid. It is effective January 1, 2023 unless stated otherwise in the Plan document.

1.9. Eligible Employee. “Eligible Employee” means each Employee except:

(a) Employees who are subject to a Collective Bargaining Agreement that does not provide for participation in this Plan;

(b) individuals whom TriMet does not treat as Employees, but who are subsequently reclassified as “employees” by order or action of a governmental agency or a court of competent jurisdiction, unless TriMet affirmatively designates such reclassified individuals as Eligible Employees;

a “leased employee” under Code Section 414(n), regardless of such individual’s status as an Employee;

Pursuant to Code Section 414(n), the term “leased employee” means any individual who is not an employee of TriMet and who provides services to TriMet if:

(1) such services are provided pursuant to an agreement between TriMet and any other person (in this subsection referred to as the “leasing organization”),

(2) such individual has performed such services for TriMet (or for TriMet and related persons) on a substantially full-time basis for a period of at least one year, and

(3) such services are performed under primary direction or control of TriMet.

(c) individuals who are classified to work less than half time (less than 20 hours per week) under established TriMet policies and procedures, regardless of their actual hours worked;

(d) Employees whose first Period of Service begins on or after April 27, 2003; and

(e) Employees who made an irrevocable election to transfer their accrued benefit under this Plan to the Defined Contribution Plan.

1.10. Employee (Full and Part-Time).

(a) **Employee.** “Employee” means an individual whose relationship to TriMet is that of a common law employee and does not include any individual rendering services to TriMet as a self-employed person or as an independent contractor. An individual’s status as an Employee shall be determined by TriMet, as evidenced by the issuance by TriMet of a Form W-2 for the individual. An Employee can be either a Full-Time or a Part-Time Employee.

(b) **Full-Time Employee.** A “Full-Time Employee” means an individual who works full-time according to standard TriMet practices and policies.

(c) **Part-Time Employee.** A “Part-Time Employee” means an individual, including someone participating in job sharing, who is not a Full-Time Employee but is classified to work twenty (20) or more hours per week according to standard TriMet practices and policies.

1.11. **Executive.** Executive, for purposes of the 2008 and subsequent restatements, means each TriMet officer listed in the table in 5.3(b)(1).

1.12. **Final Average Salary.**

(a) **General Rule.** “Final Average Salary” means one-third (1/3) of the thirty-six (36) highest consecutive months of Base Earnings (as defined in 1.12(d) below) paid to the Participant during his or her Period of Service. If an Employee is totally disabled, the Final Average Salary will include only Base Earnings paid prior to the onset of disability. Final Average Salary during a period when an Employee is a Part-Time Employee means the Employee’s salary during the period divided by the percentage of time the Part-Time Employee worked during that period relative to the time a Full-Time Employee would have worked.

(b) **Bridging Rules For Certain Reemployment.** Final Average Salary shall take into account any eligible compensation of a Participant earned during any period of employment by TriMet that precedes the most recent Period of Service if the Participant either was vested at the end of such period of prior employment or qualifies for “bridging” credit under 1.5.

(c) **Maximum Compensation Under Code Section 401(a)(17).** Base Earnings shall not exceed the maximum compensation limit in effect under Internal Revenue Code Section 401(a)(17)(A) including, without further Plan amendment, all applicable periodic changes made by the Secretary of the Treasury. Such limit shall be adjusted in accordance with Code Section 401(a)(17)(B).

(d) **Base Earnings.** “Base Earnings” means amounts received during the Plan Year by the Employee from TriMet that are currently included in gross income for federal income tax purposes and are reported as wages, tips and other compensation on the Employee’s Form W-2, determined without regard to any restrictions in Code Section 3401(a) based on the nature or location of employment or services performed, and adjusted as follows:

(1) to exclude the following:

(A) bonuses, overtime pay, commissions, per diem allowances, shift differentials, on-call pay or premiums, payment for work in excess of 40 hours per week, and any other extra or special compensation of any kind;

(B) the value of all cash and non-cash fringe benefits funded by TriMet;

(C) reimbursements or other expense allowances paid by TriMet;

(D) amounts paid for reimbursement of moving expenses incurred by an Employee;

(E) severance payments;

(F) TriMet contributions to any deferred compensation plan, whether or not such contributions are includible in the Employee's gross income in the year contributed;

(G) the value of unused sick leave;

(H) unused vacation pay and floating holiday pay that is cashed out upon termination of employment; and

(I) any amount paid after the Employee has terminated employment, unless the amount: (i) is paid by the later of two and one-half months after the termination of employment or the last day of the calendar year in which the termination of employment occurs, (ii) would have been included in Base Earnings if it had been paid before employment terminated, and (iii) represents payment for services during the Employee's regular working hours.

(2) to include any amount which is contributed or deferred by TriMet at the election of the Employee and is excluded from the Employee's gross income by reason of Code Sections 125, 132(f)(4), or 457 (with respect to an eligible plan described in Code Section 457(b)).

1.13. Limitation Year. "Limitation Year" means the calendar year.

1.14. Normal Retirement Age. "Normal Retirement Age" means the first day of the calendar month immediately following the Participant's sixty-second (62nd) birthday.

1.15. Participant. "Participant" means a current or former Eligible Employee, who, at any time of reference, has any right to accrue or receive payment of benefits under this Plan.

1.16. Period of Service. "Period of Service" means the number of consecutive years and whole months of service beginning with an Employee's most recent employment commencement date and ending on the employee's termination date. Service with TriMet as well as with any Predecessor Company is included in the Period of Service. Unless one of the bridging rules set forth in the definition of Credited Service or Vesting Service applies, only the Employee's last period of employment counts as a Period of Service under this Plan. Months of service are not "rounded up" to create years of service.

1.17. Plan. "Plan" means this Retirement Plan.

1.18. Plan Administrator. "Plan Administrator" means the Board of Trustees, as described in 2.1.

1.19. Plan Year. "Plan Year" means TriMet's fiscal year.

1.20. Predecessor Company. “Predecessor Company” means Portland Traction Co., Rose City Transit Co., Landport Co., Inc., Portland Stages, Inc., Tualatin Valley Buses, Inc., Intercity Buses, Inc., or Estacada-Molalla Stages, Inc.

1.21. Spouse. “Spouse” means:

(a) **Formal marriage.** The lawful spouse of a married Employee by reason of a formal marriage ceremony conducted by an authorized person in the state of marriage.

(b) **Common law marriage.** The lawful spouse of the Employee pursuant to the laws of a state that recognizes common law marriage (or recognized common law marriage at the time the marriage was entered into). In order for the Plan Administrator to know that the Employee has a common law spouse for purposes of Plan administration, the Employee should file an Affidavit of Common Law Marriage with the Administrative Office.

1.22. TriMet. “TriMet” means the Tri-County Metropolitan Transportation District of Oregon.

1.23. Trustee. “Trustee” means any person or legal entity appointed by TriMet to hold, invest and distribute the assets of this Plan in a fiduciary capacity.

1.24. Trust Fund. “Trust Fund” means and consists of the assets of this Plan, including earnings, held under the terms of this Plan for the benefit of the Participants.

1.25. Vesting Service. Vesting Service means an Employee’s Period of Service. A Participant whose employment with TriMet terminates on or after January 1, 1997, whether or not then vested, and who is reemployed by TriMet on or before the third anniversary of the day immediately following the last previous day of TriMet employment, shall have the Period of Service before and after such period of absence counted as continuous Vesting Service. In addition, to determine a Participant’s Vesting Service, a Period of Service occurring before a separation from TriMet, regardless of its duration or the circumstances of separation, shall be combined with a Period of Service earned after returning to TriMet employment, if, prior to July 1, 2008, the General Manager has given written approval to such bridging of Vesting Service in connection with the reemployment of the Participant.

ARTICLE II

ADMINISTRATION OF PLAN AND TRUST

2.1. **Board of Trustees**. The Board of Trustees shall be appointed by the Board of Directors. The Board of Trustees shall have the powers and duties with respect to the custody, investment, reinvestment, control, and disbursement of the Trust Fund that may be specified in a separate trust agreement. The Trust shall be controlled by a separate trust agreement. The Board of Trustees shall hold, manage, invest, and administer the Trust Fund pursuant to the trust agreement. Without limitation of its powers and duties under the trust agreement, the Board of Trustees shall have the following enumerated administrative powers:

(a) **Control Administration**. Full power and authority to control and manage the operation and administration of the Plan.

(b) **Plan Interpretation**. To construe and apply all Plan and Trust provisions, including the specific power and authority to interpret the Plan and Trust, to remedy or resolve ambiguities, inconsistencies, or omissions, and to decide any questions about the rights of Participants and their beneficiaries.

(c) **Eligibility**. To decide all questions relating to the eligibility of Employees to become Participants, the amount of service of any Employee or Participant, and the amount of benefits to which any Participant may be entitled by reason of service prior to or after the effective date hereof.

(d) **Benefit Payment**. To approve the payment of all benefits as they become payable under the Plan.

(e) **Service Providers**. To engage such professional consultants, assistants, and service providers as the Board of Trustees, in its discretion, deems advisable, necessary, or appropriate, including (but not limited to) accountants, actuaries, asset custodians, consultants, legal counsel, and clerical assistants to perform services with regard to any of its responsibilities under the Plan, and to rely on opinions and advice given by any such third party.

(f) **Records**. To ensure that all records necessary for proper operation of the Plan are kept.

(g) **Reports and Disclosures**. To ensure compliance with all reporting, filing, and disclosure requirements imposed on the Plan by any applicable law.

(h) **Inspection of Records**. To make available to service providers and any Participant or beneficiary any records relating to the Plan as required by law.

(i) **Fees and Expenses**. To negotiate and fix the compensation or fees, as the case may be, of all service providers.

(j) **Other**. To perform or cause to be performed such future acts as it may deem necessary, appropriate, or convenient for the efficient administration of the Plan.

2.2. Payment of Expenses. The members of the Board of Trustees shall serve without compensation for their services. All expenses of the Plan and the Trust, as the case may be, shall be paid from the Trust Fund, to the extent they constitute reasonable expenses of operating and administering the Plan and Trust. TriMet may elect to pay any expenses chargeable to the Trust Fund. As a matter of convenience, TriMet may advance payment of expenses on behalf of the Plan and Trust and may obtain reimbursement from the Trust Fund.

2.3. Indemnification. TriMet shall indemnify each member of the Board of Trustees against any and all claims, loss, damage, expense, and liability arising from any act or failure to act unless it is judicially determined that the Trustee engaged in gross misconduct, self-dealing, or criminal conduct, or indemnification would be prohibited under the Oregon Tort Claims Act.

ARTICLE III
PARTICIPATION

3.1. Conditions of Participation.

(a) **1970-April 26, 2003.** Prior to April 27, 2003, an Employee became a Participant by being employed as an Eligible Employee.

(b) **April 27, 2003, and After.** After April 26, 2003, to be a Participant, an individual must have Credited Service prior to April 27, 2003, and must satisfy status category (1), (2) or (3) as of April 26, 2003:

(1) is actively employed or on approved leave on April 26, 2003, and makes election (4) or (5) below or is entitled to defer the election under 5.3(a)(4)(C);

(2) already has retired or separated with a vested benefit as of April 26, 2003, does not return to service as an Eligible Employee, and is entitled to receive a future benefit from the Plan; or

(3) has separated from active employment with TriMet, returns to service as an Eligible Employee within the limit required to qualify for bridging credit under the Plan provisions for Credited Service, still is entitled to receive Plan benefits for his or her prior service, and makes the irrevocable election under the following (4) or (5) within thirty (30) days after the first day of such reemployment by TriMet.

For (1) and (3) above, the individual must make a timely irrevocable election of (4) or (5):

(4) to receive all benefits accrued under this Plan based on Credited Service before, on, and after April 27, 2003, solely under this Plan, and to have no benefits accrued or paid under the Defined Contribution Plan; or

(5) to continue to have all accrued benefits remain in this Plan only with respect to Credited Service earned before April 27, 2003, and to earn benefit entitlement for service after April 26, 2003, solely under the Defined Contribution Plan.

3.2. Anti-Duplication.

(a) **General Rule.** TriMet maintains three pension plans for employees: nonbargaining unit management and staff employees are covered under this Plan and, if applicable, the Defined Contribution Plan starting April 27, 2003; and bargaining unit employees are covered by the ATU/TriMet Pension Plan. A Participant also may be a participant in PERS or other state-mandated retirement program. An employee may transfer among these plans during TriMet employment. At death, termination of employment or retirement, the employee may be eligible to receive benefits from these pension plans. The benefits paid under this Plan will be based only on the Credited Service while a Participant of this Plan. The benefit paid under the ATU/TriMet Pension Plan will be based only on the credited service while a participant of that plan. The benefit

paid by PERS or other State mandated retirement program will be as determined under the terms of that plan.

(b) **Partial Year.** Employees retiring after June 30, 1988 under this Plan, but who also earned benefits under the ATU/TriMet Pension Plan, with a partial year of service that could not be paid under the ATU/TriMet Pension Plan, shall receive the computed value for that partial year under the ATU/TriMet Pension Plan added to their benefit under this Plan. The benefit for a partial year of service shall be computed at the current rate under the plan in which it was earned.

3.3. Clerical Employees. This section applies to any employee who was covered under the ATU/TriMet Pension Plan prior to February 1, 1991 by reason of being a member of the clerical bargaining unit under the Collective Bargaining Agreement, which expired January 31, 1991, and who became a Participant under this Plan by April 30, 1991 by reason of continued employment with TriMet after January 31, 1991 following the de-certification of the clerical bargaining unit (a “Clerical Employee”). Upon qualifying to receive retirement benefit payments:

(a) a Clerical Employee shall receive their benefit accrued under this Plan for service and compensation after April 30, 1991, paid by the Trust Fund for this Plan;

(b) a Clerical Employee who was not vested under the ATU/TriMet Pension Plan as of April 30, 1991 shall receive from the Trust Fund for this Plan their benefit accrued up to April 30, 1991 under the ATU/TriMet Pension Plan;

(c) a Clerical Employee who was vested on or before April 30, 1991 under the ATU/TriMet Pension Plan shall receive the vested benefits accrued through April 30, 1991 from the trust fund established for the ATU/TriMet Pension Plan, and such benefit shall not be paid by the Trust Fund for this Plan.

ARTICLE IV

VESTING

A Participant terminating employment for any reason after June 30, 1988, shall have a vested, nonforfeitable right to his or her accrued benefit multiplied by the appropriate vesting percentage under the following table:

Vesting Service (whole years only)	Vesting Percentage
Less than 5	0%
5 or more	100%

For Participants terminating before July 1, 1988, see prior restatements of the Plan.

In addition, a Participant shall be 100% vested upon attaining the Plan's Normal Retirement Age.

ARTICLE V

BENEFITS

5.1. Benefit Commencement. To receive benefits, a Participant must have terminated employment with TriMet, must have sufficient Vesting Service to have a vested benefit under the Plan, and must complete the retirement application process after qualifying under the following (a), (b) or (c):

(a) **Normal Retirement.** Retire at or after Normal Retirement Age.

(b) **Early Retirement.** Retire at any time after attaining age 55 and before Normal Retirement Age and have completed five (5) years of Credited Service.

(c) **Vested Termination.** Terminate employment for any reason and later apply for Early or Normal Retirement benefits under (a) or (b), above.

5.2. Required Beginning Date. Payment of benefits shall begin by the later of (a) April 1 of the calendar year following the calendar year in which the employee attains age 72, or (b) April 1 of the calendar year following the calendar year in which the Participant retires. If the employee attained age 70½ prior to January 1, 2020, “age 72” in the prior sentence shall be replaced with “age 70½”.

5.3. Retirement Benefits.

(a) **Normal Retirement Benefits.**

(1) **Retirement Before July 1, 1988.** Refer to prior Plan restatements.

(2) **Retirement after June 30, 1988.** The Basic Benefit accrued by every Participant who retires after June 30, 1988, shall be a monthly amount payable at Normal Retirement Age in the form of a Single Life Annuity (no survivorship benefit) that is determined under the following Basic Formula: one-twelfth (1/12) of 1.75% of Final Average Salary multiplied by Credited Service, subject to the conditions and limitations below under 5.3(a)(3) and 5.3(a)(4).

(3) **Sick Leave Supplement for Retirements Starting on or After July 1, 2000.** For retirements which start on or after July 1, 2000, the hours of unused sick leave which have been accumulated under TriMet’s sick leave policy to the date of actual retirement shall be converted to either a monthly annuity supplement or a lump sum distribution under 5.3(a)(3)(A)-(E) below:

(A) **Maximum Sick Leave.** The following table shows the maximum hours of accrued sick leave that may be considered in calculating the sick leave supplement for retirements starting on the dates indicated:

For retirements starting:	Maximum hours of sick leave:
From July 1, 2000 through March 21, 2005	1400 hours

From March 22, 2005 through November 30, 2005	1500 hours
From December 1, 2005 through November 30, 2006	1550 hours
From December 1, 2006 through November 30, 2007	1600 hours
From December 1, 2007 through November 30, 2008	1650 hours
On or after December 1, 2008	1700 hours

(B) **Hours of Sick Leave.** One-half of the Participant's hours of sick leave that are unused and subject to forfeiture at the time of retirement, but not to exceed one-half the maximum sick leave hours outlined in 5.3(a)(3)(A) shall be used for (D) and (E).

(C) **Final Average Hourly Rate.** The Participant's final average hourly rate for (D) and (E) will be the Participant's Final Average Salary divided by 2,080 hours.

(D) **Monthly Annuity Supplement.** The Participant's monthly sick leave supplement to the Normal Retirement Benefit will be the Participant's credited hours of sick leave under (B) multiplied by the final average hourly rate under (C) divided by 101.9 (i.e., \$101.90 buys \$1 per month of supplemental Single Life Annuity benefits payable upon Normal Retirement).

(E) **Lump Sum Distribution.** If the Participant so elects at the time of retirement in accordance with 5.4(c), after receiving an explanation of all benefit options available under the Plan and with the consent of his or her Spouse or Domestic Partner (if applicable), the Participant shall receive the unpaid sick leave supplement from the Trust Fund as a single payment lump sum distribution determined by taking the Participant's credited hours of sick leave under (B) multiplied by the final average hourly rate under (C) multiplied by 1.107.

(4) **Coordination with Defined Contribution Plan.** Benefits under 5.3(a) shall be subject to the following conditions and limitations effective April 27, 2003 to coordinate benefits between this Plan and the Defined Contribution Plan.

(A) **Coverage Before April 27, 2003.** To be eligible for a benefit from this Plan, a Participant must have an accrued benefit under this Plan based on Credited Service before April 27, 2003.

(B) **Service Before April 27, 2003.**

(i) **Benefits Payable Under This Plan.** Credited Service for periods before April 27, 2003, is counted for benefits under this Plan, and benefits for such service shall be paid under this Plan unless (B)(ii) below applies.

(ii) **Transfer to Defined Contribution Plan.** If a Participant makes an irrevocable election to transfer the lump sum present value of the benefit under this Plan to the Defined Contribution Plan, such transfer shall be full satisfaction of all benefit liability under this Plan. All benefit rights and duties with respect to the transferred amount shall be determined exclusively under the Defined Contribution Plan. Unless already fully vested, the transferred amount shall be subject to the vesting schedule under Article 7 of the Defined

Contribution Plan counting all years of Vesting Service with TriMet before and after April 27, 2003.

(C) **Service After April 26, 2003.**

(i) **Service Under This Plan.** Service by an Eligible Employee after April 26, 2003, is not counted as Credited Service for this Plan unless (I) such Participant both is not an Executive (as defined in 1.11) and has made an irrevocable election to have all service as an Eligible Employee before and after April 27, 2003 counted only under this Plan, and to have no benefits accrued or paid under the Defined Contribution Plan; or (II) such Participant is an Executive on April 26, 2003, for whom the irrevocable election date is postponed under Section 3.1.2(c)(2) of the Defined Contribution Plan.

(ii) **Defined Contribution Plan.** Service as a nonbargaining unit Employee after April 26, 2003, is counted only under the Defined Contribution Plan unless (C)(i) above applies.

(D) **Final Average Salary.** Final Average Salary under 1.12 shall be based on eligible compensation for the entire Period of Service, unless the Participant irrevocably elects to transfer the lump sum present value of the benefit under this Plan to the Defined Contribution Plan.

(E) **Lump Sum Transfer.** The present value of any lump sum transfer of benefits accrued under this Plan to the Defined Contribution Plan shall be determined under 5.4(c) using the mortality factors and interest rate assumption set forth in the Actuarial Appendix to this Plan.

(b) **Normal Retirement Formulas for Executives.**

(1) **Basic Retirement Benefit for Executives.** Unless an Employee meets the Conditions of Participation set forth in 3.1, the Plan is closed to all Employees and Executives. Subject to the provisions below in (2) and (3), Executives who are Participants on or before July 1, 2008, shall be entitled to the following monthly retirement benefit beginning at the Executive's Normal Retirement Age:

Name of Executive	Percent of Final Average Salary as of July 1, 2008	Daily Rate for Service After July 1, 2008
David Auxier	88.0000%	0.007529%
Olivia Clark	31.6372%	0.015058%
Fred Hansen	69.7110%	0.019598%
Neil McFarlane	63.4853%	0.007529%
M. Brian Playfair	72.4976%	0.007529%
Carolyn Young	42.4189%	0.007529%

The percent of Final Average Salary retirement benefit is determined by multiplying the Executive's days of TriMet employment after July 1, 2008, by the Daily Rate listed above and adding the product to the Percent of Final Average Salary as of July 1, 2008 listed above. However,

in no case may the Executive’s retirement benefit determined pursuant to 5.3(b)(1) exceed the 68.75% of Executive’s annual salary at employment termination.

(2) **Non-duplication.** The benefits described in 5.3(b)(1) are in lieu of, and not in addition to, the Normal Retirement Benefits described in 5.3(a)(2).

(3) **Other Applicable Provisions.** Retirement benefits determined under 5.3(b)(1) are in addition to the sick leave supplement under 5.3(a)(3), and are subject to the cost-of-living adjustment under 5.3(c), early retirement with actuarial reduction under 5.3(d), the Surviving Spouse and Surviving Domestic Partner benefits under 5.5, the vesting provisions under Article IV, and the lump sum payment alternative under 5.4(c).

(c) **Post-retirement Cost of Living Adjustment (COLAs)-Retirements After May 31, 1984.** Participants who retire after May 31, 1984 shall receive a post-retirement yearly percentage increase in retirement benefits as provided in 5.3(c)(1)-(4):

(1) **Plan’s COLA Increase.** The Plan’s yearly COLA increase after retirement shall be the product of (A) the monthly pension amount in pay status on the day before the effective date of the COLA increase multiplied by (B) ninety percent (90%) of the previous calendar year percentage increase in the consumer price index cost of living adjustment (“CPI COLA%”) specified in (2), provided that (C) the maximum percentage increase by the Plan during a calendar year shall not exceed seven percent (7%).

COLA Increase Percentage Rate	Effective Date of COLA Increase of Pension Amount	First Pension Check With Interest
90% (0.9) × CPI COLA % (Maximum 7% increase per year)	April 1 each year	May 1

(2) **CPI COLA%.** The CPI COLA% used in (1) above shall be the calendar year increase percentage for the calendar year preceding the Plan’s increase date in the U.S. Urban Wage Earners and Clerical Workers Consumers Price Index.

(3) **Increase Payment Date.** The Plan’s COLA increase shall be paid starting with the pension check issued for the first of the calendar month after the month which contains the increase effective date under (1). Example: an April 1 increase is first included in the May 1 pension check.

(4) **No COLA Decrease.** For any year when the CPI COLA decreases, there will not be a decrease in any pensions in pay status.

(d) **Early Retirement Benefits.** A vested Participant with five years of Credited Service who retires at any time after attaining age 55 and before Normal Retirement Age may elect to receive reduced monthly retirement benefits which shall be the Actuarial Equivalent of the Normal Retirement Benefits accrued to the date of Early Retirement, as provided in Plan Appendix I, as of such Participant’s Early Retirement Date.

(e) **Payments By Predecessor Company.** Any retirement benefits payable under this Plan shall be reduced by any retirement benefits paid to a Participant by a Predecessor Company.

5.4. Form of Payment.

(a) **Joint and Survivor Annuity.** The normal form of payment for a Participant who at the date of retirement is married or has a Domestic Partner shall be the Joint and Two-Thirds (2/3) Survivor Annuity, providing a monthly annuity for the life of the Participant and a survivor annuity equal to two-thirds of the Participant's monthly benefit for the life of the individual who was the Spouse or Domestic Partner of the Participant at the date of the Participant's retirement. The monthly amount payable to the Participant shall be reduced as provided under the factors set forth in Plan Appendix I, to an Actuarial Equivalent value to allow for continued monthly payments to the surviving joint annuitant. The monthly amount payable to the Participant shall be further reduced pursuant to 5.3(d) if the Participant begins to receive benefits before his or her Normal Retirement Age. Before the start of payment, the Participant may elect another form of payment specified below in (b) or (c), with the written consent of his or her Spouse or Domestic Partner.

(b) **Single Life Annuity.** The normal form of payment for a Participant who, at the date of retirement, has no Spouse or Domestic Partner, or who so elects with the written consent of his or her Spouse or Domestic Partner, shall be the Single Life Annuity benefit payable monthly for Participant's lifetime, without any survivor benefit payable after Participant's death. The monthly amount payable to the Participant shall be reduced pursuant to 5.3(d) if the Participant begins to receive benefits before his or her Normal Retirement Age.

(c) Lump Sum Benefit.

(1) **In General.** Effective for retirements on and after July 1, 1998, except as provided in 5.4(c)(2), a vested Participant who has not started to receive monthly benefits may elect to receive a single lump sum benefit in lieu of the Joint and Survivor Annuity and the Single Life Annuity. If the Participant is married on the retirement date, consent of the Spouse or Domestic Partner to the election of the lump sum benefit is required. The lump sum benefit shall be Actuarially Equivalent to the Normal Retirement Benefit expressed as a Single Life Annuity.

(2) **Suspension of Lump Sums if Funding Ratio Falls Below 70%.** Effective for retirements on and after January 1, 2023, if the Plan's funding ratio, as determined by the Plan's actuaries based on the Plan's market value of assets, is below 70% as of the most recent valuation preceding the date the lump sum would otherwise be paid, the Participant shall not be eligible to elect a lump sum form of benefit under this 5.4(c).

5.5. Death Benefit.

(a) Effective Dates.

(1) **Surviving Spouse.** The death benefit provisions below apply to the surviving Spouse of a Participant who dies on or after July 1, 1988.

(2) **Surviving Domestic Partner.** The death benefit provisions below apply to the surviving Domestic Partner of a Participant who dies on or after March 1, 2002, which is the effective date when the Domestic Partner provisions were added to this Plan.

(b) **Benefit Amounts.**

(1) **Surviving Spouse or Surviving Domestic Partner of Active Employee Age 55 or Older at Time of Death.** A Surviving Spouse or Surviving Domestic Partner of a Participant who dies after June 30, 1988, while an Employee of TriMet at age 55 or older shall receive a monthly retirement benefit equal to the amount the surviving Spouse or Domestic Partner would receive under the Joint and Two-Thirds (%) Survivor Annuity calculated as if the Participant had retired at the time of death, had begun receiving benefits under the Joint and Two-Thirds (%) Survivor Annuity on the day before the date of death, and had died the next day.

(2) **Surviving Spouse or Surviving Domestic Partner of Active Employee Under Age 55 at Time of Death.** A surviving Spouse or surviving Domestic Partner of a Participant who dies while an Employee of TriMet after June 30, 1988, and before attaining age 55 shall receive a monthly retirement benefit equal to the amount payable to the surviving Spouse or surviving Domestic Partner under the Joint and Two-Thirds (%) Survivor Annuity calculated as if the Participant had terminated employment on the date of death, had survived to the date survivor benefits commence, had commenced receiving benefits on that date, and had died the next day.

(3) **Surviving Spouse or Domestic Partner of Vested Participant of Any Age who Had Terminated Employment Before Death.** The surviving Spouse or surviving Domestic Partner of a Participant of any age who terminates employment after June 30, 1988, and dies at least one day after terminating employment, but before starting to receive retirement benefits, shall receive a monthly retirement benefit equal to the amount payable to the surviving Spouse or surviving Domestic Partner under the Joint and Two-Thirds (%) Survivor Annuity calculated on the basis of Credited Service through the Participant's actual date of termination of employment and as if the Participant had survived to the date survivor benefits commence, had commenced receiving benefits on that date, and had died the next day.

(c) **Time of Commencement for Survivor Benefits.** The following rules determine when benefit payments will begin for a Surviving Spouse or Surviving Domestic Partner entitled to death benefits:

(1) **Normal Retirement Age.** Unless (c)(2) or (3) applies, payment to the survivor shall begin on the later of the date the Participant would have attained Normal Retirement Age, or the date of the Participant's death.

(2) **Early Retirement Age.** The surviving Spouse or surviving Domestic Partner may elect to begin receiving survivor benefits at any date that the Participant, if alive, could have elected to receive Early Retirement Benefits, subject to (c)(3) for a Domestic Partner. The survivor's benefit shall be subject to the Actuarial Equivalent reduction under the factors set forth in Plan Appendix I, based on the age the Participant would have attained on the date survivor benefits begin.

(3) **Special Rule for Domestic Partner.** Notwithstanding anything in this 5.5 to the contrary, payment to a surviving Domestic Partner shall begin no later than the December 31 of the calendar year immediately following the calendar year of the Participant's death. If payments begin before the Participant would have attained the earliest retirement age under the Plan, the monthly benefits to the Domestic Partner shall be reduced to the Actuarial Equivalent of the benefit commencing at the Participant's Normal Retirement Age, using the same actuarial assumptions and factors used in Plan Appendix I. This provision is intended to satisfy the required minimum distribution rules of Code Section 401(a)(9), and should be interpreted consistent with those rules.

5.6. Automatic Lump Sum Benefit.

(a) **Less than \$1,000.** If the lump sum present value of a terminated Participant's vested accrued benefit at the date of determination is less than one thousand dollars (\$1,000) such amount shall be paid as a cash lump sum without the consent of the Participant or Participant's Spouse or Domestic Partner.

(b) **\$1,000 or More.** If the lump sum present value at the date of determination is \$1,000 or more, such amount shall be paid as a cash lump sum only if the Participant, and his or her lawful Spouse or Domestic Partner, consent in writing to such distribution in accordance with 5.4(c) no later than sixty (60) days after receiving written notice of the benefit options under the Plan. The consent of the Spouse or Domestic Partner must be notarized or witnessed by a Plan representative.

(c) **Amount.** The cash out amount shall be the Actuarial Equivalent lump sum present value determined as of the date of actual distribution using the appropriate Actuarial Equivalent assumptions set forth in the Actuarial Appendix of the Plan on such distribution date.

(d) **QDRO.** If Participant's benefit is subject to division under a qualified domestic relations order ("QDRO") under 10.2(b), the lump sum present value of each portion shall be valued separately for purposes of this provision, and the Participant and former Spouse each shall be treated as a separate Participant for purposes of distribution under the Plan.

5.7. Reemployment of Terminated Eligible Employees.

(a) **Participation in Defined Benefit Plan.** A terminated Eligible Employee who is reemployed by TriMet after April 26, 2003, and satisfies conditions (1)-(4) below will receive Credited Service and benefit accrual under this Plan. Such individual must:

(1) Have been a participant in this Plan when employment with TriMet previously terminated;

(2) Be rehired within 36 months of his or her termination of employment with TriMet (or, if the first Period of Service was less than 36 months, within a period of time equal to or less than the prior Period of Service) or otherwise be entitled to "bridge" prior service under the Credited Service rules;

(3) Not have received a lump sum benefit distribution under this Plan;
and

(4) Have elected during the applicable election period to continue to participate in this Plan instead of the Defined Contribution Plan pursuant to the following (A) or (B):

(A) **Service Before April 27, 2003.**

(i) **No Annuity Being Paid.** If no annuity benefit is being paid when reemployment begins, the accrued benefit attributable to prior service will be paid at the date of retirement following the end of reemployment.

(ii) **Annuity Being Paid.** If such individual is receiving monthly annuity payments at the time of rehire, monthly payments of the original benefit shall continue during the period of reemployment by TriMet.

(B) **Service After April 26, 2003.**

(i) **This Plan.** If the individual elects or is entitled to be covered under this Plan for reemployment after April 26, 2003, the additional benefit accrual during reemployment shall be paid under 4(A)(i) above, but if (4)(A)(ii) applies, such accrual shall be paid at retirement as an increase to the annuity form already in pay status, unless the Participant (with consent of his or her Spouse or Domestic Partner, if applicable) elects at the time of retirement to receive the additional accrual as a Lump Sum Benefit, in accordance with the requirements of 5.4(c).

(ii) **Defined Contribution Plan.** If such individual elects to be covered under the Defined Contribution Plan for reemployment after April 26, 2003, all benefits for service covered by the election shall be accrued and paid pursuant to the Defined Contribution Plan.

(b) **Defined Contribution Plan Coverage.** Each terminated former Eligible Employee who does not qualify for coverage under this Plan under 5.7(a) shall participate only in the Defined Contribution Plan (if an Eligible Employee under that Plan) and not in this Plan, with regard to employment by TriMet after April 26, 2003.

5.8. Social Security Benefits. The benefits provided under this Plan are independent of any benefits which Participants, Spouses or Domestic Partners may be entitled to under the Social Security or Railroad Retirement Systems or under any similar systems. Thus, no benefit under this Plan will be affected by any increases in the benefit level under either Title II of the Social Security Act or similar law.

5.9. Direct Rollover.

(a) **Distributee's Election.** Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this section, a distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have all or any portion

of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the distributee in a Direct Rollover.

(b) **Eligible Rollover Distribution**. An Eligible Rollover Distribution is any distribution of all of the balance to the credit of the distributee, except that an Eligible Rollover Distribution does not include any distribution described below in (1), (2), or (3):

(1) **Certain Multiple Periodic Distributions**. Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more.

(2) **Required 401(a)(9) Distribution**. Any distribution to the extent such distribution is required under Code Section 401(a)(9).

(3) **Nontaxable Distributions**. The portion of any such distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), such as a distribution attributable to nondeductible contributions by a Participant. This 5.9(b)(3) does not apply to the extent that such amounts are rolled over to a Code Section 401(a) defined contribution plan, or to an Eligible Retirement Plan specified in 5.9(c)(1) or (2).

(c) **Eligible Retirement Plan**. An Eligible Retirement Plan is any of the following that accepts the distributee's Eligible Rollover Distribution:

(1) **IRA**. An individual retirement account described in Code Section 408(a) or individual retirement annuity described in Code Section 408(b).

(2) **403(a) Annuity Plan**. An annuity plan described in Code Section 403(a).

(3) **401(a) Qualified Plan**. A qualified trust described in Code Section 401(a).

(4) **403(b) Tax Sheltered Annuity**. A plan or arrangement described in Code Section 403(b).

(5) **457 Governmental Plan**. An eligible governmental plan described in Code Section 457(b).

(6) **Roth IRA**. A Roth individual retirement account described in Code Section 408A.

(d) **Distributee**. A distributee includes:

(1) **Employee**. An Employee or former Employee.

(2) **Spouse**. The Employee's or former Employee's Surviving Spouse and the Employee's or former Employee's Spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined in Code Section 414(p), as a distributee with regard to the interest of the Spouse or former spouse.

(3) **Non-spouse Beneficiary**. A distributee includes the Participant's non-spouse designated beneficiary, provided that the rollover is made as a direct trustee-to-trustee transfer to an individual retirement account or an individual retirement annuity.

(e) **Direct Rollover**. A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the distributee.

5.10. Minimum Required Distributions

(a) General Rules

(1) **Precedence**. The requirements of this section will take precedence over any inconsistent provisions of the Plan and any prior amendments thereto.

(2) **Requirements of Internal Revenue Service Regulations Incorporated**. All distributions required under this 5.10 will be determined and made in accordance with the Internal Revenue Service ("IRS") regulations under Code Section 401(a)(9).

(3) **TEFRA Section 242(b)(2) Elections**. Notwithstanding the other provisions of this section, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act ("TEFRA") and the provisions of the Plan that relate to TEFRA Section 242(b)(2).

(b) Time and Manner of Distribution

(1) **Required Beginning Date**. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(2) **Death of Participant before Distributions Begin**. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or will begin to be distributed, no later than as follows:

(A) If the Participant's surviving Spouse is the sole designated Beneficiary, then subject to 5.10(b)(2)(E) below distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72, if later. If the Participant died prior to January 1, 2020, "age 72" in the prior sentence shall be replaced with "age 70½".

(B) If the Participant's surviving Spouse is not the sole designated Beneficiary, then subject to 5.10(b)(2)(E) below distributions to the designated

Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving Spouse is the sole designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this 5.10(b) will apply as if the surviving Spouse were the Participant.

(E) If the Participant dies before distributions begin and there is a designated Beneficiary, distribution to the designated Beneficiary is not required to begin by the date specified in 5.10(b)(2)(A) or (B) above if the Participant's entire interest is distributed to the designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

For purposes of 5.10(b) and (e), distributions are considered to begin on the Participant's Required Beginning Date (or, if 5.10(d) applies, the date distributions are required to begin to the surviving Spouse under 5.10(b)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under 5.10(b)), the date distributions are considered to begin is the date distributions actually commence.

(3) **Form of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first distribution calendar year distributions will be made in accordance with 5.10(c), (d), and (e). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and IRS regulations.

(c) **Determination of Amount to be Distributed Each Year.**

(1) **General Annuity Requirements.** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(A) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(B) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in 5.10(d) or (e);

(C) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted period; and

(D) payments will either be nonincreasing or increase only as follows: (i) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index described in regulations under Code Section 401(a)(9); (ii) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in 5.10(d) dies or is no longer the Participant's Beneficiary under a qualified domestic relations order within the meaning of Code Section 414(p); or (iii) to pay increased benefits that result from a Plan amendment.

(2) **Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under 5.10(b)(2)(A) or (B)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

(3) **Additional Accruals after First Distribution Calendar Year.** Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(d) Requirements For Annuity Distributions That Commence During Participant's Lifetime.

(1) **Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table in Q&A-2 of Treasury Regulation Section 1.401(a)(9)-6. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.

(2) **Period Certain Annuities.** Unless the Participant's Spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9 plus the excess of

70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

(e) Requirements For Minimum Distributions If Participant Dies Before Distributions Begin.

(1) **Participant Survived by Designated Beneficiary.** If the Participant dies before the date distribution of his or her interest begins and there is a designated Beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in 5.10(b)(2)(A) or (B), over the life of the designated Beneficiary or over a period certain not exceeding (A) if the annuity starting date is not before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or (B) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated Beneficiary determined using the Beneficiary's age as of his or her birthday in the calendar year that contains the annuity starting date.

(2) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(3) **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this 5.10(e) will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to 5.10(b)(2)(A).

(f) Definitions.

(1) **Designated Beneficiary.** The Beneficiary designated by the Participant is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.

(2) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under 5.10(b)(2).

(3) **Life Expectancy.** Life expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.

5.11. Benefits Related to Military Service. In addition to any Credited Service applicable to Participants performing military service, as described in 1.5(a)(1), the following benefits apply:

(a) **Death While Performing Military Service.** If a Participant dies on or after January 1, 2007, while performing qualified military service, as defined under the Uniformed Services Employment and Reemployment Rights Act (“USERRA”), the Participant’s Beneficiary(ies) will be entitled to any additional benefits provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death. Moreover, the Plan will credit the Participant’s qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant’s death. The Participant will not, however, receive accruals for the period of military leave.

(b) **Differential Wage Payments.** In the event TriMet pays a Participant differential wage payments, as defined in Code Section 3401(h)(2), (1) the Participant will be treated as an employee of TriMet; (2) the differential wage payments will be included in compensation for purposes of limitations under Code Section 415; and (3) the Plan will not be treated as failing to meet the requirements of any provision described in Code Section 414(u) by reason of any contribution or benefit which is based on the differential wage payment.

ARTICLE VI

CONTRIBUTIONS

TriMet, from time to time, shall make contributions to the Trust Fund in amounts sufficient, as determined by TriMet under the established funding policy, to provide the pension benefits that will accrue under this Plan. Forfeitures arising from separation by nonvested participants or death shall be used to offset future required contributions and shall not increase the benefits that any employee otherwise would receive under the Plan.

ARTICLE VII

EXCLUSIVE BENEFIT

The Plan is maintained for the exclusive benefit of Employees and their beneficiaries and, under the Plan's trust agreement, it must be impossible, at any time prior to the satisfaction of Plan liabilities, for any part of the principal or income of the trust to be diverted for any other purpose.

ARTICLE VIII

AMENDMENT AND TERMINATION

8.1. Amendment. The Board of Directors shall have the right at any time, and from time to time, to amend, in whole or in part, any or all the provisions of this Plan. The General Manager shall have the right at any time, and from time to time, to amend, in whole or in part, Plan Appendix I. However, no amendment shall authorize or permit any part of the Trust Fund (other than such part required to pay taxes and administrative expenses) to be used for or diverted to purposes other than the exclusive benefit of Participants, Surviving Spouses, or Surviving Domestic Partners.

8.2. Effect of Merger, Consolidation, or Transfer of Assets. Before this Plan can be merged or consolidated with any other plan, or its assets or liabilities transferred to any other plan, the Plan Administrator must secure a certification from an actuary, and each Participant must be assured, that the Participant's Plan benefit after the merger, consolidation or transfer is at least as great as the Participant's Plan benefit prior to the merger, consolidation or transfer.

8.3. Termination of the Plan; Allocation.

(a) **Termination.** The Plan may be terminated by TriMet by action of the Board of Directors.

(b) **Allocation.**

(1) **Allocation Priorities.** Upon termination of the Plan, the Plan Administrator shall with reasonable promptness, after deducting the reasonable compensation of the Trustee and the estimated expenses in liquidating and distributing Plan benefits, allocate the Trust Fund in the following order of priorities, based upon the Actuarial Equivalent of their accrued benefits:

(A) Participants and Surviving Spouses who were receiving a benefit at the date of termination.

(B) Participants who were eligible to retire but who had not yet retired at the date of termination.

(C) Participants who were vested but not yet eligible to retire at the date of termination.

(D) All other Participants in the Plan at the date of termination.

(E) Any funds remaining after providing for all of these persons in (A) through (D), above, shall be deemed actuarial surplus and shall be returned to TriMet.

(2) **Proration Within Priority Class.** If, after fully providing for the benefits of persons with higher priority, the residual funds are insufficient to provide for the

benefits of the next following group, the funds shall be allocated among persons in such group in proportion to the Actuarial Equivalent of their respective accrued benefits.

(3) **Distribution of Benefits.** The Plan Administrator shall determine the method for distributing funds according to the allocation procedure described above. The distribution may be made in cash, in the form of annuities purchased from an insurance company, or by such other means as the Plan Administrator shall determine.

(c) **Vesting on Termination.** Upon termination of the Plan or complete discontinuance of contributions under the Plan, the rights of all Participants to benefits accrued to the date of termination or discontinuance, to the extent then funded, shall be 100% vested.

ARTICLE IX

CODE SECTION 415 MAXIMUM BENEFIT PROVISIONS

9.1. Effective Date. Article IX applies to limitation years beginning after December 31, 2007. For limitation years before January 1, 2008, refer to prior Plan restatements.

9.2. Primary Rule.

(a) **Dollar Limit.** Notwithstanding any other Plan provision to the contrary, the Annual Benefit of a Participant under the Plan after December 31, 2007, shall not exceed \$160,000 (adjusted in accordance with this section). For purposes of Article IX, “Annual Benefit” means the benefit payable annually in the form of a Single Life Annuity without ancillary benefits or as a Statutory Joint and Survivor Annuity.

(b) **Cost of Living Adjustment.** The \$160,000 limit prescribed above shall be automatically adjusted for cost of living increases, to the maximum permissible dollar limitation determined by the Commissioner of Internal Revenue. The dollar amount applicable in computing the benefit payable to any Participant shall be the dollar amount in effect for the calendar year containing the Participant’s benefit commencement date. No further cost of living increases to the dollar limit shall apply to a Participant after that Participant’s benefit commencement date.

9.3. Adjustment of Dollar Limit for Early or Late Retirement.

(a) **Early Retirement.** No adjustment shall be made to the dollar limitation set forth in 9.2(a) if a Participant’s benefit commences after the Participant attains age 62 and before the Participant attains age 65. However, if the Participant’s benefit commences before the Participant attains age 62, the dollar limit prescribed in 9.2(a) shall be reduced to reflect such early commencement and shall equal the lesser of:

(1) the 9.2(a) dollar limit (as adjusted for cost of living increases through the Participant’s benefit commencement date) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan to the annual amount of the straight life annuity under the Plan commencing at the Participant’s age 62, with both annual amounts determined without applying the rules of Code Section 415; or

(2) the straight life annuity at the age of benefit commencement that is actuarially equivalent to a deferred straight life annuity beginning at age 62 equal to the 9.2(a) dollar amount (as adjusted for cost of living increases through the benefit commencement date), using a five percent (5%) interest rate and the “applicable mortality table” under Code Section 415(b)(2)(E)(v) that is effective for the calendar year containing the Participant’s benefit commencement date (expressing the Participant’s age based on completed calendar months as of the benefit commencement date). Any reduction shall not reflect the mortality decrement to the extent that benefits will not be forfeited upon the death of the Participant.

(b) **Late Retirement.** If the Participant’s benefit commences after the Participant attains age 65, the dollar limit prescribed in 9.2(a) shall be increased to reflect such late commencement, and generally is the annual amount of a straight life annuity commencing on the

benefit commencement date that has the same actuarial present value as a straight life annuity commencing at age 65, computed using a five percent (5%) interest rate and the applicable mortality table under Code Section 415(b)(2)(E)(v) that is effective for the calendar year containing the Participant's benefit commencement date (expressing the Participant's age based on completed calendar months as of the benefit commencement date). However, if any part of the Participant's benefit may be paid as an immediately commencing straight life annuity payable at age 65, the age adjusted 9.2(a) dollar limit is equal to the lesser of:

- (1) the limit as otherwise determined in the preceding sentence; or
- (2) the 9.2(a) dollar limit in effect for the calendar year containing the benefit commencement date multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan to the adjusted age 65 straight life annuity (with all adjustments being made in accordance with Treasury Regulation Section 1.415(b)-1(e)(2)).

For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

9.4. Adjustment of Annual Benefit for Form of Payment.

(a) **Form Other than Lump Sum.** If the benefit to be paid to a Participant under the Plan in the form of an annuity but not in the form of an Annual Benefit as defined in this subsection, the benefit considered to be payable to a Participant under the Plan for purposes of 9.2 shall be adjusted under Code Section 415(b)(2) and equals the greater of: (1) the annual amount of the straight life annuity payable to the Participant under the Plan commencing at the same benefit commencement date as the form of benefit being adjusted; or (2) the annual amount of the straight life annuity commencing at the same benefit commencement date that has the same actuarial present value as the form of benefit being adjusted, computed using a five percent (5%) interest rate assumption and the applicable mortality table under Code Section 415(b)(2)(E)(v) for that benefit commencement date.

(b) **Lump Sum Form of Benefit.** If the benefit to be paid to a Participant under the Plan is in the form of a lump sum, the benefit considered to be payable to a Participant under the Plan for purposes of 9.2(a) shall be the greatest of:

(1) the annual amount of the straight life annuity commencing at the benefit commencement date that has the same actuarial present value as the lump sum, computed using a five and one half percent (5.5%) interest rate assumption and the applicable mortality table under Code Section 415(b)(2)(E)(v) for that benefit commencement date;

(2) the annual amount of the straight life annuity commencing at the benefit commencement date that has the same actuarial present value as the lump sum, computed using the Plan's interest rate and mortality table for calculating lump sum benefits for that benefit commencement date; or

(3) the annual amount of the straight life annuity commencing at the benefit commencement date that has the same actuarial present value as the lump sum, computed

using the applicable interest rate under Code Section 417(e)(3)(C) and the applicable mortality table under Code Section 415(b)(2)(E)(v) for that benefit commencement date, divided by 1.05.

9.5. Benefit Increases Attributable to Increase in Code Section 415(b) Limits. Benefit increases resulting from the increase in the limitations of Code Section 415(b) shall be provided only to Participants who have not yet begun receiving benefits as of the date the increase takes effect.

9.6. Small Benefits. Notwithstanding the foregoing, the benefit payable to a Participant shall be deemed not to exceed the limitations of 9.2 if the following conditions are met:

(a) **\$10,000 or Less.** The Participant's annual benefit derived from TriMet contributions under this Plan and all other tax-qualified defined benefit plans sponsored or maintained by TriMet does not exceed \$10,000 for the Plan Year, or for any prior Plan Year.

(b) **No Defined Contribution Plan.** The Company has not at any time maintained a tax-qualified defined contribution Plan in which the Participant participated.

9.7. Special Provisions Regarding Participants with Fewer than Ten (10) Years of Participation or Service.

(a) **Participation.** In the case of any Participant who participated in the Plan for fewer than ten (10) years, the dollar limit under 9.2(a) shall be multiplied by a fraction whose numerator is the Participant's years of participation in the Plan (including fractions thereof, but not less than one (1)), and whose denominator is ten (10).

(b) **Service.** In the case of any Participant who was employed by TriMet for fewer than ten (10) years, the \$10,000 amount under 9.6 shall be multiplied by a fraction whose numerator is the Participant's years of employment with TriMet (including fractions thereof, but not less than one (1)), and whose denominator is ten (10).

9.8. Aggregation with Other Tax-Qualified Defined Benefit Plans. If a Participant also participates in any other tax-qualified defined benefit pension plan maintained by TriMet, the provisions of this Article IX shall be applied on an aggregate basis to the benefits payable under this Plan and each such other plan. Any reduction in the aggregate benefits payable under this Plan and any such other plan due to the application of this Article IX shall be made on a pro rata basis.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1. Participant Rights. Neither the establishment of the Trust hereby created, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against TriMet, or any officer or employee or the Trustee, or the Plan Administrator, except as otherwise provided herein or by law provided. Under no circumstances shall the terms of employment of any Participant be modified or in any way affected hereby.

10.2. Restrictive Clause.

(a) **Nonalienation.** Except as provided in 10.2(b), the right of any Participant or surviving Spouse or surviving Domestic Partner to any benefit or to any payment hereunder shall not be subject to alienation or assignment. The Plan is for the exclusive benefit of TriMet's Employees, and, as provided herein, their Spouses and Domestic Partners. No funds of the Plan may be diverted to purposes other than to the benefit of Participants and surviving Spouses and surviving Domestic Partners. Notwithstanding the foregoing, this 10.2(a) shall not apply to preclude an offset of a Participant's Plan benefits pursuant to Code Section 401(a)(13)(C).

(b) **ODRO Exception.** Notwithstanding 10.2(a), distribution of all or a portion of a Participant's vested accrued benefit can be made to a Spouse, former spouse, child or other dependent of a Participant as an alternate payee pursuant to any judgment, decree or order made after December 19, 1989, under a state domestic relations law which would be a "qualified domestic relations order" under Code Section 414(p). Participant's accrued benefit and the Plan's liability therefor shall be reduced by the Actuarial Equivalent value of the accrued benefit paid and payable to any such alternate payee, all as determined by the actuary for the Plan using actuarial assumptions and methods approved by the Plan Administrator for such purpose.

10.3. Construction of Agreement. The construction and administration of this Plan shall be governed by, and its validity determined under, the State of Oregon with venue in Multnomah County.

10.4. Gender and Number. Wherever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in are in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

10.5. Loans. No Participant or surviving Spouse or surviving Domestic Partner shall have the right to borrow from the Trust Fund under any circumstances.

10.6. Claims Procedure.

(a) **Filing.** A claim for Plan benefits must be filed with the Plan Administrator before the date of retirement. The claim for benefits shall be made in writing. The Plan

Administrator may specify a particular application form. A claim for benefits may be filed by any Participant or surviving Spouse or surviving Domestic Partner.

(b) **Procedure.** The Plan Administrator shall establish and maintain a reasonable procedure under which claims for Plan benefits are processed and under which the disposition of claims for Plan benefits are communicated to the person filing the claim. The Plan Administrator shall also establish and maintain a reasonable procedure for the review of claims for Plan benefits which have been denied. Such procedure shall be attached as Plan Appendix II.

SIGNATURE

Signed by proper authority this _____ day of _____, 20_____.

TRI-COUNTY METROPOLITAN
TRANSPORT ION DISTRICT OF OREGON

By: _____
Title: TriMet General Manager

**PLAN APPENDIX I
TO
TRIMET DEFINED BENEFIT RETIREMENT PLAN
FOR
MANAGEMENT AND STAFF EMPLOYEES**

(ACTUARIAL APPENDIX)

1. Basis for Actuarial Equivalence

The factors, assumptions and tables used to determine the “Actuarial Equivalent” value under Plan Section 1.1 for any annuity form of benefit or any lump sum benefit on and after November 24, 2021 are as follows:

- (a) **Mortality rates**: PubG-2010(A) Above-Median Income Retiree Mortality with MP-2019 generational projection adjusted to reflect a population that is 50% male and 50% female.
- (b) **Interest rate assumption**: 6.0 percent per annum
- (c) **Cost-of Living Adjustment (“COLA”) assumption**: 2.025 percent per annum
- (d) Factors are based on ages attained in 2023.

PLAN APPENDIX II
TO
TRIMET DEFINED BENEFIT RETIREMENT PLAN
FOR
MANAGEMENT AND STAFF EMPLOYEES
CLAIMS PROCEDURES

(1) Claims Procedures

A Participant or Beneficiary (“Claimant”) is required to use the following claims procedures to assert a right to benefits under the Plan. A Claimant must exhaust these claims procedures before bringing an action for benefits in court.

(a) Application for Benefits. The Plan Administrator may require the Claimant to submit an application, together with such documents and information as the Plan Administrator may require. If Claimant suffers from a disability that prevents him or her from making personal application for benefits, the Plan Administrator may, in its discretion, permit application to be made by another person acting on the disabled person’s behalf. The Plan Administrator has discretionary authority to approve or deny benefits, and to delegate this discretionary authority.

(b) Action on Benefits. Within 90 days following receipt of an application and all necessary documents and information, the Plan Administrator, or its authorized delegate, will furnish the Claimant with written notice of the decision rendered with respect to such application. If the Claimant’s application is denied, the written notice shall set forth specific reasons for the denial, reference to the Plan provisions upon which the denial is based, a description of any additional information or material necessary for perfection of the application (together with an explanation why such material or information is necessary), and an explanation of the Plan’s claim review procedure.

(c) Claim Review Procedure. A Claimant who does not agree with the decision rendered with respect to an application may request that the application be given full and fair review by the Plan Administrator. The request shall be made, in writing, within 90 days after the date of notice of the decision on the application. If no action has been taken within the 90-day period provided in (b) above, then the application is deemed denied, and the request for review shall be made within 90 days after the deemed denial. The Claimant may review pertinent documents and submit issues and comments in writing in collection with the request for review. The decision of the Plan Administrator shall be made promptly, and not later than sixty (60) days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one hundred twenty (120) days after receipt of a request for review. The decision on review will be in writing and will include specific reasons for the decision, written in a manner calculated to be understood by the Claimant with specific reference to the pertinent Plan provisions upon which the decision is based.

(d) Exhaustion of Claims Procedures. Once the Claimant has received a decision on review, the claims procedures are considered exhausted, and the Claimant may file an action for benefits in court.