## Defined Contribution Plan Summary

### How the Plan Works
With a defined contribution plan, an account is established on your behalf and your account grows through contributions from your employer and earnings from investments you select.

The benefit is equal to your vested account balance at the time you leave employment or retire. The benefit is payable as a monthly benefit or in a lump sum.

### Making Contributions
Your employer contributes a percentage of your salary to your plan account each pay period in accordance with the following schedule, based on your years of creditable service:

- Less than 5 years of service – 5%
- 5-9 years of service – 6%
- 10-14 years of service – 8%
- 15 or more years of service – 10%

You do not make contributions to the Plan. (NOTE: Contributions will be allocated to the Plan’s Vanguard Target Date Funds based on your current age until ICMA Retirement Corporation receives your 401(a) Plan Employee Enrollment form designating your allocation of contributions.)

### Vesting
You are 100% vested in the plan benefits as follows:

- After you have completed 5 years of creditable service in a full-time permanent position, or
- After you have reached your normal retirement date while employed (general employee – Age 65; sworn public safety employee – Age 60), or
- Upon your death while employed by a participating employer.

### Receiving a Distribution
You may receive a lump sum payment, or start receiving monthly or installment payments when you leave your employer, or you may leave your account balance in the Plan for later distribution. Distributions are taxed when you receive them, based on your tax rate at the time, unless they are rolled over to another plan or Individual Retirement Account (IRA). If your are under age 59 ½, any distribution may be subject to 10% early distribution penalty as required by the IRS.

### Portability of Benefits
Your account is portable. That means you can roll over the amount of assets you are entitled to receive tax and penalty free to another plan that accepts rollovers or an Individual Retirement Account (IRA) within 60 days of the distribution. With a defined contribution plan, vested benefits are portable if you change employers – this means you can move your account balance to your new employer if you have satisfied the plan’s vesting requirement.

### Beneficiary Options
Upon your death, any account balance is transferred to your designated beneficiary. Your beneficiary must complete the required claim documents with the Plan Provider, currently ICMA-RC, who will disburse the account balance.

### Disability Benefits
Benefits are payable from the Defined Benefit Plan based on the plan formula in the event of Compensable (job-related) or Ordinary (non-job-related) disability. You must have five years of creditable service in order to apply for Ordinary Disability retirement. There is no minimum years of creditable service required to apply for Compensable Disability retirement. In the event you qualify, disability benefits will be offset by any benefits you are eligible to receive from the Defined Contribution Plan.

### Cost-of-Living Adjustments
This Plan does not provide cost-of-living adjustments. Your account balance will change based on the performance of the investments you make in the Plan.

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This is a summary of benefit provisions. For additional information on benefits provided by the Richmond Retirement System, please refer to Chapter 78 of the Code of the City of Richmond or contact the System Office at (804) 646-5958.