

AMENDMENT TO THE VILLAGE OF ORLAND PARK POLICE SUPERVISORS, COMMANDERS & DEPUTY CHIEF SICK-TIME BUY BACK PROGRAM (“the Plan”)

WHEREAS, Village Of Orland Park (the “Employer”) maintains the The Village of Orland Park Police Supervisors, Commanders & Deputy Chief Sick-Time Buy Back Program (the “Plan”) for its employees;

WHEREAS, Village Of Orland Park has decided that it is in its best interest to amend the Plan;

WHEREAS, Section 14.01(b) of the Plan authorizes the Employer to amend the selections under the The Village of Orland Park Police Supervisors, Commanders & Deputy Chief Sick-Time Buy Back Program Adoption Agreement.

NOW THEREFORE BE IT RESOLVED, that the The Village of Orland Park Police Supervisors, Commanders & Deputy Chief Sick-Time Buy Back Program Adoption Agreement is amended as follows. The amendment of the Plan is effective as of 3-1-2021.

1. The name of the Plan under AA §2-1 is modified. The new Plan name is Village of Orland Park 401(a).

2. The Adoption Agreement is amended to read:

6-2 **EMPLOYER CONTRIBUTION FORMULA:** For the period designated in AA §6-4 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-5 below.

☐ (a) **Fixed contribution.**

☐ (1) **Fixed percentage.** ____ % of each Participant’s Plan Compensation.

☐ (2) **Fixed dollar.** \$ ____ for each Participant.

☐ (3) **Determined in accordance with the terms of the Employment contract** between an Eligible Employee and the Employer. *[If this subsection (3) is checked, the provisions of an Employment contract addressing retirement benefits will override any selection under this AA §6-2.]*

☐ (b) **Permitted disparity contribution.**

☐ (1) **Individual method.** The Employer will contribute:

☐ (i) ____ % of each Participant’s Plan Compensation plus

☐ (ii) ____ % of each Participant’s Excess Compensation.

[Note: The percentage of Excess Compensation may not exceed the Maximum Disparity Rate. See Section 3.02(b)(2)(i)(C) of the Plan.]

☐ (2) **Group method.** The Employer will contribute ____ % (not more than 25%) of total Plan Compensation of all Participants who satisfy the allocation conditions under AA §6-5 below. The Employer Contribution will be allocated under the two-step method (as defined in Section 3.02(a)(1)(i)(B)(I) of the Plan).

☐ (3) **Modification of permitted disparity rules.**

☐ (i) **Integration Level.** For purposes of determining the permitted disparity contribution under (1) or (2) above, instead of the Taxable Wage Base (as defined in Section 1.87 of the Plan), the Integration Level is:

☐ (A) ____ % of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:

☐ (I) N/A

☐ (II) \$1

☐ (III) \$100

☐ (IV) \$1,000

☐ (B) \$ ____ (not to exceed the Taxable Wage Base)

☐ (C) 20% of the Taxable Wage Base

[Note: See Section 3.02(b)(2)(i)(C) of the Plan for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.]

☐ (ii) **Describe** special rules for applying permitted disparity allocation formula: _____

[*Note: Any special rules under subsection (ii) must be definitely determinable.*]

- ☐ (c) **Contribution for designated Employee groups.** The Employer will make an Employer Contribution to the Participants in the following designated groups. The amount to be contributed with respect to a designated Employee group will be determined under subsection (2) below.

- (1) **Designated Employee groups.** A separate Employer Contribution will be made to the following Employee groups:

☐ **Group 1:** _____

[*Note: The Employee groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(i).*]

- (2) **Employer Contribution percentages.**

☐ The contribution for each Participant in **Group 1** will be:

☐ (A) ____% of Plan Compensation

☐ (B) \$____.

☐ (C) Maximum amount permitted under Code §415.

- ☐ (3) **Special rules.**

☐ (i) **More than one Employee group.** Unless designated otherwise under this subsection (i), if a Participant is in more than one allocation group described in (1) above during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. (See Section 3.02(b)(3) of the Plan.)

☐ **Determined separately for each Employee group.** If a Participant is in more than one allocation group during the Plan Year, the Participant's share of the Employer Contribution will be based on the Participant's status for the part of the year the Participant is in each allocation group.

☐ (ii) **Describe:** _____

[*Note: Any special rules under subsection (ii) must be definitely determinable.*]

- ☐ (d) **Age-based contribution.** The Employer will contribute ____% of each Participant's adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 1.03 of the Plan).

A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under (1) or (2) below, the Plan will use an applicable interest rate of 8.5% and a UP-1984 mortality table.

☐ (1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of ____% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.

☐ (2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: _____

☐ (3) **Describe special rules applicable to age-based allocation:** _____

[*Note: See Exhibit A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated.*]

- ☐ (e) **Service-based contribution.** The Employer will make the following contribution based on units of service designated under (3) – (5) below.

☐ (1) **Fixed percentage.** ____% of Plan Compensation paid for each period of service designated below.

☐ (2) **Fixed dollar.** \$____ for each period of service designated below.

The service-based contribution will be based on the following periods of service:

☐ (3) Each Hour of Service

☐ (4) Each week of employment

☐ (5) Describe period: _____

The service-based contribution is subject to the following rules.

☐ (6) Describe any special provisions that apply to service-based contribution: _____

- ☒ (f) **Describe special rules for determining contributions under Plan:** 1. MCDCC: The amount of the "annual Employer Contribution" shall be equal to the product of: the Participant's current straight-time hourly rate (or the equivalent) multiplied by the lesser of: (i) 25% of the Participant's "eligible sick-time hours" or (ii) the Participant's "eligible sick-time hours" in excess of 400. A Participant's "eligible sick-time hours" in the sick-time bank shall be reduced by the number of hours determined under the Participant's "agreement". A Participant's "eligible sick-time hours" mean his hours of accrued and unused sick time, as defined in the Participant's "agreement", in the Participant's sick-time bank as of November 30 of the Plan Year for which the contribution is being made. The minimum "eligible sick-time hours" for the first Annual Contribution to be made on a Participant's behalf is 600 hours. The minimum "eligible sick-time hours" for subsequent Annual Contributions is more than 400 hours. The amount of the "retirement Employer Contribution" shall be equal to the product of: (a) the Participant's current straight-time hourly rate (or the equivalent) multiplied by (b) the following, as applicable: (i) if the Participant first entered a bargaining unit covered by an agreement before January 1, 1999, 100% of his "eligible accrued, unused sick-time and vacation hours" or (ii) if the Participant first entered a bargaining unit covered by an agreement on or after January 1, 1999, 100% of his "eligible accrued, unused sick-time and vacation hours" in excess of 400 hours. "Eligible accrued, unused sick-time and vacation hours" shall be as defined in the applicable "agreement". 2. IMRF Group Part of the early retirement incentive offered between 2018 and 2020: Effective June 25, 2020, a one time Additional Employer Contribution is added to the Plan. The "Additional Employer Contribution", to be made over one or more tax years, will be determined based on the eligible accrual balance in actual wages within the month the employee retires as well as the amount subject to the Illinois Municipal Retirement Fund (IMRF) 125% rule if applicable. For retiring employees, the contribution will be made 30 days prior to the retirement date. The method and total combined contribution amount will be determined and outlined in the Employer Agreement. 3. OPPSA: Special Rules for determining the Employer Contribution formula for the Orland Park Police Supervisors Association (OPPSA) will be based on the following: 1) Compensatory time can be earned up to and including 80 hours per calendar year; 2) The maximum amount of compensatory time a supervisor may save in the bank is 40 hours; 3) By January 1st of each year, the total amount of compensatory time earned that previous calendar year would be paid out to the Supervisor's bank until the bank reaches 40 hours. Any amount of time in excess of 40 hours would be automatically forfeited and the cash equivalent contributed to the 401(a) plan; 4) Sick time buyback would go into the 401A in lieu of payment at the end of the year.

[**Note:** Any special rules under subsection (f) must be definitely determinable.]

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

- ☐ (a) The adoption of a **new plan**, effective [insert Effective Date of Plan]. [**Note:** Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.]
- ☐ (b) The **restatement** of an existing plan, in order to comply with the requirements of PPA, pursuant to Rev. Proc. 2011-49.
- (1) Effective date of restatement: _____. [**Note:** Date can be no earlier than January 1, 2007. Section 14.01(d)(2) of Plan provides for retroactive effective dates for all PPA provisions. Thus, a current effective date may be used under this subsection (1) without jeopardizing reliance.]
- (2) Name of plan(s) being restated: _____
- (3) The original effective date of the plan(s) being restated: _____
- ☒ (c) An **amendment or restatement** of the Plan (other than to comply with PPA). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date(s) of amendment/restatement: 3-1-2021
- (2) Name of plan being amended/restated: The Village of Orland Park Police Supervisors, Commanders & Deputy Chief Sick-Time Buy Back Program
- (3) The original effective date of the plan being amended/restated: 12-1-2004
- (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: Section 2-1 is amended to change the Plan Name; Section 6-2(f) is amended to add special rules for determining the Employer Contribution formula for the Orland Park Police Supervisors Association (OPPSA).

VOLUME SUBMITTER SPONSOR INFORMATION. The Volume Submitter Sponsor (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Volume Submitter Sponsor (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the Favorable IRS Letter to the Volume Submitter Sponsor (or authorized representative) at the following location:

Name of Volume Submitter Sponsor (or authorized representative): Massachusetts Mutual Life Insurance Company

Address: 1295 State Street Springfield, MA 01111-0001

Telephone number: (800) 309-3539

IMPORTANT INFORMATION ABOUT THIS VOLUME SUBMITTER PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the National Office of the Internal Revenue Service to the Volume Submitter Sponsor as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2011-49. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2011-49. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer must apply to the office of Employee Plans Determinations of the Internal Revenue Service for a determination letter. See Section 1.50 of the Plan.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #05. The Employer understands that the Volume Submitter Sponsor has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

Village Of Orland Park
(Name of Employer)

(Name of authorized representative)

(Title)

(Signature)

(Date)