MARTA NON-REPRESENTED PENSION PLAN

As Amended and Restated January 1, 2015

MARTA NON-REPRESENTED PENSION PLAN

STATEMENT OF PURPOSE

A. BACKGROUND

The Plan initially was adopted effective January 1, 1958 and subsequently amended and restated at various times. The Plan, as set forth in this document, is intended and should be construed as a restatement and continuation of the Plan as previously in effect. This restatement is intended to (i) close the Plan to all Employees hired or rehired after December 31, 2014, (ii) clarify and modify certain provisions of the Plan, and (iii) bring the Plan into compliance with laws and regulations enacted or issued prior to the effective date of this restatement.

B. PURPOSE

The primary purpose of the Plan is to recognize non-represented employees' contributions to the operations of MARTA and to reward the same by providing eligible employees with an opportunity to accumulate a retirement benefit for their future security and that of their beneficiaries.

C. TYPE OF PLAN

The Plan is intended to be a governmental defined benefit pension plan qualified under Section 401(a), and the related Trust under Section 501(a), of the Internal Revenue Code of 1986, as amended.

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ARTICLE 1

DEFINITIONS

For purposes of the Plan, the following terms, when used with an initial capital letter, shall have the meanings set forth below unless a different meaning plainly is required by the context.

1.01 **Accrued Retirement Benefit** means (subject to the Article 10 Code Section 415 maximum) the pension benefit to be provided for each Participant commencing on the first day of the month next following his Normal Retirement Date. This is payable during the Participant's lifetime, in a monthly amount equal to (a) times (b) with a minimum of (c), where:

(a) is the benefit accrual rate of 2.00% for each Year of Credited Service; provided, that for all Participants (**except Transit Police**) terminating service on or after January 1, 2001, the benefit accrual rate is increased for all Credited Service to 2.05% per year for retirees with 20 through 29 years of Credited Service and 2.10% per year for retirees with 30 or more years of Credited Service; provided further, for service as **Transit Police** the benefit accrual rate is increased to 2.25% for each Year of Credited Service after January 1, 2000 as **Transit Police**.

(b) is the Average Monthly Plan Compensation; and

(c) is the minimum benefit of $32.50 per Year of Credited Service to 30.

1.02 **Actuarial Equivalent**

(a) for purposes of determining a benefit amount, identical in value, other than a lump sum benefit, interest at 7% and the 1983 Group Annuity Mortality Table, blended 75% male and 25% female; and

(b) effective March 1, 2007, for purposes of determining the value of benefits payable in a lump sum, an interest rate of 7.5% discounted from the Normal Retirement Date and the 1994 Group Annuity Mortality Table, blended 75% male and 25% female. This value is increased 5%.

1.03 **Actuary** means the person, firm or corporation, one of whose officers shall be an Enrolled Actuary (as defined by the Employee Retirement Income Security Act of 1974, as amended), appointed by the Committee to render actuarial services for the Plan.

1.04 **Average Monthly Plan Compensation** means 1/12th of average Compensation for those three Plan Years of Credited Service within the last eight Plan Years which produce the highest average. Earnings during the final partial year are recognized.

1.05 **Beneficiary** means the person entitled to receive a retirement benefit upon the death of the Participant, as provided under Articles 4 and 5 hereof.

1.06 **Board of Directors** shall mean the Board of Directors of MARTA (Directors).

1.07 **Break in Service** shall mean, with respect to an Employee, a period of 12 consecutive months, beginning on a severance date, during which an Employee is not performing services or entitled to pay as an employee of MARTA. For purposes of determining whether or not an Employee has incurred a Break in Service, and solely for the purpose of avoiding a Break in Service, to the extent required under the Family and Medical Leave Act of 1993 and the regulations thereunder, an Employee shall be deemed to be performing services for MARTA during any period the Employee is granted leave under such Act for (i) the birth of a child, (ii) the placement with the Employee of a child for adoption or foster care, (iii) to care for a spouse, child or parent of the Employee with a serious health condition, or (iv) for a serious health condition that makes the Employee unable to perform the functions of the Employee's job.

1.08 **Code** shall mean the Internal Revenue Code of 1986, as it may be amended from time to time, and any applicable regulations promulgated thereunder.

1.09 **Committee** means the Management Pension Committee as constituted under Article 7.

1.10 **Compensation** shall mean, for purposes of determining a Participant's Average Monthly Plan Compensation for any period, the total

of the amounts described in subsections (1) and (2), minus the amounts in subsections (3) and (4).

(1) a Participant's base salary before all before-tax, salary deferral or salary reduction contributions made to the Plan or any Section 457 and Section 125 plans of MARTA on behalf of a Participant [including any contributions made under Code Section 414(h)(2)]; plus

(2) any bonuses and overtime pay; minus

(3) to the extent included in subsection (1) or (2) the amount of any automobile allowance, excess life insurance taxable income, and minus

(4) solely for an Employee whose employment date is on or after January 1, 1996, the amount of any Compensation in excess of the applicable limit under Code Section 401(a)(17). The Code Section 401(a)(17) limitation is $265,000 (for 2015) as adjusted by the Secretary of the Treasury for cost-of-living increases.

Notwithstanding the foregoing, effective January 1, 2013, Compensation for purposes of this Section 1.10 shall not include any amounts from the sale of paid time off or overtime pay in excess of 2080 hours annually. In no event, however, shall a Participant's Compensation for periods prior to January 1, 2013 be changed.

Notwithstanding the foregoing, Compensation for purposes of this Section 1.10 shall not include any ad hoc, one-time lump sum payments to Participants in 2013.

1.11 **Continuous Service** means the period of an Employee's unbroken employment from the most recent beginning date of employment including accumulated sick leave. Continuous Service includes periods of "Leave of Absence," as defined in Section 1.18 below.

1.12 **Credited Service** means all Continuous Service as a Participant.

This includes service with MARTA's predecessors and their affiliates previously credited under the Plan.

Credited Service also includes service granted for a Leave of Absence under Section 1.19(c).

To the extent required under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") and subject to the payment of Participant Contributions under 6.02, an Employee who leaves the employment of MARTA to enter the uniformed services and returns to employment with MARTA shall be credited with Years of Service for such uniformed service.

Credited Service shall be measured in years and completed months, each full month equaling .083 of a year.

Credited Service shall also include the period of time that a Participant is temporarily or permanently physically or mentally disabled as determined by the Committee or is receiving Workman's Compensation from MARTA.

1.13 **Custodian** shall mean the party responsible for maintaining the assets of the Trust Fund.

1.14 **Defined Benefit Dollar Limitation** shall mean, the dollar limitation described in 10.03.

1.15 **Defined Benefit Plan** shall mean a plan described in 10.02.

1.16 **Effective Date** means January 1, 1958, the original effective date of the Plan, which has been amended and restated in full January 1, 2015.

1.17 **Employee** means any regular, full-time Employee of the Employer other than:

(a) an Employee who is a "leased employee" within the meaning of Code 414(n) unless MARTA has approved the participation of such Employee in the Plan; and

(b) an Employee who is classified under MARTA's regular employment classification practices as a part-time, contract, co-op or temporary employee.

1.18 **Employer** means the Metropolitan Atlanta Rapid Transit Authority (MARTA), and any successor or assign which may adopt the Plan and become a party to the Trust Agreement.

1.19 **Leave of Absence** means:

(a) An absence due to sickness or injury; or

(b) Any leave duly authorized by the Employer for an approved purpose, which authorization shall be in writing if the leave is longer than one month; or

(c) Any authorized absence for service in the armed forces of the United States in accordance with federal law governing reemployment of veterans.

(d) Except to the extent otherwise required by law, a Participant shall not be credited with service during any period of authorized or unauthorized Leave of Absence without pay, or disciplinary suspension without pay. Notwithstanding the foregoing, any Participant granted leave under the Family and Medical Leave Act of 1993 and the regulations thereunder shall be credited with service during the term of such leave, provided that the Participant makes all required Participant Contributions in respect of the term of such leave in the manner prescribed by the Committee.

The above named absences shall be authorized on a nondiscriminatory basis, and all Employees in similar circumstances will receive uniform and consistent treatment.

1.20 **Participant** means an Employee who qualifies to participate in the Plan, as provided in Article 2.

1.21 **Plan** means the Plan embodied herein known as the MARTA Non-Represented Pension Plan, as amended and restated January 1, 2015.

1.22 **Plan Administrator** means the plan administrator appointed by the Committee to assist in the administration of the Plan, as provided in Sections 7.07 and 7.08.

1.23 **Plan Year** means the calendar year beginning January 1 and ending December 31 of each year.

1.24 **Retirement Plan** means any of the following that will accept a Rollover Distribution: an individual retirement account described in Code Section 408(a); an individual retirement annuity described in Code Section 408(b) (other than an endowment contract); an annuity plan described in Code Section 403(a)

or an annuity contract described in Code Section 403(b); a qualified trust described in Code Section 401(a); an eligible plan under Code Section 457(b) which is maintained by a state or political subdivision of a state, or any agency or instrumentality of a state or political subdivision, and which agrees to separately account for amounts transferred into such plan from this Plan; or, effective January 1, 2008, to the extent permitted and in accordance with the rules applicable under Code Section 408A, a Roth individual retirement account described in Section 408A of the Code. In the case of a distributee who is a non-spouse Beneficiary of a deceased Participant, an eligible Retirement Plan shall be limited to an individual retirement account or annuity described in Code Section 408(a) or (b), as contemplated under Code Section 402(c)(11).

1.25 **Rollover Distribution** means any distribution of all or any portion of the balance to the credit of the distributee (as defined in Section 3.11), except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) 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 (10) years of more; any distribution to the extent such distribution is required under Code Section 401(a)(9); any distribution which is made upon hardship of the Employee; the portion of any distribution that is not includable in gross income (determined without regard to the exclusions for net unrealized appreciation with respect to employer securities); and any distributions which total less than $200 during the Plan Year.

1.26 **Transit Police** includes all Employees who are sworn police personnel acting as police officers for MARTA whose job description requires them to be certified by the Peace Officers Standards and Training Council.

1.27 **Trust Agreement** means the Trust Agreement (as it may be amended from time to time) known as the "Trust Agreement for the MARTA Non-Represented Pension Plan."

1.28 **Trustee** means the original Trustee which is a party to the Trust Agreement, or any successor appointed as such in the Trust

Agreement. If no Trustee is appointed, the Committee shall serve as Trustee.

1.29 **Trust Fund** means the Trust Fund established and maintained pursuant to the terms of the Trust Agreement.

1.30 **Vested Percentage** means a Participant's nonforfeitable right to his Accrued Retirement Benefit determined on the basis of the Participant's years of Credited Service according to the following schedule:

Credited Service	Vested Percentage
Less than 5	0%
5 or more	100%

1.31 **Year of Credited Service** means each Plan Year during which an Employee completes one year of Continuous Service for the Employer.

ARTICLE 2

ELIGIBILITY AND PARTICIPATION

2.01 Eligibility

Each Employee hired prior to January 1, 2005 shall be eligible to become a Participant in the Plan unless he is an active participant in the MARTA / ATU Local 732 Employees Retirement Plan; provided, however, that any Participant who transfers to the MARTA Non-Represented Defined Contribution Plan pursuant to Section 3.12 shall no longer be eligible to participate in this Plan. Each Employee **(except Transit Police)** hired by MARTA after December 31, 2004, shall not be eligible to become a Participant in the Plan. Each Employee **(including Transit Police)** hired by MARTA after December 31, 2014, shall not be eligible to become a Participant in the Plan.

2.02 Participation

Each eligible Employee shall automatically become a Participant in the Plan as of his date of employment.

However, Employees hired before September 1, 1988, who were previously excluded from participating because of their age, will participate from September 1, 1988, unless they have made contributions and received Credited Service prior to that date.

2.03 Reemployment

(a) A former Employee, other than a Retired Employee, that is rehired will be offered the option to either:

(1) Return any cash refund and/or benefit payments plus 5% annual interest within one year of reemployment date and be restored in all prior Credited Service, or

(2) Not return the cash refund and/or benefit payments and be treated as a new Employee.

Prior Credited Service shall not be restored until the former Employee has completed one year of Continuous Service since reemployment date. Effective January 1, 2014, this option shall only apply to **Transit Police**. Effective January 1, 2015, this option shall not apply to any rehired former Employee.

(b) A Retired Employee rehired within five years of his last date of employment will be offered the option to either:

(1) Return any cash refund and/or benefit payments plus 5% annual interest within one year of reemployment date and be restored in prior Credited Service, or

(2) Not return the cash refund and/or benefit payments and be treated as a new Employee.

Prior Credited Service shall not be restored until the Retired Employee has completed one year of Continuous Service. Effective January 1, 2014, this option shall only apply to **Transit Police**. Effective January 1, 2015, this option shall not apply to any rehired Retired Employee.

(c) A rehired Retired Employee will cease to receive benefit payments upon his reemployment.

(d) A Retired Employee rehired five or more years after his last date of employment will be treated as a new Employee for all purposes under the Plan.

(e) A Retired Employee rehired within five years of his start date of employment will be treated as a new Employee unless the election in Section 2.03 (b)(1) is made.

(f) Any benefit to which a rehired Employee or rehired Retired Employee becomes entitled under this Plan shall be appropriately adjusted, in a uniform and nondiscriminatory manner, to take into account any benefit to which he became entitled under this Plan due to his prior employment. In no event shall there be a duplication of benefits due to his several periods of employment.

(g) Notwithstanding any provision herein to the contrary, all Employees and Retired Employees rehired after December 31, 2004 who are treated as new Employees will not accrue benefits under this Plan for service after their reemployment but shall instead participate in the MARTA Non-Represented Defined Contribution Plan.

(h) Notwithstanding any provision herein to the contrary, no former Employees or Retired Employees rehired after December 31, 2013, other than **Transit Police**, shall be able to buy-back into the Plan in accordance with this Section 2.03 or accrue any additional benefits under this Plan for service after their reemployment. Such rehired former Employees or Retired Employees shall participate in the MARTA Non-Represented Defined Contribution Plan.

(i) Notwithstanding any provision herein to the contrary, no former Employees or Retired Employees rehired after December 31, 2014, shall be able to buy-back into the Plan in accordance with this Section 2.03 or accrue any additional benefits under this Plan for service after their reemployment. Such rehired former Employees or Retired Employees shall participate in the MARTA Non-Represented Defined Contribution Plan.

ARTICLE 3

RETIREMENT DATES AND BENEFITS

3.01 **Normal Retirement**

(a) Normal Retirement Benefit Entitlement: A Participant who terminates his employment at his Normal Retirement Date shall be entitled to his Normal Retirement Benefit commencing as of the first day of the following month.

(b) Normal Retirement Date: means the last day of the month in which a Participant both (i) attains age 62 (**age 55 for Transit Police**) and (ii) completes five years of Credited Service.

(c) Normal Retirement Benefit: means the Participant's Accrued Retirement Benefit as defined in Article 1 payable as an actuarially equivalent 50% joint and survivor annuity if married one year or more, or a life annuity for other recipients, or such other actuarially equivalent optional form of benefit which the Participant shall have effectively elected, as provided in Article 5.

(d) Normal Retirement Death Benefit: In the event of a Participant's death on or after the Normal Retirement Date, any death benefit will be payable according to the provisions of the normal or optional form of benefit elected by the Participant, as provided in Section 5.02.

(e) Notwithstanding any provision of the Plan to the contrary, the Normal Retirement Benefit for the General Manager/Chief Executive Officer of MARTA (the "Executive") who was employed by MARTA from October 31, 2007 to December 31, 2012, shall include the Executive's Rollover Retirement Benefit and shall be equal to an annual benefit of $66,179 payable in the form of a single life annuity, or such other actuarially equivalent optional form of benefit which Executive shall have effectively elected, as provided in Section 5.02.

All Participants shall be fully vested in their Accrued Retirement Benefit upon reaching their Normal Retirement Date.

3.02 **Early Retirement** (Age plus Credited Service (minimum of 5) equals 60 or more at date employment ceases - this is only available to **Transit Police** hired prior to November 1, 1996.)

(a) Early Retirement Benefit Entitlement: Upon termination of a Participant's employment as of an Early Retirement Date, he shall be entitled to his Immediate Early Retirement Benefit commencing as of the first day of the month next

following his Early Retirement Date, unless he has elected a Deferred Early Retirement Benefit, in which case he shall be entitled to his Deferred Early Retirement Benefit commencing as of the specified deferred date.

(b) Early Retirement Date: means, in the case of a Participant, with at least five years of Credited Service, whose age plus Credited Service equals 60 or more, the last day of any month (prior to his Normal Retirement Date) in which his employment terminates.

(c) Early Retirement Benefit: means an Immediate Early Retirement Benefit, or a Deferred Early Retirement Benefit, as defined below:

(1) Immediate Early Retirement Benefit - means the Accrued Retirement Benefit payable immediately. This is:

(i) Unreduced for early retirement if:

A) Age 62; or

B) 30 years Credited Service; or

C) Age plus Credited Service equals 80.

(ii) Or reduced for early retirement by the least of:

A) 3% times each year, or fraction, of age at retirement below 62 (must be age 55); or

An alternative benefit for **Transit Police** is available from age 50. This is the Accrued Benefit reduced 1.5% for each year retirement precedes age 55.

B) 3% times 80 less the sum (minimum of 60) of age at date of termination plus Credited Service. (The prior rule of 85 is grandfathered if hired on or before November 1, 1996.)

The Minimum Benefit in Section 1.01 applies in (1)(ii)A (without reduction for early retirement).

(2) Deferred Early Retirement Benefit - means the Accrued Retirement Benefit payable as of a deferred commencement date. This is determined by the same formula as the Immediate Early Retirement Benefit. Thus, the reduction in (1)(ii)(A) is less due to the increase in retirement age. However, the reduction in (1)(ii)(B) is unchanged as this alternative is frozen at the date of termination.

(d) Deferred Early Retirement Death Benefit: In the case of a Participant who has elected a Deferred Early Retirement Benefit, in the event of such Participant's death after the Early Retirement Date, but prior to the deferred commencement date, there shall be payable to the Beneficiary, starting as of the deferred commencement date, such benefit, if any, as is payable on or after the Participant's death under a normal or optional form of benefit elected by the Participant on or before the Early Retirement Date.

The minimum death benefit, payable immediately, will be the benefit payable under the 50% joint and survivor option at the date of death. (Alternatively, if ten years Credited Service has been completed, the Beneficiary may elect to receive a lump sum refund of the Participant Contributions with interest compounded at 5% per annum and retain an actuarially reduced benefit but not less than 50% of the benefit payable under the 50% Joint and Survivor option.)

3.03 **Delayed Retirement**

(a) Delayed Retirement Benefit Entitlement: A Participant whose employment continues after his Normal Retirement Date shall not be entitled to receive any benefits under the Plan until his Delayed Retirement Date. Upon termination of his employment, he shall be entitled to his Delayed Retirement Benefit commencing as of the first day of the month next following his Delayed Retirement Date.

(b) Delayed Retirement Date: means in the case of any Participant whose employment continues after his Normal Retirement Date, the last day of the month in which his employment terminates for any reason other than his death.

(c) Delayed Retirement Benefit: means a Participant's Accrued Retirement Benefit payable as an actuarially equivalent 50% joint and survivor annuity if married one year or more, or a life annuity for other recipients, or such other actuarially equivalent optional form of benefit which the Participant shall have effectively elected, as provided in Article 5 commencing as of the first day of the month next following his Delayed Retirement Date.

(d) Delayed Retirement Death Benefit: In the event of such Participant's death after his Normal Retirement Date, but prior to his termination of employment as of a Delayed Retirement Date, there shall be payable to his Beneficiary such benefit, if any, as is payable on or after the Participant's death under a normal or optional form of benefit elected by the Participant on or before the Normal Retirement Date assuming the Participant's Delayed Retirement Date is the day immediately preceding the date of death.

The minimum death benefit, payable immediately, will be the benefit payable under the 50% joint and survivor option at the date of death. (Alternatively, if ten years

Credited Service has been completed, the Beneficiary may elect to receive a lump sum refund of the Participant Contributions with interest compounded at 5% per annum and retain an actuarially reduced benefit but not less than 50% of the benefit payable under the 50% Joint and Survivor option.)

3.04 **Disability Provisions**

(a) Disability: "Disability" means a total and permanent physical or mental condition as defined by MARTA's long term disability plan resulting from bodily injury, disease, or mental disorder which renders a Participant incapable of continuing his usual and customary employment with the Employer; provided, however, that disability for purposes of the Plan shall not include any disability which results from the Participant's engagement in war, insurrection, rebellion, or active participation in a riot, or in a criminal enterprise, or from an intentionally self-inflicted injury. The Committee shall determine if the above conditions have been met.

(b) Disability Period: "Disability Period" means the period or periods of time during which a Participant (i) is receiving Workman's Compensation or (ii) is temporarily or permanently disabled as defined in Section 3.04(a). No period of time following the Participant's Normal Retirement Date shall be considered as part of the Disability Period.

(c) Retirement Benefit for Disabled Participant: A Participant who is receiving Workman's Compensation or becomes temporarily or permanently disabled as defined in Section 3.04(b), shall be entitled to receive his Normal Retirement Benefit as defined in Section 3.01(c) commencing as of the first day of the month next following his Normal Retirement Date. For purposes of determining the Normal Retirement Benefit, Credited Service will include the Disability Period (up to the Participant's Normal Retirement Date) and Average Monthly Plan Compensation will be determined as follows:

(i) Average Monthly Plan Compensation for the Disability Period will be determined based on the assumption that the Participant's compensation in the last full calendar year immediately preceding the Disability Period will continue at the same rate for the duration of the Disability Period.

(ii) Average Monthly Plan Compensation for the Disability Period will be determined based on the highest paid three years of the Participant's final eight years of Credited Service.

A Participant's Contributions shall be waived during the Disability Period. Continuing proof of disability may be required from time to time by the Committee.

(d) Death Benefit for Disabled Participant

(1) In the event of a disabled Participant's death before his Normal Retirement Date, his Beneficiary shall be entitled to the greater of:

(a) If eligible, the 50% joint and survivor annuity described in 4.02(a) based on continuation of Credited Service and Compensation to date of death; or

(b) A lump sum refund of the Participant's Contributions with interest annually at the rate of five percent per annum plus an actuarially reduced benefit but not less than 50% of the benefit in (a) if ten years of Credited Service has been completed.

(2) In the event of a disabled Participant's death on or after his Normal Retirement Date, any death benefit will be payable according to the provisions of the normal or optional form of benefit selected by the Participant, as provided in Section 5.02.

3.05 **Termination of Employment** (Age plus Credited Service is less than 60 at date employment ceases, or less than five years Credited Service)

(a) Termination Benefit Entitlement: The Termination Benefit shall be determined and payable as provided in (c) and (d) below.

(b) Termination Date: means, in the case of a Participant whose employment terminates, for any reason other than his retirement, disability, or death, the last day of the month in which his employment terminates.

(c) Termination Benefit: means a deferred benefit in the monthly amount of a Vested Percentage of the Participant's Accrued Retirement Benefit, with years of Credited Service determined as of the Participant's Termination Date. Such Termination Benefit shall be payable commencing on the first day of the month next following the Participant's 62nd birthday (**55th birthday for Transit Police**).

(d) Optional Payment Commencement Date: The Participant may elect that a portion of the Termination Benefit commence after age 55 (**age 50 for Transit Police**). This is reduced 3% times each year, or fraction, of age at retirement below 62 (**age 55 for Transit Police**).

(e) Optional Lump Sum Payment--Terminations Prior To January 1, 2013: Any Participant terminated prior to January 1, 2013, regardless of the sum of such Participant's age plus Credited Service, will have a one-time irrevocable option to receive an immediate lump sum payment of his full vested accrued benefit in lieu of the deferred monthly benefit under Section 3.05(c). The lump sum payment,

calculated as provided in Section 1.02(b) shall be the only amount payable to the Participant or his Beneficiary, and any Participant who receives the lump sum payment forfeits all future benefits and rights under the Plan. A Participant's election to receive a lump sum payment of his Termination Benefit under this Section is irrevocable, and, for married Participants, must be accompanied by spousal consent.

(f) Deferred Termination Death Benefits: In the case of a Participant who is entitled to a Termination Benefit, in the event of such Participant's death after his Termination Date, but prior to age 55 (**age 50 for Transit Police**), his Beneficiary shall be entitled to the benefit which would have been payable had the deceased Participant elected the 50% joint and survivor annuity option provided for in Section 5.02, survived until age 55 (**age 50 for Transit Police**) and died on the day after such date. Such death benefit shall be payable to Beneficiary as of the first day of the month next following the date the Participant would have attained age 55 (**age 50 for Transit Police**).

(g) In determining the Termination Benefit, actuarial increases occur for deferral past the Normal Retirement Date.

3.06 **Refund of Participant's Contributions**

(a) In the case of a Participant who is not entitled to a Termination Benefit by reason of his having fewer than five years of Credited Service as of his Termination Date, such Participant shall be entitled to a lump sum refund of his contributions with interest compounded annually at the rate of five percent per annum.

(b) In the case of a Participant who is entitled to a Termination Benefit by reason of having five or more years of Credited Service as of his Termination Date:

(1) Such terminating Participant who has not completed ten years of Credited Service may elect a refund of his contributions with interest compounded annually at the rate of five percent per annum, but he thereby forfeits all future rights; or

(2) Such terminating Participant who has completed ten years of Credited Service, including buy-back but not Portability Service, may elect, subject to Committee approval, a refund of his pre-tax or after-tax contributions (or both) with interest compounded annually at the rate of five percent per annum, and retain his vesting in any employer provided benefit (minimum 50% of accrued benefit) payable on or after age 62 (**age 55 for Transit Police**) or payable reduced from age 55 (**age 50 for Transit Police**); or

(3) If eligible, such terminating Participant may elect a lump sum payment of his full vested accrued benefit pursuant to Section 3.05(e). Lump sum payment

of his entire vested accrued benefit eliminates any further benefit liability from the Plan.

(c) Alternatively, a Participant (**other than Transit Police**), who terminates after January 1, 2001, may elect, in such manner and subject to such rules and limitations as the Committee shall prescribe, upon such termination the following immediate refund and forfeit any further benefit from the Plan:

Refund of employee contributions with interest compounded at five percent (5%) per annum, increased as follows:

Years of Non-Union Credited Service	Multiplier
0	100%
1	120%
2	140%
3	160%
4	180%
5 or more	200%

3.07 **Rehired Retiree**

If a Retired Employee is reemployed by MARTA, and makes the election in Section 2.03(b)(1), his retirement benefit payments shall cease with the last payment due prior to his reemployment. Credited Service before and after his reemployment will be aggregated for all purposes of the Plan. Retirement benefit payments shall again become payable on the first day of the month following his subsequent termination of employment. Notwithstanding any provision herein to the contrary, effective January 1, 2015, no rehired Retired Employees shall be able to buy-back into the Plan in accordance with Section 2.03 or accrue any additional benefits under this Plan for service after their reemployment.

3.08 **Transfer to or from the Plan**

In the event an Employee transfers between the Plan and the MARTA / ATU Local 732 Employees Retirement Plan as a result of a change in his status of employment, the benefits to which he is entitled under this Plan shall be based upon the revised Transfer Agreement effective January 1, 2005, as it may be subsequently amended from time to time, or upon any future agreement of similar import that may be entered into by the Plan and the MARTA / ATU Local 732 Employees Retirement Plan.

3.09 **Portability**

(a) Effective November 23, 1992, a Participant with prior service at a public organization described in 3.09(b) will receive credit if all of the following apply.

(1) The Participant completes five years of Credited Service with MARTA.

(2) The Participant elects to purchase his prior service by contributing 1.75% of his current annual compensation times the service to be purchased (up to ten years) to the Plan.

(3) The Participant's prior service purchased under this Section 3.09(a) cannot exceed his MARTA service.

The additional benefit awarded pursuant to this Section 3.09(a) shall be 1% times purchased prior service (up to ten years) times Average Monthly Plan Compensation.

(b) Public Organization means: a municipality, governmental entity, and/or political subdivision or instrumentality established by the Georgia Legislature and chartered by the State of Georgia, located and doing business in Fulton, DeKalb, Clayton, Gwinnett counties and the City of Atlanta or any other political jurisdiction(s) which may be included in the MARTA district.

(c) Effective October 1, 1993, current non-represented Employees may receive credit for prior MARTA Union service under the same terms and conditions as those contained in Section 3.09 (a) and (b) for portability service at public organizations. In no event will an Employee be allowed to receive pension service credit for the same period from both Plans.

(d) Effective January 1, 2003, certain Participants who occupy specific key senior management positions selected by the General Manager/Chief Executive Officer of MARTA (a "key position") will be eligible to purchase additional Credited Service if all of the following conditions are met:

(1) The Participant completes five years of Credited Service with MARTA.

(2) The Participant completes at least as many years of Credited Service with MARTA in a key position as are purchased pursuant to this Section 3.09(d).

(3) The Participant contributes 1.75% of his current annual compensation times the service to be purchased (up to five years) to the Plan.

The additional benefit awarded pursuant to this Section 3.09(d) shall be 1% times purchased service (up to five years) times Average Monthly Plan Compensation.

This benefit shall be in addition to any other service purchased under Sections 3.09(a) or 3.09(c).

(e) All service purchased pursuant to Section 3.09 shall be considered a part of the purchasing Participant's Normal Retirement Benefit and shall be subject to the limitations of Code Section 415 as outlined in Article 10 hereof.

3.10 Pensioner Benefit Increases

Periodically, but no less often than every even numbered year, the Committee shall review the adequacy of pension benefits under the Plan with respect to increases in the cost of living. Effective January 1, 2008, at least a 1% annual increase will be granted. The Committee is authorized to recommend additional increases, if warranted, to be effective on July 1 of the then current year. The minimum benefit for deferred vested Participants not in pay status is also increased each time pensioners' Minimum Benefits are increased. However, the 1% COLA will not be granted to deferred vesteds who elect a lump sum payment from the Plan.

3.11 Direct Rollover Distributions

If a distributee (as defined below), who is the recipient of an eligible Rollover Distribution, elects to have such eligible Rollover Distribution paid directly to an eligible Retirement Plan and specifies (in such form and at such time as the Committee may prescribe) the eligible Retirement Plan to which such distribution is to be paid, such distribution shall be made in the form of a direct trustee-to-trustee transfer to the specified eligible Retirement Plan; provided, such transfer shall be made only to the extent that the eligible Rollover Distribution would be included in gross income if not so transferred (determined without regard to Code Section 402(c) and Section 403(a)(4)).

For this purpose, a distributee includes an employee or former employee. In addition, 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)), are distributees with regard to the interest of the spouse or former spouse. Effective for distributions made on and after January 1, 2010, a non-spouse beneficiary of a deceased Participant who is either an individual or an irrevocable trust, where the beneficiaries of such trust are identifiable and the trustee provides the Administrator with a final list of trust beneficiaries or a copy of the trust document by October 31 of the year following the Participant's death, shall be a distributee with regard to the interest of the deceased Participant, but only if the eligible rollover distribution is transferred in a direct trustee-to-trustee transfer to an eligible retirement plan which is an individual retirement account described in Code Section 408(a) or an individual retirement account described in Code Section 408(b) (other than an endowment contract).

3.12 Transfer to Defined Contribution Plan

All active Plan Participants may be provided the option to participate in the MARTA Non-Represented Defined Contribution Plan (the "DC Plan") by terminating participation in this Plan and transferring the lump sum present value of their accrued benefit in this Plan to the DC Plan. A Participant's election to terminate participation in this Plan and transfer a lump sum present value of his or her benefits to the DC Plan is irrevocable, and, for married Participants, must be accompanied by spousal consent. Following such an election, a Participant will receive benefits only from the DC Plan and will not be eligible to return to this Plan.

3.13 Direct Rollover From MARTA Plans

(a) With the prior consent of the Plan Administrator and subject to such rules and conditions as the Plan Administrator may prescribe, a Participant may contribute to the Trust Fund, in a direct rollover pursuant to Code Section 401(a)(31), an eligible rollover distribution from the MARTA Non-Represented Defined Contribution Plan and/or an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by MARTA, provided that such direct rollover is made prior to the Participant's annuity starting date under the Plan.

(b) Any Participant making a direct rollover in accordance with this Section to the Plan must specify a single annuity starting date and select the same form of benefit in accordance with Article 5 for all of the Participant's benefits payable under the Plan, including the additional benefit resulting from the direct rollover made pursuant to this Section.

(c) The Participant's direct rollover amount made pursuant to this Section shall be credited with interest, compounded annually at a rate of five percent per annum, until the Participant's annuity starting date. If the Participant dies prior to his annuity starting date, a benefit equal to the direct rollover amount, plus applicable interest, will be paid in a lump sum payment to the Participant's Beneficiary. Such payment will be in addition to any death benefit payable under Article 4 of the Plan, determined as if no amount had been directly rolled over to the Plan.

(d) The Participant's benefit resulting from the amount directly rolled over to the Plan shall be nonforfeitable. Notwithstanding the foregoing, if the Participant dies after his annuity starting date, the benefit resulting from the amount directly rolled over shall not be treated as being forfeited as a result of the cessation of the Participant's form of annuity benefit, even if the Participant dies prior to having received an amount equal to the amount rolled over to the Plan, plus applicable interest as described above.

3.14 Transfer to or from Transit Police Status

Except as provided in Section 1.01, in the event an Employee transfers status between the Transit Police and non-Transit Police as a result of a change in his status of employment, the benefits to which he is entitled under this Plan shall be based upon the status of the Employee at the time of the Employee's termination of employment or retirement.

ARTICLE 4

DEATH BENEFITS

4.01 Designation of Beneficiary

(a) "Beneficiary" means any one or more primary or contingent beneficiaries designated by the Participant to receive any benefit payable under the Plan on or after the Participant's death.

(b) Designation of Beneficiary shall be made, changed, or revoked in writing in the form and manner prescribed by the Committee, and designation of a Beneficiary under an optional form of benefit, or a change or revocation of such designation, shall also be in accordance with the provisions of Article 5.

(c) In the case of a married Participant, the Beneficiary shall be the Participant's spouse unless:

(i) the spouse of the Participant consents in writing to the election of a person other than the spouse and the consent acknowledges the effect of the election and is witnessed by representatives of the Plan designated by the Committee or by a notary public; or

(ii) it is established to the satisfaction of the Committee that the consent required pursuant to (i) above may not be obtained because there is no spouse or because the spouse cannot be located.

The above will not apply unless the Participant and the spouse have been married, as evidenced by a legal marriage certificate, throughout the one year period ending on the earlier of

(i) the Participant's annuity start date, or

(ii) the date of the Participant's death.

Thus, employee contributions plus interest refunds, or 50% survivor annuities, must be paid to the spouse of one year or more unless the spouse consents, as described in 4.01(c)(i), to an alternative recipient.

If the Participant is single, divorced, or married less than one year, he will automatically receive his annuity as the life only payment form unless he elects an optional payment form within the allowed 90 day period.

(d) In the absence of a valid Beneficiary designation by the Participant, or in the event that no designated Beneficiary survives the Participant, any benefit payable under the Plan on or after the Participant's death shall be paid to the Participant's spouse, if living at the time of the Participant's death, or, if not living, then in equal shares to the Participant's descendants who are living at the time of the Participant's death, or if there are no such descendants then living, then to the Participant's estate.

4.02 **Death Before Termination of Employment**

(a) (i) In the event of a Participant's death before his Normal Retirement Date and before his termination of employment, his Beneficiary shall be entitled to a lump sum refund of the Participant's Contributions with interest compounded annually at the rate of five percent per annum.

(ii) However, if a Participant, who is under age 55 with 20 years of Credited Service or age 55 or older with five years of Credited Service, dies before his termination of employment, the person named as his Beneficiary (not his estate) shall receive the benefit which would have been payable had the deceased Participant elected the 50% joint and survivor annuity option provided for in Section 5.02. If elected, the benefit will commence the first day of the month following the Participant's death.

In the event a Participant who is under age 55 with five years of Credited Service dies before his termination of employment, the person named as his Beneficiary shall receive the benefit which would have been payable had the deceased Participant elected the 50% joint and survivor annuity option provided for in Section 5.02, survived until his earliest retirement date, and died on the day after such date. Such death benefit shall be payable to the Beneficiary as of the first day of the month following the Participant's earliest retirement date.

(iii) The Beneficiary may alternatively elect to receive a lump sum refund of the Participant's Contributions with interest compounded annually at five percent per annum and (if the Participant had completed ten years of Credited Service) receive an actuarially reduced benefit but not less than 50% of the above 50% joint and survivor benefit. If the Participant has not named a Beneficiary, the refund shall be made according to Section 4.01(d).

(b) (i) In the event of a Participant's death on or after his Normal Retirement Date and before his termination of employment as of his Delayed Retirement Date, there shall be payable to his Beneficiary such benefit, if any, as is payable on or after the Participant's death under such normal or optional form of benefit elected by the Participant on or before the Normal Retirement Date, assuming the Participant's Delayed Retirement Date is the day immediately preceding the date of death.

(ii) The minimum death benefit, applicable for a Participant dying while in active service, will be the amount provided for in Section 4.02(a) (i), (ii), and (iii) or the amount in Section 3.06.

4.03 **Death After Termination of Employment**

(a) In the event of a Participant's death on or after the benefit payment commencement date under Early Retirement, or on or after the Normal Retirement Date under Normal Retirement, any death benefit will be payable according to the provisions of the normal or optional form of benefit selected by the Participant, as provided in Section 5.02.

In the event the life annuity optional form of benefit was chosen by the Participant, the Participant's Beneficiary shall be entitled to receive the difference, if any, between the Participant's Contributions with interest under the Plan to his benefit commencement date, and the aggregate of payments made under the Plan to the Participant.

(b) In the case of a Participant who is entitled to a Termination Benefit, in the event of such Participant's death after his Termination Date, but prior to his Early or Normal Retirement Date, his Beneficiary shall be entitled to a benefit in the amount provided for in Section 3.05(e). Alternatively, the Beneficiary may elect to receive the amount in Section 3.06 or a lump sum refund of the Participant's Contributions with interest compounded annually at the rate of five percent per annum pursuant to Section 4.02(a)(iii). In this latter case, if ten Years of Service had been completed, the Beneficiary will receive an actuarially equivalent death benefit with a minimum as described in 4.02(a)(iii).

4.04 **Death Benefits Under USERRA**

Effective January 1, 2007, if a Participant dies while performing "qualified military service" (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, if any, had the Participant resumed and then terminated employment on account of death.

ARTICLE 5

OPTIONAL FORMS OF BENEFIT PAYMENTS

5.01 Rules Governing Election of Optional Forms

(a) The Plan Administrator may prescribe uniform rules, procedures and forms, consistent with the provisions of this Article, respecting Participant's elections of optional forms of benefit and respecting revocations or changes of such elections.

(b) The Participant's election of an optional form of benefit and his designation of any Beneficiary under such optional form of benefit, other than a lump sum death benefit, must be made within 90 days of the annuity start date. The Participant's revocation or change of such election or designation shall be made prior to the annuity start date.

For lump sum death benefits, the Participant's election of Beneficiary, or his revocation or change of such election or designation, shall be made prior to the date the Participant's employment ceases (by retirement or otherwise). Provisions relating to the Beneficiary are specified in Section 4.01.

(c) An optional form of benefit may be elected for Normal, Early, Delayed, and Disability Retirement Benefits.

5.02 Normal and Optional Forms Available

Normal Retirement Annuity

The Accrued Retirement Benefit is payable as an actuarially equivalent 50% joint and survivor annuity if the Participant is married throughout the one-year period ending on the earlier of the Participant's annuity starting date or the date of the Participant's death. If the Participant is not married throughout the one year period ending on the date that benefit payments commence, then his Accrued Retirement Benefit will be payable in the form of a single life annuity.

If the Participant is entitled to a joint and survivor annuity, then within the "applicable period" described below, the Committee shall furnish to the Participant a written explanation of:

(i) the terms and conditions of the joint and survivor annuity;

(ii) the Participant's right to make, and the effect of, an election not to receive the joint and survivor annuity;

(iii) the rights of the Participant's spouse as referred to in Section 4.01; and

(iv) the Participant's right to make, and the effect of, a revocation of an election pursuant to this Section.

"Applicable period" means, with respect to a joint and survivor annuity, a reasonable period of time before its starting date.

In lieu of the Normal Retirement Annuity, a Participant may elect one of the following actuarially equivalent optional forms of benefit. However, no option may be elected or approved unless the Participant, married one year or more, obtains spousal consent and the Actuarial Equivalent single sum value of the benefit to be received by the Participant is more than fifty percent of the Actuarial Equivalent single sum value of the total benefits to be received by both the Participant and any other Beneficiaries.

(a) Single Life Annuity: A monthly pension payable for the Participant's life.

(b) Life Annuity with Minimum Number of Payments: A monthly pension in an adjusted level monthly amount payable for a period certain of a specified minimum number of months (not exceeding 180 nor extending beyond the Participant's 85th birthday) and during the Participant's lifetime thereafter.

(c) Joint and Survivor Annuity: Under this option, 50%, 75%, or 100% of the Participant's reduced benefit is continued to an eligible surviving Beneficiary upon the Participant's death. In the event this option is selected and the Participant's Beneficiary dies prior to the Participant, no new or contingent Beneficiary may be designated by the Participant.

(d) Modified Joint and Survivor Annuity With Pop Up

Under this option, if the designated Beneficiary dies within two years after the payments have commenced, the pensioner will have the retirement benefit restored, or popped up, to its original (life annuity) level. There will be an actuarial reduction made to the initial benefit for the coverage provided.

(e) Lump Sum Payment of Employee Contributions plus 5% Interest

A Participant or Beneficiary may elect this lump sum with the actuarial equivalent of the remaining benefit paid as per the above.

(f) Under all options, the minimum benefit payment is Participant Contributions plus interest calculated at 5% per annum to date of retirement.

(g) To receive an optional form of payment, a Participant must file a written election with the Plan Administrator within 90 days of retirement.

Once a form of retirement benefit and designation of Beneficiary is elected by the Participant and accepted by the Plan Administrator, it cannot be rescinded by the Participant without the written consent of the Plan Administrator and the Participant's spouse if the spouse is an eligible spouse as per 4.01(c), conditioned upon satisfactory evidence of the Participant's (or if the joint and survivor annuity option has been elected, the Beneficiary's) good health. In no event shall the consent of a Beneficiary other than the spouse of the Participant for one year or more be required as a condition to the right of a Participant to revoke or change any option previously elected or designation of Beneficiary.

ARTICLE 6

FUNDING

6.01 Trust Fund

(a) All contributions made pursuant to this Plan by the Employer and Participants shall be paid into the Trust Fund to be held, managed, invested, and distributed in accordance with the provisions of the Plan and Trust Agreement.

(b) All benefits under the Plan shall be payable directly from the Trust Fund, except any benefits which the Committee has determined shall be payable through the medium of an annuity contract or contracts.

(c) The Employer shall not have any liability for the payment of benefits other than the obligation to make contributions to the Trust Fund as provided in Section 6.02.

6.02 Contributions

(a) As a condition of participation in the Plan, all Participants shall contribute to the Plan. The maximum amount a Participant shall be required to contribute shall not exceed 6% of annual compensation.

Effective July 1, 1989, each Participant shall contribute to the Trust Fund at an annual rate of 3.5% of his Compensation, by means of regular payroll deductions (hereinafter, the "Participant Contributions"). Effective July 1, 2004, each Participant shall contribute to the Trust Fund at an annual rate of 5.0% of his Compensation, by means of regular payroll deductions. Effective July 11, 1989, the Employer will pick up Participant Contributions. Such Participant Contributions will be treated as employer contributions in accordance with Internal Revenue Code Section 414(h) and any Treasury Regulations promulgated thereunder. Employer pick-up of Participant Contributions shall be effectuated by reducing the Compensation of each Participant by the amount of the Participant Contributions. No Participant shall have the option to receive the pick-up contributions directly instead of having such contributions paid by the Employer to the Trust Fund.

Effective November 1, 1996, **Transit Police** shall contribute 5.0% of Compensation. Effective July 1, 2004, **Transit Police** shall contribute 6.5% of Compensation. The Employer will pick up these contributions as per the above.

Effective January 1, 2013, each Participant **(other than Transit Police)** shall contribute to the Trust Fund at an annual rate 6.0% of his Compensation, by means of regular payroll deductions. Effective January 1, 2013, **Transit Police** shall

contribute to the Trust Fund at an annual rate 7.5% of his Compensation, by means of regular payroll deductions. The Employer will pick up these contributions as per the above.

(b) Subject to Section 6.02(e), the Employer shall contribute to the Trust Fund such amounts as from time to time are estimated by the Actuary to be sufficient, upon an actuarially sound basis, to provide the balance of Accrued Retirement Benefits under the Plan should Participant Contributions and interest be insufficient to provide Accrued Retirement Benefits.

(c) Effective February 1, 2002 the Employer shall contribute to the Trust Fund at an annual rate of 10.0% of each Participant's Compensation. The Employer shall contribute to the Trust Fund at an annual rate of 14.5% of each Participant's Compensation effective July 1, 2004 and 18% effective July 1, 2006. Such contributions may be made in cash or in property which is an authorized investment of the Trust Fund (as provided in the Trust Agreement) or in a combination of cash and such property. The contribution for each Plan Year shall be paid within the Plan Year, or within three (3) months after the close of such year.

(d) To the extent not otherwise paid, all expenses of administering the Plan, including without limitation custodial, actuarial, legal, accounting and audit fees, and fees of any Trustee other than the Committee, shall be paid by the Trust Fund.

(e) Notwithstanding anything contained herein to the contrary, the Employer shall have the right in its sole and final discretion, at any time or from time to time, to discontinue or temporarily suspend for a definite or indefinite period, its contributions under the Plan without any liability whatsoever. Upon the complete discontinuance of contributions by the Employer, the rights of Participants shall be nonforfeitable in accordance with and to the extent provided in Section 8.02(c).

(f) A Participant who returns from uniformed service under USERRA shall be entitled to Credited Service during the period of leave, provided the Participant pays the applicable Participant Contributions under Section 6.02(a) he would have paid had he worked during the period of uniform service. Such repayment shall be made in accordance with Code Section 414(u) during the period beginning with the Participant's reemployment commencement date and ending on the date which is no later than three (3) times the duration of his uniformed service, but in no event later than five (5) years.

ARTICLE 7

PENSION COMMITTEE

7.01 Appointment, Resignation, Removal

The Board of Directors of MARTA (herein called "Directors") shall appoint a Management Pension Committee (the "Committee") to manage and administer the Plan. The Committee shall consist of not less than three members, nor more than ten, who may but need not be Directors, officers, or Employees of MARTA, or Participants. The members of the Committee shall serve at the pleasure of the Directors and any or all members may be removed by the Directors at any time, with or without cause or notice. Upon the death, resignation, removal, or inability to serve of any member of the Committee, as now or hereafter constituted (and of such inability the Directors shall be sole judge), the Directors shall name the successor of such member.

7.02 Notice to Trustee

Promptly after appointment of the Committee and after each change in membership of the Committee, the Directors shall give written notice to the Trustee of the names of the members of the Committee. The Trustee shall not be deemed to be on notice of any change in membership of the Committee unless so notified.

7.03 Procedure

The Committee shall act by agreement of a majority of its members, either by vote at a meeting or in writing without a meeting. By such action, it may authorize one or more of its members or the Plan Administrator to execute documents on its behalf and direct the Trustee in the performance of its duties, as related to the powers and duties of the Committee specified in Section 7.04; and the Trustee, upon written notification of such authorization, shall accept and rely upon such documents and directions until notified in writing that the authorization has been revoked or changed by the Committee. A member of the Committee who is also a Participant shall not vote or act upon any matter directly affecting any of his benefits under the Plan. In the event of a deadlock or other situation which prevents agreement of a majority of the Committee members, the matter shall be decided by the Directors.

7.04 Powers and Duties

The Committee shall have the power and duty to do all things necessary or convenient to effect the intent and purposes of the Plan and not inconsistent with any of the provisions hereof whether or not such powers and duties are specifically set forth herein and, not in limitation but in amplification of the foregoing, shall have power to:

(a) Hold, manage and protect the assets and property of the Plan, and collect contributions and income.

(b) Provide rules and regulations for the administration of the Plan, and from time to time, to amend or supplement such rules and regulations.

(c) Construe the Plan and/or Trust Agreement and its construction thereof in good faith, and act in the best interests of the Participants.

(d) Execute, amend, and revoke any custodial agreement providing for the appropriate custody, registration and safeguarding of all assets of the Trust Fund, and to retain or to remove the Custodian.

(e) Correct any defect or supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem expedient to carry the same into effect.

(f) Determine all questions that shall arise under the Plan including directions to and questions submitted by the Trustee on all matters necessary for it to properly discharge its duties.

(g) Employ investment managers to manage all or any of the assets of the Trust Fund and to apportion the assets of the Trust Fund among the investment managers, who shall invest and reinvest such assets pursuant to the written directions of the Committee and pursuant to OCGA 47-20-80 et seq.

7.05 **Benefit Application and Claims Procedure**

(a) Participants and Beneficiaries shall apply for benefits by filing with the Plan Administrator a signed, written request specifically identifying the benefits requested and describing all facts and circumstances entitling the applicant to payment.

Each Participant and Beneficiary, or his representative, shall be responsible for making application, in accordance with uniform procedures established by the Committee, for any benefit due him under the Plan. A Participant or Beneficiary shall have no claim against the Fund for any retroactive payment by reason of the failure of such Participant of Beneficiary to properly or timely apply for benefits under the Plan.

(b) Within ninety (90) days after receipt of such an application, the Plan Administrator shall notify the applicant of the Committee's decision. If special circumstances require an extension of time, the Plan Administrator shall notify the applicant of such circumstances within ninety (90) days after receipt of the application, and the

Plan Administrator shall thereafter notify the applicant of its decision within 180 days after receipt of the application. If the application is denied in whole or in part, the Plan Administrator's notice of denial shall be in writing and shall state:

(1) the specific reasons for denial with specific reference to pertinent Plan provisions upon which the denial was based;

(2) a description of any additional materials or information necessary for the applicant to perfect his or her claim and an explanation of why the materials or information are necessary; and

(3) an explanation of the Plan's claim review procedure.

(c) During the sixty-day period following an applicant's receipt of a notice of denial of the application for benefits, the applicant or a duly authorized representative may review pertinent documents and within sixty (60) days submit a written request to the Plan Administrator for the Committee's review of the denial.

(d) An applicant submitting a request for review shall be allowed to submit issues and comments in writing to the Plan Administrator. Within sixty (60) days after receipt of the request for review, the Plan Administrator shall issue the Committee's decision in writing to the applicant. If special circumstances require an extension of time, the Plan Administrator shall notify the applicant of such circumstances within sixty (60) days after receipt of the request for review, and the Plan Administrator shall issue the Committee's decision in writing no later than 120 days after receipt of the request for review. The Plan Administrator shall include specific reasons for the Committee's decision, written in a manner calculated to be understood by the applicant, and contain specific references to the pertinent Plan provisions upon which the decision is based.

(e) If an application is denied following review, the applicant's exclusive remedy shall be to submit the application to arbitration administered under the rules of the American Arbitration Association Commercial Arbitration Rules or other comparable rules agreeable to the Committee and the applicant instead of filing a lawsuit. The applicant's request for arbitration must be submitted within ninety (90) days after receiving written notice that the application was denied following review. The applicant or his representative shall make a written request for arbitration to the Committee. The arbitrator may grant the application, in whole or in part, only if the arbitrator determines that granting the application is justified pursuant to the Plan because there was an error on an issue of law, the Committee acted arbitrarily or capriciously in denying the application, or there was no evidence to support denial of the application.

7.06 **Appointment of Chairman, Secretary, and Advisors**

The Committee may appoint a Chairman who shall be a member of the Committee, a Secretary who may but need not be a member of the Committee, and such advisors as follows:

(a) Retaining Advisors. The Committee shall have the right to hire such professional advisors as it, in its sole discretion, deems necessary or advisable. To the extent that the costs for such advisors are not paid by MARTA, they shall be paid at the discretion of the Committee from the Fund as an expense of the Fund.

(b) Reliance on Advisors. The Committee shall be entitled to rely upon all certificates and reports made by an Actuary, accountant or attorney selected pursuant to this section. The Committee and MARTA shall be fully protected in respect to any action taken or in good faith in reliance upon the advice or opinion of any such Actuary, accountant or attorney. Any action so taken or suffered shall be conclusive upon each of them and upon all other persons interested in the Plan.

7.07 **Appointment of Plan Administrator**

The Committee shall appoint a Plan Administrator to supervise administrative details of the Plan that the Committee chooses to delegate to the Plan Administrator. The Plan Administrator shall serve at the pleasure of the Committee.

7.08 **Duties of Plan Administrator**

The duties of the Plan Administrator shall include, but not be limited to the following:

(a) Notification of Participation: The Plan Administrator shall notify each Employee of his participation in the Plan within 30 days of his participation starting date.

(b) Information to Actuary: The Plan Administrator shall furnish the Actuary such information as he may require to properly perform his duties, those duties include regularly determining estimated contribution levels to properly fund the Plan's benefit liabilities and, upon request, certifying the retirement and termination benefits payable under the Plan.

(c) Maintenance of Records: The Plan Administrator shall keep all records required to reflect the status of each Participant properly, and make available to each Participant the records of his status in the Plan.

(d) Direct Benefit Payments: The Plan Administrator shall direct the Trustee to make retirement and termination benefit payments as required by the provisions of the Plan, after approval by the Committee.

7.09 **Liability of Committee**

No member of the Committee nor the Plan Administrator (for purposes of this paragraph 7.09, references to "the Committee" shall be deemed to include the Plan Administrator) shall be directly or indirectly responsible or under any liability by reason of any action or default by him as a member of the Committee, or the exercise of or failure to exercise any power or discretion as such member, except for his own fraud or willful misconduct; and no member of the Committee shall be liable in any way for the acts or defaults of any other member of the Committee or any of its advisors, agents, or representatives. Without limitation or restriction upon any other indemnification right at law or otherwise, MARTA shall indemnify and save harmless each member or former member of the Committee against any and all expenses and liabilities arising out of his membership on the Committee, except expenses and liabilities arising out of his own fraud or willful misconduct. The fact than any member of the Committee is a Director, officer, or Employee of MARTA, or a Participant, shall not disqualify him from doing any act or thing which the Plan authorizes or requires him to do as a member of such Committee (except as otherwise provided in Section 7.03 with respect to a member who is a Participant).

7.10 **Compensation and Expenses**

The members of the Committee shall serve without compensation for their services, and shall be entitled to receive reimbursement of their reasonable expenses incurred in administering the Plan. Any such expenses shall be paid by the Trust Fund.

7.11 **Information Furnished to Committee**

MARTA shall furnish to the Committee, in writing, such information as the Committee may request in the exercise of its powers and duties in the administration of the Plan. Such information may include, but shall not be limited to, the names of Employees, their compensation and dates of birth, employment, termination of employment, retirement, or death. Such information shall be conclusive for all the purposes of the Plan and the Committee shall be entitled to rely thereon; provided, however, that the Committee may correct any errors discovered in any such information.

7.12 **Examination by Participants**

The Committee shall make available to each Participant for examination by him, at the principal office of the Employer, a copy of the Plan and such of its records or copies thereof as may pertain to any benefits of such Participant under the Plan.

7.13 **Nondiscriminatory Action**

In the exercise of any power or discretion under the Plan or Trust Agreement, the Committee shall not take any action or direct the Trustee to take any action in respect to

any of the rights, benefits, or obligations of a Participant under the Plan which would be discriminatory in favor of some Participants over others in substantially similar situations or under substantially similar sets of facts.

7.14 **Annual Audit**

Once each year, the Committee shall cause an audit to be made of the accounts and records of the Trust Fund by a firm of independent certified public accountants selected by the Committee. A copy of the audit report shall be furnished to the Directors, the Committee, the Actuary, and the Trustee.

ARTICLE 8

AMENDMENTS AND TERMINATION

8.01 Amendment of the Plan

(a) The Employer shall have the right, by action of its Directors, in their sole and final discretion, to amend the Plan from time to time, to any extent which the Directors may deem advisable; provided, however, that no amendment (other than an amendment required by the Internal Revenue Service as a condition of its approval of the Plan and Trust as qualifying under Sections 401(a) and 501(a) of the Internal Revenue Code) shall retroactively decrease the benefits accrued to any Participant or increase the duties or responsibilities of the Trustee without its written consent.

(b) A certified copy of the resolution of the Directors making such amendment shall be delivered to the Trustee; the Plan shall be amended in the manner and effective as of the date set forth in such resolution; and the Employees, Participants, Beneficiaries, Trustee, and all others having any interest under the Plan shall be bound thereby.

8.02 Termination of the Plan

(a) Employer May Terminate Plan: The Employer shall have the right, by action of its Directors, in their sole and final discretion, to terminate the Plan at any time. A certified copy of the resolution of the Directors shall be delivered to the Trustee, and the Plan shall be terminated as of the date of termination specified in such resolution.

(b) Termination Upon Cessation of Business: The Plan shall terminate upon the cessation of business operations by the Employer with no successor or assign which shall adopt the Plan and become a party to the Trust Agreement.

(c) Nonforfeitable Rights and Order of Priorities: Upon termination of the Plan or upon complete discontinuance of contributions by the Employer, the rights of all Participants to any Accrued Retirement Benefits or to refund of Participants' Contributions to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable. Upon such termination or discontinuance, there shall be set aside in a separate account an amount estimated by the Committee to be adequate to defray all costs and charges (including those of legal counsel, Actuary, and Trustee) associated with the Plan termination. From the Trust Fund remaining, the amount of the Accrued Retirement Benefits shall be deemed to have been funded in the following order of priorities:

(1) All Participants' Contributions with interest payable under the Plan to the date of termination of the Plan.

(2) All Participants who, prior to termination of the Plan, have retired or died and who (or their Beneficiaries) are already receiving or are qualified to receive benefits, and all Participants who are continuing employment under the Delayed Retirement provisions.

(3) All Participants who, prior to termination of the Plan, were eligible for Early or Normal but not Delayed Retirement Benefits.

(4) All Participants who, prior to termination of the Plan, were 100% vested in their benefits.

(5) All remaining Participants with Accrued Retirement Benefits.

(6) All contingent beneficiaries entitled to death benefits only upon the deaths of Participants who are living at the time the Plan is terminated.

Benefits payable under any of the items listed above shall be properly adjusted to reflect any benefits payable under any prior item.

In the event the Trust Fund is insufficient to fully fund the Accrued Retirement Benefits (to the date of such termination or discontinuance) for all Participants in any class, then such Accrued Retirement Benefits shall be deemed to have been funded in the proportion which the then actuarially determined present value of the Accrued Retirement Benefits for each Participant in such class bears to the then actuarially determined present value of the Accrued Retirement Benefits for all Participants in such class.

(d) Methods of Satisfying Obligations: Upon termination of the Plan, the Committee shall determine, and so direct the Trustee, the method, from among the following methods of discharging and satisfying all obligations (in the order of priorities specified in Section 8.02(c)) on behalf of Participants:

(1) By continuation of the Trust and the payment therefrom of benefits as they become due in accordance with the provisions of the Plan in effect immediately prior to its termination; or

(2) By annuities payable through the media of annuity contracts purchased from an insurance company; or

(3) By the liquidation and distribution of the assets of the Trust Fund; or

(4) By any combination of such methods.

(e) Repayment to Employer: After the satisfaction of all liabilities under the Plan, any overpayments made by the Employer into the Trust Fund as a result of erroneous actuarial computations shall be repaid to the Employer.

ARTICLE 9

MISCELLANEOUS

9.01 Small Benefits

In the event the net benefit payable to any Participant or Beneficiary shall be less than $50.00 per month, payable immediately, payment shall be made in a single sum cash settlement. Such payment eliminates all future rights under the Plan.

9.02 Persons Under Legal Disability

In the event any benefit is payable to a minor or other person under legal disability, the Committee, in its discretion, may determine that payment shall be made or applied for the benefit of such person, directly to such person or to the legal representative of such person, or to some near relative of such person, or directly for the support, maintenance, or education of such person. The Trustee shall not be required to see to the application by any third party of payments made pursuant to this Section.

9.03 Forms and Proofs

Each Participant or Beneficiary eligible to receive any benefit hereunder shall complete such forms and furnish such proofs, receipts, and releases as shall be required by the Committee.

9.04 Nondiversion

Irrespective of anything contained in the Plan or Trust Agreement, as now expressed or hereafter amended, it shall be impossible for any part of the Trust Fund to be used for or diverted to any purpose not for the exclusive benefit of Participants or their Beneficiaries at any time prior to the satisfaction of all rights and liabilities with respect to Participants or their Beneficiaries hereunder, either by the operation, amendment, revocation, or termination of the Plan or Trust Agreement.

9.05 Limitations of Rights and Obligations

Neither the establishment and maintenance of the Plan or Trust, nor any provision or amendment thereof, nor the purchase of any insurance or annuity contract, nor any act or omission under or resulting from the operation of the Plan or Trust shall be construed:

(a) As conferring upon any Employee, Participant, Beneficiary, or any other person, firm, corporation, or association whomsoever, any right or claim against the

Employer, the Trustee, or Committee, except to the extent that such right or claim shall be specifically and expressly provided in the Plan or Trust Agreement.

(b) As an agreement, consideration, or inducement of employment, or as affecting in any manner or to any extent whatsoever the rights or obligations of MARTA or any Employee to continue or terminate the employment relationship at any time.

9.06 **Nonassignability**

No benefit, contributions, or refund under the Plan shall be liable for any debt, liability, contract, engagement, or tort of any Participant or his Beneficiary, nor be subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, or other voluntary or involuntary alienation or other legal or equitable process, nor transferability by operation of law. Should any attempt be made to so affect any such benefit, it shall ipso facto pass to such person or persons as may be appointed by the Plan Administrator from among the following persons appointed in the following order of priority: (a) the spouse, (b) children, (c) parents, or (d) brothers and sisters, of the Participant or Beneficiary; provided, however, that the Committee, in its sole discretion, may reappoint the Participant or Beneficiary to receive any such benefit thereafter becoming due either in whole or in part. Any such appointment or reappointment made by the Committee hereunder may be revoked by the Committee at any time, and a further appointment or reappointment made by it. Notwithstanding the foregoing provisions of this Section, any indebtedness of the Participant to his Employer shall be secured by any benefit to which the Participant or his Beneficiary may be entitled under the Plan; and, if such indebtedness is not fully repaid on or before the date on which the Participant or his Beneficiary becomes entitled to distribution of any benefit hereunder, the amount of such unpaid indebtedness shall first be paid to his Employer before any benefit is distributed to the Participant or his Beneficiary.

9.07 **Written Communications Required**

(a) Plan Administrator or Trustee: Any notice, request, instruction, or other communication required to be given or made hereunder shall be made in writing, and either personally delivered to the addressee, or deposited in the United States mail fully postpaid and duly addressed to such addressee at the last address for notice shown on the records of the Committee.

(b) Participant: Each Participant shall at all times be responsible for notifying the Plan Administrator of any change in his name or address to which his benefit checks and other communications are to be mailed.

(c) Disappearance of Participant or Beneficiary: In the event that any Participant or Beneficiary receiving or entitled to receive benefits under the Plan should disappear and fail to respond within 60 days to a written notice sent by the Plan Administrator by registered or certified mail, informing him of his entitlement to

receive benefits under the Plan, the Committee may pay such benefits or any portion thereof which the Committee determines to be appropriate to the dependents of the Participant or Beneficiary, whichever is applicable, having regard to the needs of such dependents, until such Participant or Beneficiary is located or until such benefits have been paid in full, whichever event shall first occur.

If the Committee has received no request for payment of such benefits from the Participant or Beneficiary and has made no such payments to dependents thereof within the applicable period of limitation of actions after the same became payable, then benefits under the Plan shall be paid pursuant to the direction of a court of applicable jurisdiction.

(d) Recovery of Mistaken Payments: If any benefit is paid to a Participant or Beneficiary in an amount that is greater than the amount payable under the terms of the Plan, the Plan shall recover the excess benefit amount by eliminating or reducing the Participant's or Beneficiary's future benefit payments, if any; provided, no one benefit payment shall be reduced pursuant to this section by more than 25%. If no further benefits are payable to the Participant or Beneficiary under the Plan, the Committee, in its discretion, may employ such means as are available under applicable law to recover the excess benefit amount from the Participant, Beneficiary or other recipient.

9.08 **Forfeitures**

Forfeitures arising from any cause whatsoever under this Plan shall not be applied to increase the benefits any Participant would otherwise receive under the Plan at any time prior to the termination of the Plan or the complete discontinuance of employer contributions hereunder; forfeitures shall be applied to reduce the Employer's contributions under the Plan in the then current or subsequent years.

9.09 **Construction and Law Governing**

(a) The Plan and Trust Agreement shall be construed, enforced, and administered, and the validity determined, in accordance with the law of the State of Georgia.

(b) Words used herein in the masculine or feminine gender shall be construed as the feminine or masculine gender, respectively, where appropriate.

(c) Words used herein in the singular or plural shall be construed as the plural or singular, respectively, where appropriate.

9.10 **Definition of Spouse**

Notwithstanding any other provision of the Plan to the contrary, effective June 26, 2013, for purposes of this Section 3.11 and Article 11 of the Plan, and to the extent otherwise

required by Federal law, "spouse" shall mean a person who is legally married to the Participant under Federal law as determined in accordance with Revenue Ruling 2013-17 and Notice 2014-19. For all other purposes under the Plan, "spouse" shall be determined in accordance with Georgia law.

ARTICLE 10

CODE 415 LIMITATIONS ON BENEFITS

10.01 Code 415 Limitations on Benefit Attributable to Employer Contributions

(a) Basic Limitation on Benefit. Notwithstanding any provision in the Plan to the contrary and except as provided in subsection (b) hereof, the annual benefit payable to a Participant under the Plan and any other Defined Benefit Plans maintained by an Affiliate, to the extent attributable to Employer Contributions, shall not exceed the Defined Benefit Dollar Limitation.

(b) Exception. The limitations under subsection (a) shall not apply if the Participant's annual benefit attributable to Employer Contributions under the Plan or any other Defined Benefit Plans maintained by an Affiliate does not in the aggregate exceed $10,000.

(c) Adjustments to Basic Limitation.

(1) Adjustment for Early Retirement. If a Participant's benefit under the Plan commences before age 62, the Defined Benefit Dollar Limitation shall be adjusted (in the manner prescribed by the Secretary of the Treasury) so that it is the Actuarial Equivalent [determined using the applicable interest rate and mortality table under Code Section 417(e)(3)] of an annual benefit equal to the Defined Benefit Dollar Limitation commencing at age 62. The reduction under this subparagraph shall not reduce the limitation below (i) $75,000 if the benefit begins at age 55, or (ii) if the benefit begins before age 55, the equivalent of the $75,000 limitation for age 55.

To the extent allowed by the Internal Revenue Code, the above limitations do not apply to **Transit Police**.

(2) Adjustment for Deferred Retirement. If a Participant's benefit under the Plan commences after age 65, the Defined Benefit Dollar Limitation shall be adjusted (in the manner prescribed by the Secretary of the Treasury) so that it is the Actuarial Equivalent [determined using the applicable interest rate and mortality table under Code Section 417(e)(3)] of a benefit equal to the Defined Benefit Dollar Limitation commencing at age 65.

(3) Adjustment for Less Than Ten Years of Participation. If a Participant has completed less than ten years of participation in the Plan, the Defined Benefit Dollar Limitation shall be adjusted by multiplying it by a fraction, the numerator of which is the Participant's number of years (or part thereof) of

participation in the Plan and the denominator of which is ten; provided, such adjustment shall in no event reduce the Defined Benefit Dollar Limitation to an amount which is less than one-tenth (1/10) of the Defined Benefit Dollar Limitation [as determined without regard to this subsection (c)(3)].

(4) Adjustment for Less Than Ten Years of Vesting Service. If a Participant has completed less than ten Years of Service, the limitation referred to in subsection (a)(2) and the exception described in subsection (b) shall be adjusted by multiplying the amounts described in such limitation and exception by a fraction, the numerator of which is the Participant's number of Years of Service (or part thereof) and the denominator of which is ten; provided, such adjustments shall in no event reduce the limitation or exception amount to a figure which is less than one-tenth (1/10) of such limitation or exception amount [as determined without regard to this subsection (c)(4)].

(d) Preservation of Current Accrued Benefit. The maximum annual benefit under the Plan of a Participant who was a Participant as of the first day of the first Limitation Year beginning on or after January 1, 1987, shall not be less than such Participant's Current Accrued Benefit.

10.02 **Special Definitions Applicable to Code Section 415 Limitations**

(a) Current Accrued Benefit. The term "Current Accrued Benefit" shall mean a Participant's accrued benefit, when expressed as an annual benefit within the meaning of Code Section 415(b)(2), determined as of the last day of the last Limitation Year beginning before January 1, 1987, without regard to any change in the terms of the Plan or any cost of living adjustments, if any, occurring after May 5, 1986.

(b) Defined Benefit Dollar Limitation. The term "Defined Benefit Dollar Limitation" shall mean the $160,000 limitation set forth in Code Section 415(b)(1)(A), as adjusted by the Secretary of Treasury to reflect increases in the cost of living in accordance with Code Section 415(d).

(c) Defined Benefit Plan. The term "Defined Benefit Plan" shall mean any qualified retirement plan maintained by an Affiliate which is not a Defined Contribution Plan.

(d) Limitation Year. The term "Limitation Year" shall mean the twelve-month period ending on December 31, which period shall be the "limitation year" for purposes of Code Section 415.

(e) Affiliate. The term "Affiliate" shall mean MARTA and any entity required to be aggregated with MARTA for purposes of Code Section 415.

10.03 **Compliance with Code Section 415**

The limitations in this Article 10 are intended to comply with the provisions of Code Section 415 so that the maximum benefits permitted under the Defined Benefit Plans maintained by the Affiliates shall be exactly equal to the maximum amounts allowed under Code Section 415 and the regulations promulgated thereunder. If there is any discrepancy between the provisions of this Article and the provisions of Code Section 415 and the applicable regulations promulgated thereunder, such discrepancy shall be resolved in such a way as to give full effect to the provisions of the Code.

ARTICLE 11

REQUIRED DISTRIBUTIONS

All distributions to a Participant under the Plan shall be distributed (a) not later than the required beginning date, or (b) beginning not later than the required beginning date, over the life of such Participant or over the life of such Participant and a designated Beneficiary (or over a period not longer than the life expectancy of such Participant or the life expectancy of such Participant and a designated Beneficiary). If a Participant dies after distributions have commenced, the remaining portion of such Participant's Retirement Benefit shall be distributed at least as rapidly as under the distribution schedule in effect at the Participant's death. If a Participant dies before distribution of his Retirement Benefit has commenced, the entire amount of such Retirement Benefit shall be distributed within five (5) years of the Participant's date of death; provided, however, any portion of a Participant's Retirement Benefit payable to a designated Beneficiary shall be distributed over the life of such Beneficiary (or over a period not longer than the life expectancy of such Beneficiary) and such distributions shall begin not later than one (1) year after the Participant's date of death. For purposes of this Article, the term "required beginning date" means April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains age 70 1/2, or (b) the calendar year in which the Participant retires.

Further, all distributions under the Plan shall be made in accordance with Code Section 401(a)(9), the regulations promulgated under Code Section 401(a)(9), including Treasury Regulations 1.401(a)(9)-2 through 1.401(a)(9)-9 of the Final and Temporary 401(a)(9) Regulations published April 17, 2002 (relating to incidental benefit limitations) and any other provisions and Regulation reflecting the requirements of Code Section 401(a)(9) and prescribed by the Internal Revenue Service, all of which are hereby incorporated by reference; and the terms of the Plan reflecting the requirements of Code Section 401(a)(9) shall override the distribution options and suspension of benefit provisions in the Plan which are inconsistent with those requirements.

ARTICLE 12

DEFERRED RETIREMENT OPTION PROGRAM

12.01 General

Subject to the provisions of this Article, the Deferred Retirement Option Program, hereinafter referred to as the DROP, is a program in which an eligible Participant of the Plan may elect to participate, deferring receipt of normal retirement benefits while continuing employment with MARTA without loss of any other employee benefits. Upon an eligible Participant's election to participate in the DROP, his Credited Service and Average Monthly Plan Compensation become frozen for purposes of determining pension benefits. Additional service beyond the date of entry into the DROP shall not accrue any additional benefits under the Plan. Pursuant to Section 12.04(a), the deferred monthly retirement benefits under the DROP, plus interest, shall accrue in the Fund on behalf of the Participant for the specified period of DROP participation, as provided in Section 12.03(a). Upon termination of employment, the Participant shall receive the total DROP benefits, as provided in this Article, and begin to receive the previously determined normal retirement benefits.

12.02 Eligibility to Participate in the DROP

All Participants, **excluding Transit Police**, may elect to participate in the DROP, provided they comply with the administrative requirements established by the Committee.

(a) A Participant who is eligible to receive unreduced normal retirement benefits may participate in the DROP provided he elects to participate within the time limits contained in Section 12.03(a).

(b) Election to participate must be made within 90 days of the date on which the Participant first becomes eligible for unreduced normal retirement benefits after completion of thirty years of Credited Service, attainment of age 62 with five years of Credited Service or attainment of age plus Credited Service equals 80 points.

(c) An eligible Participant shall elect to participate in the DROP by complying with the election process established by the Committee.

(d) Notwithstanding the foregoing, a Participant who transferred to the Plan from the MARTA / ATU Local 732 Employees Retirement Plan may not elect to participate in the DROP for a period of twelve months following such transfer.

12.03 **Participation in the DROP**

(a) Upon the January 1, 2001, effective date of the initial DROP period, and for 180 days thereafter, an eligible Participant may elect to participate in the DROP for a fixed period not to exceed 60 months.

(b) A Participant who becomes eligible for unreduced normal retirement benefits after the effective date of this Article and who fails to make an election within 90 days shall forfeit all rights to participate in the DROP.

(c) The beginning date of DROP participation shall be the first pensioner pay period after the first day of January, April, July or October subsequent to the date of election to participate, or as soon as administratively practical thereafer, and the duration of DROP participation shall not exceed the period provided in Section 12.03(a).

(d) Upon electing to participate in the DROP, the Participant shall submit the following on forms prescribed by the Committee:

(1) A written election to participate in the DROP.

(2) Selection of the DROP participation and retirement dates, which satisfy the limitation stated in Section 12.03(a). Such retirement date shall be in a binding application for retirement with MARTA, establishing a deferred retirement date. A Participant may elect to participate only within 90 days of becoming eligible for unreduced normal retirement benefits.

(3) A written notification advising MARTA of the date on which the DROP shall begin for the Participant.

(4) A properly completed DROP application for service retirement as required.

(5) Any other forms required by the Committee.

(e) The DROP Participant shall be a retiree under the Plan for calculation of increased pension benefits, but not for the purposes of employment with MARTA and the availability of employee benefits and programs related thereto.

(f) Election to participate in the DROP, once approved by the Committee, is irrevocable.

12.04 **Benefits Payable Under the DROP**

(a) Effective with the date of DROP participation, the Participant's initial normal retirement benefit, including Credited Service, Average Monthly Plan

Compensation, and the effective date of retirement shall be fixed. Such normal retirement benefit, together with any cost of living adjustments, and interest, shall accrue monthly in the Fund for the benefit of the DROP Participant. Such interest shall produce an annual rate of return of 5.0%. Interest calculations shall be administered in accordance with rules prescribed by the Committee and interest distributions shall be credited using the 30-day month/360 day year method of calculation. Notwithstanding the foregoing, effective for Participants who elect to participate in the DROP after December 31, 2012, the interest shall produce an annual rate of return of 1.0%.

(b) The normal retirement benefit and interest thereon shall continue to accrue in the DROP until the termination date of the DROP, or until the Participant terminates employment or dies prior to such date. Although individual DROP accounts shall not be established, a separate accounting of each Participant's accrued benefits under the DROP shall be calculated and provided to Participants annually by the Committee.

(c) At the conclusion of the Participant's DROP and termination of employment with MARTA, the Committee shall distribute the Participant's total accumulated DROP benefits as soon as administratively practical, subject to the following provisions:

(1) The Committee shall receive written verification by MARTA that such Participant has terminated employment.

(2) The terminated DROP Participant or if deceased, such Participant's Beneficiary or representative, shall elect on forms provided by the Committee to receive payment of the DROP benefits in accordance with one of the options listed below. For a DROP Participant, Beneficiary or representative who fails to elect a method of payment within 30 days of termination of the DROP, the Committee will pay a lump sum as provided in (i), below, as soon as administratively practical.

(i) Lump Sum. All accrued DROP benefits, plus interest, less withholding taxes remitted to the Internal Revenue Service, shall be paid to the DROP Participant or Beneficiary.

(i) Direct Rollover. All accrued DROP benefits, plus interest, shall be paid from the DROP directly to the custodian of an eligible Retirement Plan.

(ii) Partial Lump Sum. A portion of the accrued DROP benefits shall be paid to the DROP Participant or Beneficiary, less withholding taxes remitted to the Internal Revenue Service, and the remaining DROP benefits shall be transferred directly to the custodian of an eligible Retirement Plan. The proportions shall be specified by the DROP Participant or Beneficiary.

(iii) Monthly Distribution. The account balance shall be distributed in a monthly amount, until the DROP account is depleted, over an annual period to be selected by the DROP Participant or Beneficiary, less withholding taxes remitted to the Internal Revenue Service. Such selection once made, cannot be changed, unless changed to Option (i). The annual rate of interest during such distribution period shall be 5.0% (1% for Participants who elect to participate in the DROP after December 31, 2012).

(iv) Quarterly or Semiannual Distribution. The account balance shall be distributed in a quarterly or semiannual amount, until the DROP account is depleted, over an annual period to be selected by the DROP Participant or Beneficiary, less withholding taxes remitted to the Internal Revenue Service. Such selection once made, cannot be changed, unless changed to Option (i). The annual rate of interest during such distribution period shall be 5.0% (1% for Participants who elect to participate in the DROP after December 31, 2012).

(3) The form of payment selected by the DROP Participant or Beneficiary shall comply with the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code.

(4) Subsequent to the month of DROP termination or death of the DROP Participant, the accrual of interest on the accumulated DROP balance shall cease, provided however, that interest is recognized in the distribution options described in (iv) and (v) above, from the beginning of the distribution period upon the execution of proper election forms by the DROP Participant or Beneficiary.

(d) The accrued benefits of any DROP Participant and any contributions accumulated under such program, shall not be subject to assignment, execution, attachment, or to any legal process whatsoever.

(e) DROP Participants shall not be eligible for the disability retirement benefits provided in the Plan.

12.05 **Death Benefits Under the DROP**

(a) Upon the death of a DROP Participant, contributions to the DROP shall cease and the Beneficiary shall be entitled to apply for and receive the accrued benefits in the DROP and any other benefits to which the Beneficiary may be entitled under the Plan. Except as otherwise provided herein, the provisions in Section 4.01 concerning Designation of Beneficiaries shall apply to DROP Participants.

(b) The normal retirement benefit accrued for the benefit of the DROP Participant during the month of death shall be the final monthly benefit credited.

12.06 **Contributions**

(a) MARTA contributions will continue on the Compensation of DROP Participants at 10.0% effective February 1, 2002, and will increase to 14.5% effective July 1, 2004 and to 18% effective July 1, 2006.

(b) Employee contributions will cease for DROP Participants.

(c) Employee contributions plus interest may be placed in the DROP, annuity deposits are then reduced actuarially.

IN WITNESS WHEREOF, the Employer has caused this Plan to be effective January 1, 2015, executed as of this ____ day of December, 2014.

Metropolitan Atlanta Rapid Transit Authority (MARTA)

By: _____
General Manager/Chief Executive Officer