

Active Employees

John Hancock Pension Plan – *Police, Fire & some Non-Public Safety Employees Hired on or after 7/1/72*

	<u>Benefit Prior to 8/1/11</u>	<u>Restructured Benefit</u>
Employee Contribution:	7% until 30 years of service	9.5% for current employees; 10.5% for new members
# Active Employees:	77 as of June 21, 2011	70 as of December 1, 2011
Eligibility:	<ul style="list-style-type: none"> Retirements prior to 7/1/92 – eligible at 25 years of service Retirements on or after 7/1/92 – eligible at 20 years of service 	<ul style="list-style-type: none"> Normal retirement: - eligible at age 57 with 25 years of service Early retirement – eligible with 25 years of service Any benefit payments made prior to age 57 are impacted by early retirement actuarial reduction (see table); applies to all active employees. Employees may elect to retire prior to age 57, and defer benefit payments until age 57 without an early retirement actuarial reduction.
Vesting Period:	5 year vesting period	5 year vesting period
Pension Benefit:	<ul style="list-style-type: none"> 50% of annual salary at 20 years <ul style="list-style-type: none"> After 20 years an additional 2% benefit for each year up to 5 years After 25 years an additional 1% benefit for each year up to 5 years Maximum benefit of 65% of annual salary after 30 years Final year annual salary includes base wages, adjustments, longevity, holiday pay (limited to 13 or 14; contract specific) <p>For Public Safety, COLA based on current active position amount in contract (compounded). No COLA for non-Public Safety</p>	<p>For all active employees</p> <ul style="list-style-type: none"> 50% of employee's average salary at 25 years <ul style="list-style-type: none"> After 25 years an additional 1% for each year up to 5 years Maximum benefit of 55% of annual salary after 30 years "Average salary" means the highest five (5) consecutive years "annual salary" of the last ten years of employment "Annual salary" includes base wages, adjustments, longevity, and holidays paid by contract Up to 2% simple COLA (not compounded) each year

<p><i>Disability Pension:</i></p>	<ul style="list-style-type: none"> • Paid 66 2/3% of the salary being received by active members holding the same rank • Benefit continues until the member reaches the normal retirement date (contract/ordinance specific), at which time the member is transferred to the retirement list and receives normal retirement benefits • At age 62 or 65 (contract/ordinance specific) pension is reduced to no less than 50% • COLA based on current active position amount in contract (compounded) 	<p>Service Connected Disability (Accidental Disability)</p> <ul style="list-style-type: none"> • Eligibility: Active member incurring illness or sustaining injury as a result of performance of job duties • Benefit: <ul style="list-style-type: none"> ○ Permanent Total – 66.67% of annual salary of rank held at time of disability for life ○ Permanent Partial – 50% of annual salary of rank held at time of disability until Social Security retirement age • No reduction based on early retirement actuarial reduction • No change at normal retirement age for permanent total disability • Partially and permanently disabled may be placed on regular pension at Social Security retirement age. Member can elect higher of normal retirement benefit or 25% of salary • Up to 2% simple COLA applied prospectively (not compounded) each year <p>Non Service Connected Disability (Ordinary Disability)</p> <ul style="list-style-type: none"> • Eligibility: Active member becoming disabled that is not incurred as a result of the performance of his or her duties for the City of Central Falls. The member is unable to perform the essential requirements of the job and has completed at least 5 years of service. If the member does not have 5 years of service, the member shall be treated as if they terminated employment. • Benefit <ul style="list-style-type: none"> ○ Permanent Total – 50% of the employee's highest salary, including longevity and holiday pay of the rank held at time of disability ○ Permanent Partial – Accrued benefit as of date of disability based upon a 2% per
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		<p>year of credited service of his or her highest salary at the time of disability</p> <ul style="list-style-type: none"> • Start Date: The disability benefit will be payable at age 57. However, if the member elects to commence payments prior to age 57, a reduced benefit applying the early retirement actuarial reduction for early commencement will be payable at the date elected by the member. • No change at normal retirement age • Up to 2% simple COLA applied prospectively (not compounded) each year.
<i>Double Dipping Prohibition:</i>	N/A	Cannot receive compensation from the City without sacrificing pension & OPEB
<i>Determination Of Disability</i>	<ul style="list-style-type: none"> • Unable to return to normal duties as police officer or firefighter 	<ul style="list-style-type: none"> • Total permanent disability from all gainful employment utilizing the same standards as Social Security disability • Partial permanent disability can no longer perform duties as police officer or firefighter, but is able to pursue other gainful employment based upon age, education or impairment
<i>Recertification Of Disability</i>	N/A	<ul style="list-style-type: none"> • Applicable to all partially disabled members, whether service connected or non-service connected • Not applicable to members determined to be totally and permanently disabled • Examination by City physician once a year within no more than four (4) years from placement on disability; no more than 2 examinations per year • City shall cancel disability pension upon evidence member is no longer disabled from service • If member does not reenter service with the City, he or she may elect to continue receiving a pension which benefit would be either 50% of the prior disability pension, or a normal retirement benefit with an accrual of 2% per year of service prior to disability, reduced by

		<p>the early retirement actuarial reduction</p> <ul style="list-style-type: none"> • Member may elect in lieu of pension to receive a refund of any excess contributions over disability payments made • Refusal to submit to an examination for one year may result in suspension of disability benefits
<i>Outside Income Offset</i>	N/A	<ul style="list-style-type: none"> • Disability pension reduced dollar for dollar by any amount by which earned income plus the disability pension exceeds the salary, including paid holidays and longevity, to a permanent member with the same rank and seniority • Not applicable to any member determined to be totally and permanently disabled.

Early Retirement Reductions

Employees commencing benefits before age 57 will be subject to a reduction in the benefit payable based on the following table. The table represents the fraction of the benefit to be paid at whole ages. If the benefit commences at a fractional age such as 55 and 3 months, then the appropriate factor will be determined that would be between the factors of 55 and 56.

Early Retirement Actuarial Reduction Factor

ERF

30.00	0.1072
31.00	0.1159
32.00	0.1252
33.00	0.1354
34.00	0.1464
35.00	0.1584
36.00	0.1713
37.00	0.1854
38.00	0.2007
39.00	0.2174
40.00	0.2354
41.00	0.2551
42.00	0.2766
43.00	0.2999

44.00	0.3254
45.00	0.3532
46.00	0.3836
47.00	0.4169
48.00	0.4533
49.00	0.4932
50.00	0.5370
51.00	0.5852
52.00	0.6382
53.00	0.6967
54.00	0.7613
55.00	0.8327
56.00	0.9120
57.00	1.0000
58.00	1.0000
59.00	1.0000
60.00	1.0000