

## HOW YOUR BENEFIT IS PAID

If you are not married when you retire, the normal form of payment of any retirement benefit, including any Disability Retirement Allowance, is an annuity payable in monthly installments for life.

If you are married on the date your pension is due to commence, the normal form of payment is a Joint and Survivor Annuity. Under the Joint and Survivor Annuity, your standard pension will be somewhat reduced and will be paid to you monthly until your death, after which your surviving spouse at the effective date of your retirement will receive 50 percent of your reduced pension payable monthly for the rest of your spouse's life. With spousal consent, you may elect to receive a lifetime annuity with no benefit payable after your death.

### *Optional Forms of Payment*

Whether you are single or married, you may elect to convert your normal pension into an optional form of payment as described below. For each of these options, your monthly pension would be adjusted — either up or down — from the standard option to compensate for the change in payments to your beneficiary.

Option One: 100% Joint and Survivor Annuity: A retirement allowance of 100 percent of the amount paid to you shall be paid for life to your beneficiary.

Option Two: Joint and Survivor Annuity: A retirement allowance of 75 percent of the amount paid to you shall be paid for life to your beneficiary. In lieu of a 75 percent allowance, you may elect a retirement annuity of 25 percent or 50 percent of the amount paid to you to be paid to your beneficiary.

Option Three: Five-Year Certain Annuity: A retirement allowance under which payment is made to you for life, but is guaranteed for a minimum of five years following retirement. If you die before the five-year period, payments will continue to your designated beneficiary for the balance of the five-year guaranteed period. If your designated beneficiary dies before you, or if your beneficiary does not survive the five-year period, a lump sum payment of equivalent actuarial value to the remaining payments will be paid to a contingent beneficiary or, if none exists, to the estate of the last to survive of the member and the beneficiary.

Option Four: Ten-Year Certain Annuity: A retirement allowance under which payment is made to you for life, but is guaranteed for a minimum of 10 years following retirement. If you die before the 10-year period, payments will continue to your designated beneficiary for the balance of the 10-year guaranteed period. If your designated beneficiary dies before you, or if your beneficiary does not survive the 10-year period, a lump sum payment of equivalent actuarial value to the remaining payments will be paid to a contingent beneficiary or, if none exists, to the estate of the last to survive of the member and the beneficiary.

### *When Payments Begin*

All benefit payments will be paid as of the first day of a month. You must apply for benefits in order to receive them and, in any event, whether or not you apply, you must begin to receive them no later than April 1 following the end of the calendar year in which you attain 70 ½, unless you are an active employee.

### *Electing An Option*

If you are married and you elect one of the optional forms of payment listed above, your spouse must consent in writing. You must also have written spousal consent if you designate a beneficiary other than your spouse. You can elect, change, or cancel an option anytime in the 90-day period ending on the day your retirement payments begin. The Board of Managers, for reasonable cause, may extend the time for the election of a payment option, for a period or periods not later than 60 days after the effective date of your retirement.

You will automatically receive information about the terms and conditions of your pension under the normal and optional forms of payment at least 30 days (but not more than 90 days) before payments are due to begin.

In no event will the payment of benefits under any form of benefit extend over a period which exceeds the longest of the following:

- your life; or
- the lives of you and your beneficiary, if any.

### *Return of Member Contributions In Certain Instances*

If you terminate your employment, other than by death, before you qualify for a benefit, you may receive a refund of any contributions you may have made to the Plan. Your refund will be paid with interest at 5 percent per year up to the date you receive the refund. Payment will be made on the first day of the month as soon as possible after your request, but not later than 60 days after your application is filed. If you die and are eligible for a death benefit, or you die before receiving your accumulated contributions plus interest, your beneficiary will receive a refund of your contributions, with interest at 5 percent, paid as of the first day of the month after your death and after your beneficiary's written application. This does not apply if you receive an accidental death benefit as described on page 19.

## **WHAT HAPPENS IF YOU LEAVE THE COMPANY BEFORE RETIREMENT**

If you leave the Company before qualifying for Normal or Early Service Retirement, you may still be entitled to a Plan benefit provided you are vested — that is, if you have five years of Credited Service. (Refer to the explanation of “Deferred Vested Benefit,” page 5.) This Deferred Vested Benefit is payable on the first day of the month you reach normal retirement age (62); the benefit will be paid in the same manner as your Normal Service Retirement Benefit as calculated on page 6. However, if you have 10 years of Credited Service when you leave the Company, you may elect to receive payments earlier than age 62, in which case they will be reduced. However, you may not elect to receive payments before you reach age 55. The amount of reduction will be determined by your years of Credited Service and your age when payments begin. Regardless of when you choose to receive payments, if the total value of your accrued benefit is \$5,000 or less, you automatically will be paid in a lump sum upon termination of employment.

## **IF YOU BECOME DISABLED BEFORE RETIREMENT**

The Plan provides you with some level of protection should you become disabled. You are eligible to receive a Disability Retirement Benefit at any age if you meet both of the following conditions:

- You have 10 or more years of Credited Service. No minimum period of service is required if your disability is the result of a service-connected accident.
- The Board of Managers finds you are permanently physically or mentally incapacitated and can no longer perform the duties of your job, or a job of commensurate level for which you are qualified.

To retire due to disability with fewer than 10 years of Credited Service, the Board of Managers must determine that your disability is the result of a service-connected accidental injury and not caused by your own willful negligence.

If you are terminated for cause prior to becoming eligible for Normal Service Retirement, you will forfeit your Disability Retirement Benefit.

You must file an application with the Board of Managers within the latter of (1) three months from the date you were being paid on payroll or (2) twelve months from the date you were being paid on payroll provided you were on leave of absence without pay during such twelve month period and you were disabled at the time you stopped being paid.

#### *Amount of Disability Retirement Benefit*

If your application for disability benefits is approved, your benefit will be calculated as follows:

- If you retire with 20 or more years of Credited Service, you will receive your normal service retirement benefit.
- If you retire with fewer than 20 years of Credited Service, you will receive an annual Disability Retirement Benefit equal to one-third of your Final Average Compensation.

The Board of Managers may, from time to time, require you to undergo a medical examination if you have retired due to a disability. Following the examination, the Board of Managers will determine whether you are still disabled. If you are no longer incapacitated and are reemployed in a position of a similar level to the position you had immediately prior to termination of employment, your Disability Retirement Benefit will terminate upon your reemployment. In any event, your Disability Retirement Benefit will continue for not more than twelve months after you are determined to no longer be disabled. If you are not reemployed after recovery from disability, you will be entitled to any benefits you would have had under the Plan if you had not taken disability retirement.

If you are reemployed, whether or not your reemployment is with the Company, your Disability Retirement Benefit will be reduced so that the sum of your benefit and earnings equals your final salary. Your Disability Retirement Benefit will not be reduced after you have reached 70, or you have attained the age that you would have been eligible for a Normal Service Retirement Benefit had you remained continuously employed. Please contact the Board of Managers for more details on your Disability Retirement Benefit and reemployment.

## **IN THE EVENT OF YOUR DEATH**

In addition to your Service Retirement Benefit, the Plan pays one of three death benefits to your beneficiary: Ordinary, Accidental or Deferred Vested.

### *Ordinary Death Benefit*

An Ordinary Death Benefit will be paid only if:

- you were on the payroll at the time of your death; or
- you were off the payroll, or were on leave at the time of your death, and you meet all of the following conditions:
  - you were on the payroll, in service, and paid within the last 12 months before your death;
  - you were not gainfully employed since last on the payroll; and
  - you had credit for at least one year of continuous service since you last entered service.

The death benefit to which your beneficiary is entitled depends on your years of service with the Company, as illustrated below.

<b>Years of Service</b>	<b>Lump Sum Benefit</b>
One year, but fewer than two years	One year's current salary
Two years, but fewer than three years	Two times current salary
Three or more years	Three times current salary

After age 60, benefits are reduced if you are still working for the Company, as follows:

<b>Age At Death</b>	<b>Amount of Benefit</b>
61	96% of benefit otherwise payable
62	92%
63	88%
64	84%
65	80%
66	76%
67	72%
68	68%
69	64%
70 or over	60%

Upon retirement, the Ordinary Death Benefit is reduced by 50 percent of the pre-retirement amount in the first year of retirement, by an additional 25 percent in the second year of retirement, and, thereafter, to 10 percent of the benefit payable at age 60 or at retirement if prior to age 60. Benefits in retirement cannot be less than 10 percent of the age 60 benefit or benefit at retirement if retirement is prior to age 60.

For purposes of the Ordinary Death Benefit, your salary equals your total compensation, excluding reimbursements or other expense allowances, for your final year of employment. For this purpose, salary excludes any compensation exceeding 110 percent of the average of your compensation for the two immediately preceding calendar years and also excludes any lump sum payment for deferred compensation, sick leave or accumulated vacation or any other payment for time not worked (other than compensation received in each pay period while on sick leave or authorized leave of absence).

If you terminate employment by death, in no event will your death benefit under the Plan be less than the actuarial equivalent of your Employer-Derived Benefit under the Metro-North Defined Contribution Plan or the LIRR Money Purchase Plan, whichever is applicable.

### *Accidental Death Benefit*

If you die as the result of an accident while on duty, and the accident is not caused by your own willful act, your eligible beneficiary will be entitled to a benefit equal to 50 percent of the wages you earned during your last year of Credited Service, or 50 percent of your annual wage if you had less than one year of Credited Service. The following conditions apply:

- Your Accidental Death Benefit is payable to your designated beneficiary or beneficiaries.
- Application for an Accidental Death Benefit must be filed within 60 days after your death.
- When an accidental death benefit is paid, the ordinary death benefit is not payable. If the ordinary death benefit would be greater than the accidental death benefit, your beneficiary may elect to receive the greater benefit.
- The death benefit will be paid as soon as practicable after receipt of the beneficiary's written application.

### *Deferred Vested Death Benefit*

The Plan pays a death benefit to your designated beneficiary if you die after you leave the Company with 10 or more years of Credited Service and you are eligible for a Deferred Vested Benefit (see page 5). The Deferred Vested Death Benefit is equal to one half of the amount that would have been payable under the Ordinary Death Benefit provisions (three times current salary) had death occurred on your last day of service.

Benefits payable under this measure would be payable to the same beneficiary or beneficiaries you had designated to receive the existing ordinary death benefits. The Deferred Vested Death Benefit is not payable where the Ordinary Death Benefit or the Accidental Death Benefit is payable.

## **HOW TO REQUEST YOUR RETIREMENT BENEFIT**

To receive your benefits, you must apply in writing — not more than 90, or less than 30 days, prior to retirement — to the Secretary of the Board of Managers. Once you notify the Company of your intention to retire and your expected pension commencement date, you will receive a written explanation of the terms and conditions of benefit payment under your normal form as well as the optional forms of payment. This notice will be issued at least 30 days before pension payments begin.

You may also request a statement of your accrued benefit to help you plan your retirement income. Your accrued benefit amount is the retirement benefit you have been credited with — after five or more years of Credited Service — payable starting on your Normal Service Retirement Date. Your accrued benefit can be calculated at any specified time, based on the provisions of the Railroad Retirement Act at that time and using your Final Average Compensation and Credited Service up to that time. One-twelfth of this amount is your monthly retirement benefit.