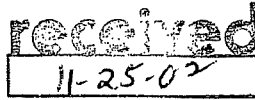


INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201



DEPARTMENT OF THE TREASURY

Date: NOV 18 2002-

CITY OF CLAWSON
C/O DAVID M PARROT
PO BOX 222
SOUTHFIELD, MI 48037-0222

Employer Identification Number:
38-2765364

DLN:
17007249000002

Person to Contact:
CHRISTOPHER HUXTABLE ID# 11408

Contact Telephone Number:
(877) 829-5500

Plan Name:
CLAWSON FIRE DEPARTMENT PENSION
PLAN

Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provide examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated November 8, 2002. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code section 401(b).

This determination letter is applicable for the amendment(s) executed on April 16, 2002.

Issues arising from the amendment of a defined benefit plan's benefit formula to convert that formula into a cash balance type benefit formula are under study, and this determination letter does not express an opinion on any of these issues. A cash balance type formula generally defines a benefit for

Letter 835 (DO/CG)

CITY OF CLAWSON

each employee by reference to a single-sum amount, such as 10 percent of final average pay times years of service, or the amount of the employee's hypothetical account balance.

This letter considers the changes in qualification requirements made by the Uruguay Round Agreements Act, Pub. L. 103-465, the Small Business Job Protection Act of 1996, Pub. L. 104-188, the Uniformed Services Employment and Reemployment Rights Act of 1994, Pub. L. 103-353, the Taxpayer Relief Act of 1997, Pub. L. 105-34, the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, and the Community Renewal Tax Relief Act of 2000, Pub. L. 106-554.

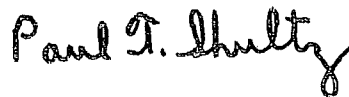
This letter may not be relied on with respect to whether the plan satisfies the requirements of section 401(a) of the Code, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001, Pub L. 107-16.

The requirement for employee benefits plans to file summary plan descriptions (SPD) with the U.S. Department of Labor was eliminated effective August 5, 1997. For more details, call 1-800-998-7542 for a free copy of the SPD card.

We have sent a copy of this letter to your representative as indicated in the power of attorney.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Paul T. Shultz
Director,
Employee Plans Rulings & Agreements

Enclosures:
Publication 794

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JAN 07 2011

CITY OF CLAWSON
C/O CYNTHIA J BILLINGS
PO BOX 222
SOUTHFIELD, MI 48037-0222

Employer Identification Number:
38-2765364
DLN:
17007007088019
Person to Contact:
JENNIFER M THIMMADASIAH ID# 31316
Contact Telephone Number:
(513) 263-4613
Plan Name:
CLAWSON FIRE DEPARTMENT EMPLOYEES
PENSION PLAN
Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

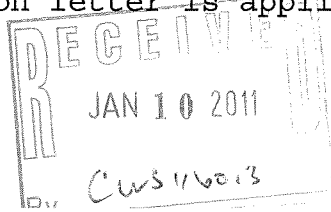
The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provides examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter gives no reliance for any qualification change that becomes effective, any guidance published, or any statutes enacted, after the issuance of the Cumulative List (unless the item has been identified in the Cumulative List) for the cycle under which this application was submitted.

This letter may not be relied on after the end of the plan's first five-year remedial amendment cycle that ends more than 12 months after the application was received. This letter expires on January 31, 2014. This letter considered the 2007 Cumulative List of Changes in Plan Qualification Requirements.

This determination letter is applicable for the amendment(s) executed



Letter 2002 (DO/CG)

CITY OF CLAWSON

on 12/2/08 and 7/11/04.

This determination is subject to your adoption of the proposed amendments submitted in your letter dated 12/2/10. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code section 401(b).

This determination letter is based solely on your assertion that the plan is entitled to be treated as a Governmental plan under section 414(d) of the Internal Revenue Code.

We have sent a copy of this letter to your representative as indicated in the Form 2848 Power of Attorney or appointee as indicated by the Form 8821 Tax Information Authorization.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely,



Andrew E. Zuckerman
Director, EP Rulings & Agreements

Enclosures:
Publication 794

SULLIVAN, WARD, ASHER & PATTON, P.C.

ATTORNEYS AND COUNSELORS AT LAW

FILE



1000 MACCABEES CENTER
25800 NORTHWESTERN HIGHWAY
SOUTHFIELD, MICHIGAN 48075-8412

TELEPHONE: (248) 746-0700
FAX: (248) 746-2760

WEB SITE: www.swappc.com

ROBERT E. SULLIVAN, SR. (1922-1998)
DAVID M. TYLER (1930-2002)
RICHARD G. WARD (RETIRED)

CYNTHIA J. BILLINGS
cbillings@swappc.com
Direct (248) 746-2747
Direct Fax: (248) 746-2809

November 25, 2013

Via Federal Express

Internal Revenue Service
201 West Rivercenter Boulevard
Attention Extracting Stop 312
Covington, Kentucky 41011

Re: City of Clawson Fire Department Employees Pension Plan
Application for Determination for Employee Benefit Plan

Dear Madam/Sir:

On behalf of the City of Clawson, 425 North Main Street, Clawson, Michigan 48017, request is hereby made for a determination that the above-referenced governmental defined benefit plan is qualified under Section 401(a) of the Internal Revenue Code and that it is exempt from tax under Section 501(a) of the Internal Revenue Code.

In connection with the application for determination, the following documents are enclosed:

1. Form 5300, Application for Determination for Employee Benefit Plan with Line 8a Required Information attached thereto;
2. Form 8717, User Fee for Employee Plan Determination Letter Request, with a check in the amount of \$2,500.00 payable to the United States Treasury attached thereto;
3. Form 2848, Power of Attorney and Declaration of Representative;
4. Retirement System's prior IRS Letter of Determination dated January 7, 2011;

SULLIVAN, WARD, ASHER & PATTON, P.C.

ATTORNEYS AND COUNSELORS AT LAW

November 25, 2013

Page 2


5. A copy of Chapter 2, Article VII, Division 3 of the City of Clawson Code of Ordinances containing the provisions of the Clawson Fire Department Employees' Pension Plan; and
6. A copy of Ordinance No. 690, adopted on March 1, 2011; Ordinance No. 695, adopted on December 20, 2011; and Ordinance No. 703, adopted on December 4, 2012 which serve to amend the Pension Plan.

Please be advised that the copy of the Plan submitted is complete in all respects and a Determination Letter is being requested on qualification of the entire Plan. In the event a favorable Determination Letter is not contemplated, a conference is requested.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

**SULLIVAN, WARD,
ASHER & PATTON, P.C.**


Cynthia J. Billings

Enclosures

cc: Mark Pollock, City Manager

W1366779

Application for Determination for Employee Benefit Plan

OMB No. 1545-0197

See separate instructions.

Review the Procedural Requirements Checklist before submitting this application.

For Internal Use Only

1a Number Assigned under Section 6.19 of Revenue Procedure 2008-6 -

1b Name of plan sponsor (employer if single-employer plan)

City of Clawson

1c Address of plan sponsor (if a P.O. Box, see instructions)

425 North Main Street

1d City

Clawson

1e State

MI

1f Zip Code

48107

1g Country

United States

1h Employer identification number (EIN)

38-2765364

1i Telephone number

2484354500

1j Fax number

2484350515

1k Employer's tax year ends

06

2a Person to contact if more information is needed. (See instructions.)

(If a Power of Attorney is attached, check box, and do not complete this line.)



Contact person's name

2b Contact person's address

2c City

2d State

2e Zip Code

2f Telephone number

2g Fax number

If more space is needed for any item, attach additional sheets the same size as this form. Identify each additional sheet with the plan sponsor's name and EIN and identify each item.

Under penalties of perjury, I declare that I have examined this application, including accompanying statements and schedules, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE ▶

Date ▶

11042013

Type or print name

Mark Pollock

Type or print title

City Manager



3a Determination requested for (enter applicable number in box) (See instructions.)

- 1 - Initial qualification
- 2 - Request after initial qualification
- 3 - Affiliated Service Group (ASG) status (IRC section 414(m))
- 4 - Leased employee status (IRC section 414(n))
- 5 - Partial termination
- 6 - Termination of collectively bargained multi-employer or multiple-employer plan covered by PBGC insurance

- b** (i) If line 3a is 1, enter the effective date of the plan
- (ii) If line 3a is 1, enter the date the plan was signed
- (iii) If line 3a is 2, enter the effective date of the restatement
- c** If line 3a is 5, enter the effective date of the partial termination
- d** If line 3a is 6, enter the effective date of termination

e Enter number of amendments included

f Enter the date the amendment(s) were signed (If more than 4, see instructions)

- (i) (ii) (iii) (iv)

g Enter the date the amendment(s) were effective (If more than 4, see instructions)

- (i) (ii) (iii) (iv)

Yes No

h Has the plan received a determination letter?

If "No," submit copies of all prior plan(s) and/or adoption agreement(s) and/or amendments. (See instructions.)

i If 3h is "Yes," enter the date of the latest letter

j Enter the number of amendments since the last determination letter.

k Was this plan a prior adopter of a pre-approved plan? (See instructions.)

l If line 3k is "Yes," enter the Serial Number.

m If line 3k is "Yes," was the sponsor authorized to adopt amendments?

n Have interested parties been given the required notification of this application? (See instructions.)

o Does the plan have a cash or deferred arrangement (section 401(k) or 414(x))?

p Does the plan have matching contributions (section 401(m))?



3 (continued)

Yes No

- q Does the plan have after-tax employee voluntary contributions (section 401(m))?
- r Does the plan benefit noncollectively bargained employees or are more than 2% of the employees who are covered under a collectively bargaining agreement professional employees? See Regulations section 1.410(b)-6(d).
- s Does the plan utilize the permitted disparity rules of section 401(f) when allocating contributions or benefits?
- t Is the plan being filed "on-cycle" pursuant to Section 13 of Revenue Procedure 2007-44?

If "Yes," indicate the cycle the plan is being submitted in

If "No," skip to question v.

Enter the applicable number in the box to indicate the reason the plan was submitted in the cycle listed above.

- 1 - Last digit of the EIN.
 - 2 - Multiple employer plan.
 - 3 - Governmental plan including governmental multiple employer plan.
 - 4 - Multi-employer plan.
 - 5 - Pre-approved plan filing in the 2-year Remedial Amendment Cycle window (including special ASG leased employee or partial termination) rulings.
 - 6 - Cycle changing event (enter date and attach explanation of cycle changing event).

u Is the EIN of the parent company, jointly trusted single employer collective bargained plan (if the plan sponsor is the Joint Board of Trustees include the EIN of the Form 5500), or centralized organization (include the EIN of the centralized organization if that organization handles the administration and operations of the plan) being used? (See instructions.)

(1) If line 3u is "Yes," enter the EIN of parent, Joint Board of Trustees, or centralized organization.

v If 3t is "No," are you requesting priority considerations as specified in Section 14.02 of Revenue Procedure 2007-44?

If "Yes," indicate the cycle the plan is being submitted in

Enter the applicable number in the box for the reason the plan was submitted in the cycle listed above.

- 1 - New plan exception.
 - 2 - Urgent business need.
 - 3 - Cycle changing event (date and explanation of cycle changing event).

w Is this plan an offset arrangement with any other plan? (If "Yes," attach a separate statement providing the name, EIN, the plan provision, and type of the other plan including plan sections that is part of the arrangement.) (See instructions.)



4a Name of plan (If plan name exceeds 70 characters, including spaces, see instructions):

Clawson Fire Department Employees Pension Plan

- b** Enter 3-digit plan number (See instructions.)
- c** Enter the month on which the plan year ends
- d** Enter plan's original effective date
- e** Enter number of participants (See instructions.)

5 Indicate type of plan by entering the number from the list below:

- | | | | |
|---------------------------------------|----------------------------------|--|--|
| <input checked="" type="checkbox"/> 4 | 1 – profit sharing and/or 401(k) | 4 – defined benefit but not cash balance | 7 – non-leveraged ESOP (See instructions.) |
| | 2 – money purchase | 5 – cash balance (See instructions.) | 8 – stock bonus |
| | 3 – target benefit | 6 – leveraged ESOP | 9 – safe harbor 401(k) |

If this plan contains any ESOP provisions, do not use 1 or 2, use 6 or 7, as applicable.

Yes No

- 6a** Is the employer a member of an affiliated service group (ASG)?
- b** Is the employer a member of a controlled group of corporations or a group of trades or businesses under common control? If 6a and/or 6b is "Yes," see instructions.
- c** Were elections made to use "Cycle A" per Section 9 of Revenue Procedure 2007-44? (See instructions.)
- 7a** Is this a governmental plan? Date of last legislative session.
- b** If line 7a is "Yes," is the plan a state level plan?
- c** Is this a nonelecting church plan?
- d** Is this a collectively bargained plan? (See Regulations section 1.410(b)-9)
- e** Is this a section 412(e)(3) plan?
- f** Has this plan been involved in a merger which was not considered in a prior favorable determination letter?
- g** Has the plan been amended or restated to change the type of plan?
- h** Is this a multiple employer plan?

If line 7h is "Yes," enter the total number of participating employers.

i If line 7h is "Yes," enter the number of participating employers currently being submitted.



7 (continued)

j (i) If line 7h is "Yes," enter the EIN of the employer submitting the lead plan.

(ii) If line 7h is "Yes," enter the plan number of the lead plan.

k Is this a multi-employer plan as described in section 414(f)?

l Is this a request for a ruling under section 401(h) or section 420?

m Is this considered a foreign plan or is the trust a foreign trust?

If 7f, 7g, 7h, 7i, 7k, 7l, or 7m is "Yes," see instructions.

Yes No

8a Do you maintain any other qualified plan(s) under section 401(a)? If "Yes," attach required statement per instructions. If "No," skip to line 8d.

b Do you maintain another plan of the same type (for example, both this plan and the other plan are defined contribution plans or both are defined benefit plans) that covers non-key employees who are also covered under this plan?

If "Yes," when the plan is top-heavy, do the non-key employees covered under both plans receive the required top-heavy minimum contribution or benefit under (see instructions):

(1) This plan?

(2) The other plan?

c If this is a defined contribution plan, do you maintain a defined benefit plan (or if this is a defined benefit plan, do you maintain a defined contribution plan) that covers non-key employees who are also covered under this plan?

If "Yes," when the plan is top-heavy, do the non-key employees covered under both plans receive (see instructions):

(1) The top-heavy minimum benefit under the defined benefit plan?

(2) At least a 5% minimum contribution under the defined contribution plan?

(3) The minimum benefit offset by benefits provided by the defined contribution plan?

(4) Benefits under both plans that, using a comparability analysis, are at least equal to the minimum benefit?

d Does the plan prevent the possibility that the section 415 limitations will be exceeded for any employee who is (or was) a participant in this plan and any other plan of the employer?



9 General Eligibility Requirements

a Check all that apply:

- (1) All employees
- (2) Hourly rate employees
- (3) Salaried employees
- (4) Other: (Specify in box below)

See Section 2-367(a)

b Minimum years of service required to participate. If no minimum, check

c Minimum age required to participate. If no minimum, check

10 Vesting Indicate the regular (non-top heavy) vesting provisions of the plan by entering the letter from the list below:

- | | | |
|--|---|--------------------------------|
| <input checked="" type="checkbox"/> a - Full and immediate | c - Full vesting after 3 years of service | e - 2 to 6 year graded vesting |
| b - Full vesting after 2 years of service | d - Full vesting after 5 years of service | f - 3 to 7 year graded vesting |
| | | g - Other |

11 Benefits and Requirements for Benefits

a For defined benefit plans - Method for determining accrued benefit:

(1) Benefit Formula at early retirement age is

(2) Benefit Formula at normal retirement age is

See Section 2-368(a)

(3) Normal form of retirement benefit is

See Section 2-368(a)

b For defined contribution plans - Employer contributions:

(1) Profit Sharing or stock bonus plan contributions are determined under (check box):

- A definite formula A discretionary formula Both

(2) Matching contributions are determined under, check box:

- A definite formula A discretionary formula Both



11b (continued)

(3) Money purchase plan - Enter rate of contribution

(4) Target benefit plan - State target benefit formula

Indicate the plan section where the allocation/benefit formula is located in the plan document.

12 Miscellaneous

N/A Yes No
a Does any amendment to the plan reduce or eliminate any section 411(d)(6) protected benefit including an amendment adopted after September 6, 2000, to eliminate the joint and survivor annuity form of benefit? **(See instructions.)**

b Are trust earnings and losses allocated on the basis of account balances in a defined contribution plan? If "No," attach a statement explaining how they are allocated.

c Is this plan or trust currently under examination or is any issue related to this plan or trust currently pending before the:

- | | Yes | No | |
|-----|--------------------------|-------------------------------------|---|
| (1) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Internal Revenue Service, |
| (2) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Department of Labor, |
| (3) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Pension Benefit Guaranty Corporation, |
| (4) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Voluntary Compliance Resolution Program of the Employee Plans Compliance Resolution System (EPCRS), or Employee Benefits Security Administration, |
| (5) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Any Court? |

If "Yes," attach a statement explaining the issues involved and the contact person's name (IRS Agent, DOL Investigator, etc.) and telephone number.

Determination request regarding the ratio percentage test. A determination regarding the average benefit test may be requested by attaching Schedule Q (Form 5300), Elective Determination Requests. See instructions.

Yes No
13 Is this a request for a determination regarding the ratio percentage test of Regulations section 1.410(b)-2(b)(2) or a request for a determination regarding one of the special requirements of Regulations section 1.410(b)-2(b)(5), (6), or (7)?

If "Yes," complete only lines **13a** through **13n** for a ratio percentage test determination or complete only line **13o** for a determination regarding one of the special requirements. If "No," skip to line **14**.

- Yes No**
a Is this plan disaggregated into two or more separate plans that are not section 401(k), 401(m), or profit sharing plans? If "Yes," see the instructions and attach separate schedules for each disaggregated portion.
- b** Does the employer receive services from any leased employees as defined in section 414(n)?



13 (continued)

c Coverage date (MMDDYYYY). See instructions for inserting date

d Total number of employees (include self-employed individuals) (employer-wide)

e Statutory and regulatory exclusions under this plan (do not count an employee more than once):

(1) Number of employees excluded because of minimum age or years of service required

(2) Number of employees excluded because of inclusion in a collective bargaining unit

(3) Number of employees excluded because they terminated employment with less than 501 hours of service and were not employed on the last day of plan year

(4) Number of employees excluded because employed by other qualified separate lines of business (QSLOBs)

(5) Number of employees excluded because they were nonresident aliens with no earned income from sources within the United States

f Total statutory and regulatory exclusions (add lines 13e(1) through 13e(5))

g Nonexcludable employees (subtract line 13f from line 13d)

h Number of nonexcludable employees on line 13g who are highly compensated employees (HCEs)

i Number of nonexcludable HCEs on line 13h benefiting under the plan

j Number of nonexcludable employees who are nonhighly compensated employees (NHCEs) (subtract line 13i from line 13g)

k Number of nonexcludable NHCEs on line 13j benefiting under the plan

l Ratio percentage (see instructions)

m Enter the ratio percentage for the following, if applicable:

(1) Section 401(k) part of the plan

(2) Section 401(m) part of the plan



13 (continued)

- | | | | |
|----------|--------------------------|--------------------------|--|
| | Yes | No | |
| n | <input type="checkbox"/> | <input type="checkbox"/> | Are the results on line 13l or 13m based on the aggregated coverage of more than one plan? If "Yes," attach a statement listing the names, plan numbers, EINs, and benefit/allocation formula of the other plans. All on-cycle individually designed aggregated plans should be filed concurrently. |
- o** If the plan satisfied coverage using one of the special requirements of Regulations section 1.410(b)-2(b)(5), (6), or (7), enter the letter from the list below that identifies the special rule.
- | | |
|--------------------------|--|
| <input type="checkbox"/> | A = 1.410(b)-2(b)(5) - No NHCEs employed |
| <input type="checkbox"/> | B = 1.410(b)-2(b)(6) - No HCEs benefit |
| <input type="checkbox"/> | C = 1.410(b)-2(b)(7) - Collectively bargained only |

Determination request regarding the nondiscrimination design-based safe harbors of section 401(a)(4). See instructions.

- | | | | |
|-----------|--------------------------|-------------------------------------|---|
| | Yes | No | |
| 14 | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Is this a request for a determination regarding a design-based safe harbor under section 401(a)(4)? If "Yes," complete a-d. |

Note. Section 401(k) and/or section 401(m) plans that do not contain a provision for discretionary contributions should not complete this line.

Design-based nondiscrimination safe harbors:

- a** Does the plan provide for disparity in contributions or benefits that is intended to meet the permitted disparity requirements of section 401(l)? If "Yes," answer line 14b. Otherwise, skip to line 14c.
- b** Do the provisions of the plan ensure that the overall permitted disparity limits will not be exceeded?
- c** Enter the letter ("A" - "G") from the list below that identifies the safe harbor intended to be satisfied.
- | | |
|--------------------------|---|
| <input type="checkbox"/> | A = 1.401(a)(4)-2(b)(2) defined contribution (DC) plan with uniform allocation formula |
| | B = 1.401(a)(4)-3(b)(3) unit credit defined benefit (DB) plan |
| | C = 1.401(a)(4)-3(b)(4)(i)(C)(1) unit credit DB fractional rule plan |
| | D = 1.401(a)(4)-3(b)(4)(i)(C)(2) flat benefit DB plan |
| | E = 1.401(a)(4)-3(b)(5) insurance contract plan |
| | F = 1.401(a)(4)-8(b)(3) target benefit plan |
| | G = 1.401(a)(4)-8(c)(3)(iii)(B) cash balance plan |

- d** List the plan section(s) that satisfy the safe harbor (including, if applicable, the permitted disparity requirements):



City of Clawson Fire Department Pension Plan

EIN: 38-2765364

PN: 001

Attachment to Form 5300

Line 8a Required Information

1. Municipal Employees Retirement System of Michigan
2. Governmental multiple-employer defined benefit and defined contribution plan
3. State law Statutory Plan
4. 002
5. 10 years
6. Another application is not simultaneously being submitted with this application

W1367973

Form **8717**
(Rev. February 2013)
Department of the Treasury
Internal Revenue Service

User Fee for Employee Plan Determination Letter Request

For
IRS
Use
Only

OMB No. 1545-1772

Amount paid _____

▶ Attach to determination letter application.
▶ For the latest information about this form, go to www.irs.gov/form8717.

1 Name of plan sponsor (employer if single-employer plan)

City of Clawson

2 Sponsor's employer identification number 38-2765364	3 Plan number 001	4 Plan name Clawson Fire Department Employees Pension Plan
---	-----------------------------	--

Caution. If you qualify for the exemption from user fees for small business employers, complete only the certification below (see the instructions on page 2 for details). For all other applications, leave the certification blank and check the appropriate box in column B of line 5.

Certification

I certify that the application for a determination letter on the qualified status of the plan listed above meets the conditions for exemption from user fees described in section 7528(b)(2)(B) of the Internal Revenue Code.

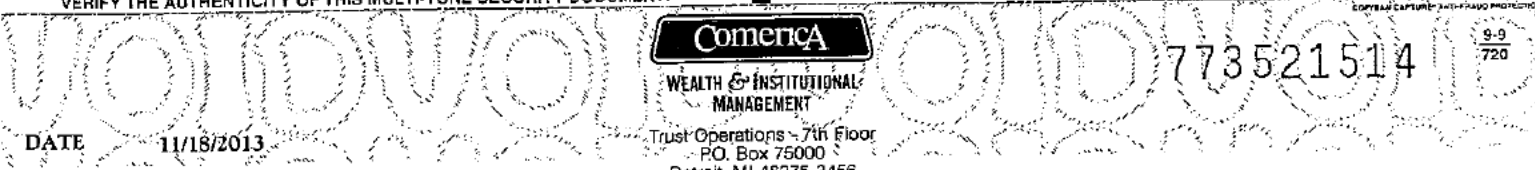
Sign Here ▶ _____ Date ▶ _____

Type or print name and title ▶ _____

Form Submitted	Fee Schedule	
	A	B
5a Form 5300:		no Demo 5 and no Demo 6:
b Form 5307:		<input checked="" type="checkbox"/> \$ 2,500
c Form 5310:		<input type="checkbox"/> \$ 300
d		<input type="checkbox"/> \$ 2,000
e Multiple employer plans (Form 5300):		
(1) 2 to 10 Forms 5300:		

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.



773521514

9-9
720

DATE 11/18/2013
TRUST A/C NO [REDACTED]

AMOUNT \$*****2,500.00

PAY
Two Thousand Five Hundred DOLLARS AND NO CENTS-----

COMERICA BANK
TRUST DEPARTMENT

TO THE ORDER OF
THE UNITED STATES TREASURY

Brian McDonald
AUTHORIZED SIGNATURE

CASHIER'S CHECK



i Form 5316 (Group trusts)	<input type="checkbox"/> \$ 1,000
----------------------------	-----------------------------------

Cat. No. 647270

Form 8717 (Rev. 2-2013)



8717

User Fee for Employee Plan Determination Letter Request

OMB No. 1545-1772

For IRS Use Only

Amount paid _____

February 2013
Department of the Treasury
Internal Revenue Service

► Attach to determination letter application.
► For the latest information about this form, go to www.irs.gov/form8717.

Name of plan sponsor (employer if single-employer plan)

1 Employer's name of Clawson	2 Sponsor's employer identification number 38-2765364	3 Plan number 001	4 Plan name Clawson Fire Department Employees Pension Plan
--	---	-----------------------------	--

Instruction: If you qualify for the exemption from user fees for small business employers, complete only the certification below (see the instructions on page 2 for details). For all other applications, leave the certification blank and check the appropriate box in column B of line 5.

Certification

I certify that the application for a determination letter on the qualified status of the plan listed above meets the conditions for exemption from user fees described in section 7528(b)(2)(B) of the Internal Revenue Code.

Signature Here _____ Date _____

Name or print name and title _____

Form Submitted

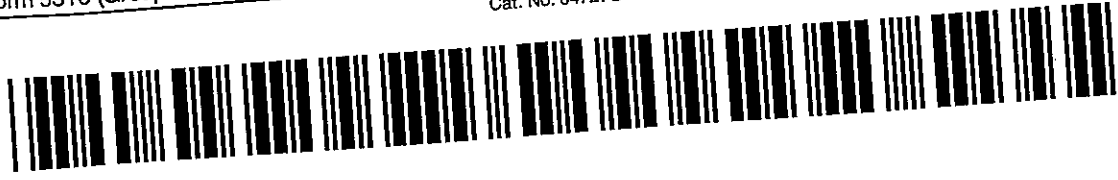
Fee Schedule

	A	B	
		no Demo 5 and no Demo 6:	
5a Form 5300:		<input checked="" type="checkbox"/>	\$ 2,500
b Form 5307:		<input type="checkbox"/>	\$ 300
c Form 5310:		<input type="checkbox"/>	\$ 2,000
d		<input type="checkbox"/>	(1) \$ 3,000
e Multiple employer plans (Form 5300):		<input type="checkbox"/>	(2) \$ 3,000
(1) 2 to 10 Forms 5300 submitted		<input type="checkbox"/>	(3) \$ 15,000
(2) 11 to 99 Forms 5300 submitted		<input type="checkbox"/>	(4) \$ 15,000
(3) 100 to 499 Forms 5300 submitted			
(4) Over 499 Forms 5300 submitted			
f Multiple employer plans (Form 5310):		<input type="checkbox"/>	(1) \$ 3,000
(1) 2 to 10 employers maintaining the plan		<input type="checkbox"/>	(2) \$ 3,000
(2) 11 to 99 employers maintaining the plan		<input type="checkbox"/>	(3) \$ 15,000
(3) 100 to 499 employers maintaining the plan		<input type="checkbox"/>	(4) \$ 15,000
(4) Over 499 employers maintaining the plan			
g Reserved			
(1a)			
(1b)			
(2a)			
(2b)			
(3)			
(4)			
h Reserved			
(1a)			
(1b)			
(2)			
(3)			
(4a)			
(4b)			
(5)			
(6)			
(7)			
i Form 5316 (Group trusts)		<input type="checkbox"/>	\$ 1,000

Attach Check or Money Order Here

Cat. No. 647270

Form 8717 (Rev. 2-2013)



Power of Attorney and Declaration of Representative

OMB No. 1545-0150

For IRS Use Only

Received by: _____

Name _____

Telephone _____

Function _____

Date / / _____

▶ Type or print. ▶ See the separate instructions.

Part I Power of Attorney

Caution: A separate Form 2848 should be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address City of Clawson 425 North main Street Clawson, MI 48170	Taxpayer identification number(s) 38-2765364		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Daytime telephone number (248) 435-4500</td> <td style="width: 50%;">Plan number (if applicable) 001</td> </tr> </table>	Daytime telephone number (248) 435-4500	Plan number (if applicable) 001
Daytime telephone number (248) 435-4500	Plan number (if applicable) 001		

hereby appoints the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Cynthia J. Billings 25800 Northwestern Hwy. Suite 1000 Southfield, MI 48075	CAF No. 0305-87101R PTIN _____ Telephone No. 248 746-2747 Fax No. 248-746-2809
Check if to be sent notices and communications <input checked="" type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input checked="" type="checkbox"/>
Name and address Check if to be sent notices and communications <input type="checkbox"/>	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Check if to be sent notices and communications <input type="checkbox"/>	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer before the Internal Revenue Service for the following matters:

3 Matters

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, etc.) (see instructions for line 3)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions for line 3)
Request for Qualified Plan Determination Letter	5300	2013

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. **Specific Uses Not Recorded on CAF**

5 Acts authorized. Unless otherwise provided below, the representatives generally are authorized to receive and inspect confidential tax information and to perform any and all acts that I can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The representative(s), however, is (are) not authorized to receive or negotiate any amounts paid to the client in connection with this representation (including refunds by either electronic means or paper checks). Additionally, unless the appropriate box(es) below are checked, the representative(s) is (are) not authorized to execute a request for disclosure of tax returns or return information to a third party, substitute another representative or add additional representatives, or sign certain tax returns.

Disclosure to third parties; Substitute or add representative(s); Signing a return; _____

Other acts authorized: _____ (see instructions for more information)

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan agent may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. A registered tax return preparer may only represent taxpayers to the extent provided in section 10.3(f) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (level k) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific deletions to the acts otherwise authorized in this power of attorney: _____

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JAN 07 2011

CITY OF CLAWSON
C/O CYNTHIA J BILLINGS
PO BOX 222
SOUTHFIELD, MI 48037-0222

Employer Identification Number:
38-2765364
DLN:
17007007088019
Person to Contact:
JENNIFER M THIMMADASIAH ID# 31316
Contact Telephone Number:
(513) 263-4613
Plan Name:
CLAWSON FIRE DEPARTMENT EMPLOYEES
PENSION PLAN
Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

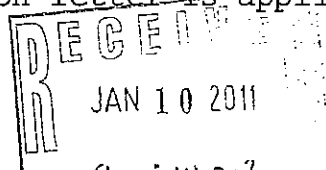
The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provides examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter gives no reliance for any qualification change that becomes effective, any guidance published, or any statutes enacted, after the issuance of the Cumulative List (unless the item has been identified in the Cumulative List) for the cycle under which this application was submitted.

This letter may not be relied on after the end of the plan's first five-year remedial amendment cycle that ends more than 12 months after the application was received. This letter expires on January 31, 2014. This letter considered the 2007 Cumulative List of Changes in Plan Qualification Requirements.

This determination letter is applicable for the amendment(s) executed



Letter 2002 (DO/CG)

CITY OF CLAWSON

on 12/2/08 and 7/11/04.

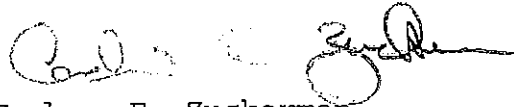
This determination is subject to your adoption of the proposed amendments submitted in your letter dated 12/2/10. The proposed amendments should be adopted on or before the date prescribed by the regulations under Code section 401(b).

This determination letter is based solely on your assertion that the plan is entitled to be treated as a Governmental plan under section 414(d) of the Internal Revenue Code.

We have sent a copy of this letter to your representative as indicated in the Form 2848 Power of Attorney or appointee as indicated by the Form 8821 Tax Information Authorization.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely,



Andrew E. Zuckerman
Director, EP Rulings & Agreements

Enclosures:
Publication 794

Clawson, Michigan, Code of Ordinances >> PART II - CODE OF ORDINANCES >> Chapter 2 - ADMINISTRATION >> ARTICLE VII. - BOARDS, COMMISSIONS AND AUTHORITIES >> DIVISION 3. FIRE DEPARTMENT PENSION BOARD OF TRUSTEES >>

DIVISION 3. FIRE DEPARTMENT PENSION BOARD OF TRUSTEES ^[7]

- Sec. 2-361. Establishment.
- Sec. 2-362. Appointment, composition; compensation.
- Sec. 2-363. Term.
- Sec. 2-364. Meetings; quorum.
- Sec. 2-365. Powers and duties.
- Sec. 2-366. Definitions.
- Sec. 2-367. Employees entitled to become participants.
- Sec. 2-368. Monthly pension benefit.
- Sec. 2-369. Payments into the pension fund.
- Sec. 2-370. Benefits.
- Sec. 2-371. Minimum distribution requirements.
- Sec. 2-372. The trustees.
- Sec. 2-373. Miscellaneous.
- Secs. 2-374—2-360. Reserved.

Sec. 2-361. Establishment.

There is hereby established a board to be known as the city fire department pension board of trustees.

(Ord. No. 624, 4-16-2002)

Sec. 2-362. Appointment, composition; compensation.

The fire department pension board of trustees shall consist of four members, three of whom shall be current members of the city fire department, and one of whom shall be the city manager, all of whom shall serve without compensation.

(Ord. No. 624, 4-16-2002)

Sec. 2-363. Term.

Each member from the fire department shall be appointed by the general vote of the members of the fire department and shall serve for a term of three years after appointment, or upon the appointment of a successor, whichever is later. Such members can be removed at the pleasure of the members of the fire department. Vacancies occurring in the representation of the fire department, other than through the expiration of a term, shall be filled for the unexpired term by the chief of the fire department.

(Ord. No. 624, 4-16-2002)

Sec. 2-364. Meetings; quorum.

Meetings shall be called from time to time by the majority of the board of trustees or by the city manager. A chair may be selected by the majority of the board. All meetings shall be open to the public and a written record of any proceedings shall be kept and maintained and shall be deemed to be a public record and property of the city. All notices of any meeting of the pension board of trustees shall be posted at the principal office of the board of trustees and at the city hall at least 18 hours in advance of any special or rescheduled meeting, and ten days in advance of any regular meeting. Three members shall constitute a quorum for the transaction of all business.

(Ord. No. 624, 4-16-2002)

Sec. 2-365. Powers and duties.

- (a) The pension board of trustees may, from time to time, invest retirement plan funds in investments other than life insurance policies or benefits; provided, however, that such investments are confined to investment in recognized mutual or equity growth funds or obligations of the United States government, or as otherwise provided in the Public Employee Retirement System Investment Act, Act No. 314, Public Acts of 1965.
- (b) The city shall be the plan sponsor of any retirement plan implemented on behalf of fire department personnel and shall, from the city funds and from time to time, make contributions for the benefit of the retirement plan participants. Any such retirement plan is intended to qualify as a pension plan and trust meeting the requirements of subsections 401(a) and 501(a) of the Internal Revenue Code, as now in effect or hereafter amended, and shall be administered so as to fulfill this intent. The city shall have the power to amend the provisions of any retirement plan; provided, however, that no part of the corpus or income of any retirement plan shall be used for, or diverted to, purposes other than for the exclusive benefit of the employees or their beneficiaries prior to the satisfaction of all liabilities with respect to employees and their beneficiaries under the retirement plan. The city shall maintain any and all records for such retirement plans and shall be responsible for compliance with any and all state or federal laws or regulations establishing reporting requirements. The city may, from time to time, delegate the responsibilities and duties of compliance with any federal reporting requirement or regulatory rule to a responsible third party, and the cost of such compliance shall be deemed to be a cost of the retirement plan then in effect.

(Ord. No. 624, 4-16-2002)

Sec. 2-366. Definitions.

Whenever used in this article, the following words, when the initial letter is capitalized, shall have the meanings hereinafter set forth:

Anniversary date shall mean the actual date of hire, of any year after the effective date.

Annual compensation shall mean compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan (the "determination period"). The annual compensation of each participant taken into account in determining benefit accruals in any plan year beginning after December 31, 2001, shall not exceed \$200,000.00. In determining benefit accruals in years beginning after December 31, 2001, the annual compensation limit for determination periods beginning before January 1, 2002, shall be \$150,000.00 for any determination period beginning in 1996 or earlier; \$160,000.00 for any determination period beginning in 1997, 1998, or 1999; and \$170,000.00 for any determination period beginning in 2000 or 2001. The \$200,000.00 limit on annual compensation shall be adjusted for cost-of-living increases in accordance

with subsection 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

Continuous service shall mean the period of time during which an employee shall have been continuously employed as an employee by the employer from his latest date of initial employment. Fractional portions of a year shall be rounded off to the nearest full year.

Effective date. Unless otherwise provided herein, all provisions relating to the Tax Reform Act of 1986 shall be effective July 1, 1989; [and] all provisions related to the Uruguay Round Agreements Act, the Uniform Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and all provisions related to the Community Renewal Tax Relief Act of 2000 shall be effective January 1, 1997.

Employee shall mean a volunteer firefighter of Clawson.

Employer shall mean the City of Clawson.

Late retirement date shall mean, in the case of any participant, the first day of any month subsequent to his or her normal retirement date as of which his or her employment by the employer company shall be terminated for any reason.

Normal retirement date shall mean, in the case of any participant, the anniversary date coinciding with or following such participant's 55th birthday or 50th birthday with 25 years of service.

Participant shall mean, for the purposes of the death benefits contained herein, any active volunteer firefighter regardless of status (regular or probationary) and deferred vested participants; for purposes of the retirement benefits of this plan, "participant" shall mean any active volunteer firefighter designated as having regular status as well as deferred vested participants.

Participation date shall mean, in the case of any employee, the effective date or anniversary date as of which he or she became a participant.

Pension fund shall mean all cash, investments and other properties held by the board of trustees hereunder.

Plan shall mean the pension plan embodied herein, as amended from time to time, which shall be known as the Clawson Fire Department Employees Pension Plan.

Trustee shall mean those individuals appointed to the board of trustees and their successors in office as trustee hereunder and board of trustees shall mean all such individuals, collectively.

(Ord. No. 624, 4-16-2002; Ord. No. 629, 1-21-2003; Ord. No. 695, § 1, 12-20-2011)

Sec. 2-367. Employees entitled to become participants.

- (a) Each participant under Continental Assurance Company, GP-4937, shall remain a participant under this plan. Each other employee, present or future, shall be eligible to become a participant on the effective date or the first anniversary date thereafter as of which he or she is an employee.
- (b) The board of trustees shall deliver to each participant as soon as practicable after he or she shall have become a participant appropriate written notice of his or her status hereunder.

- (c) In the event any participant prior to his or her normal retirement date shall cease to be an employee, he or she shall cease to be a participant hereunder and shall have no rights hereunder except for those he shall be entitled to under subsection 2-370(c)(2) hereof.
- (d) Notwithstanding any provision of the plan to the contrary, contributions, benefits and service credited with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code.

Effective January 1, 2007, the beneficiary of a participant on a leave of absence to perform military service with reemployment rights described in Code Section 414(u) where the participant cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under the plan had the participant died as an active employee, in accordance with Code Section 401(a)37.

(Ord. No. 624, 4-16-2002; Ord. No. 695, § IV, 12-20-2011)

Sec. 2-368. Monthly pension benefit.

- (a) The standard monthly pension benefit to be payable hereunder shall be a monthly pension benefit payable for ten years and during the lifetime of a participant, commencing on the later of his or her normal retirement date or late retirement date, in an amount equal to \$25.50 per month times his or her completed years of service for retirement dates from July 1, 2001, to June 20, 2002; in an amount equal to \$32.00 per month times his or her completed years of service for retirement dates from July 1, 2002, to June 20, 2003; in an amount equal to \$38.50 per month times his or her completed years of service for retirement dates from July 1, 2003, to June 30, 2004; and in an amount equal to \$45.00 per month times his or her completed years of service for retirement dates on or after July 1, 2004.
- (b) In lieu of the standard monthly pension benefit any participant may elect to receive the actuarial equivalent thereof in either a 50 percent joint and survivor or 100 percent joint and survivor optional annuity form for the payment of benefits computed as of the effective date of the pension, as the amount of pension under the standard monthly benefit amount calculated in accordance with the 1994 GAR Mortality Table and the 30-year Treasury rate in effect on July 1 prior to the benefit calculation. Furthermore, any annuity with a different guaranteed number of payments shall be for a guaranteed period not to exceed his or her life expectancy. In the event a participant elects to receive retirement benefits in the form of a joint and survivor annuity and designates a person other than his or her spouse as the survivor annuitant, the amount used to fund such survivor annuitant's benefit based on actuarial tables must be less than 50 percent of the balance in such participant's account available to purchase such annuity election for any such optional form of payment shall be in such form and at such time prior to the actual retirement date as the board of trustees shall prescribe by rule or regulation and uniformly apply.
- (c) Notwithstanding any provision of the plan to the contrary, benefits and contributions shall be limited in accordance with section 415 of the Internal Revenue Code, which is hereby incorporated by reference.
 - (1) For purposes of section 415 of the Internal Revenue Code, compensation shall mean compensation actually paid during the limitation year and the limitation year shall be the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan.
 - (2) For purposes of adjusting any benefit or limitation under section 415 of the Internal Revenue Code, the mortality table used shall be the table prescribed by the United States Secretary of the Treasury in accordance with subsection 415(b)(2)(E)(v) of the

Internal Revenue Code.

- (3) For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described herein, compensation paid or made available during such limitation years shall include elective amounts that are not includable in the gross income of the member by reason of subsection 132(f)(4) of the Internal Revenue Code.
- (4) For limitation years beginning after December 31, 1997, for purposes of applying the limitations of section 415 of the Internal Revenue Code, compensation paid or made available during such limitation years shall include any elective deferral (as defined in section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the employer at the election of the employee and which is not includable in the gross income of the employee by reason of sections 125 or 457 of the Internal Revenue Code.

(Ord. No. 624, 4-16-2002; Ord. No. 629, 1-21-2003; Ord. No. 635, 7-6-2004; Ord. No. 668, 11-8-2008; Ord. No. 672, 6-16-2009; Ord. No. 690, 3-1-2011)

Sec. 2-369. Payments into the pension fund.

- (a) The employer shall pay into the pension fund of the board of trustees from time to time such sums required to provide the benefits specified in this plan as shall be determined by the board of trustees.
- (b) No contributions or payments shall be required of the participants.
- (c) All payments so made by the employer shall be held in trust by the board of trustees and shall be managed and disposed of by the board of trustees in accordance with the provisions of the plan.
- (d) The benefits of the plan shall be only such as can be provided by the pension fund and there shall be no liability or obligation on the part of the employer to make any further contributions or payments in event of termination of the plan, provided, however, that upon termination of the plan or upon complete discontinuance of contributions under the plan, the rights of all participants to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable. No liability for the payment of benefits under the plan shall be imposed upon the employer or upon the officers or employees of the employer.
- (e) Forfeitures arising from severance of employment, death or for any other reason shall not be applied to increase the benefits of any participant at any time prior to termination of the plan or complete discontinuance of employer contributions hereunder, but shall be applied as soon as possible to reduce the employer's contributions or payments under subsection (a) hereof.

(Ord. No. 624, 4-16-2002)

Sec. 2-370. Benefits.

- (a) *Retirement benefits.*
 - (1) A participant in the employ of the employer on his or her normal retirement date shall thereupon be retired and shall then be entitled to the monthly pension benefit provided hereunder. However, at the request of the employer and with his or her consent, such participant may remain in the employ of the employer after his or her normal retirement date on a year-to-year basis.
 - (2) Each participant eligible to receive or claiming a right to continue to receive a monthly pension benefit hereunder shall complete such forms and furnish such proofs as shall be required by the board of trustees.
 - (3) In accordance with subsection 401(a)(9) of the Internal Revenue Code and the regulations thereunder, which are incorporated herein by reference, a participant's

retirement benefit shall be distributed to him or her not later than April 1 of the calendar year following the later of:

- i. The calendar year in which the participant attains age 70½ years; or
 - ii. The calendar year in which the participant retires.
- (4) With respect to distributions under the plan made for calendar years beginning on or after January 1, 2001, the minimum distribution requirements of subsection 401(a)(9) of the Internal Revenue Code will be applied in accordance with the regulations under section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.
- (b) *Death benefits.*
- (1) Upon the death of any participant prior to his or her actual retirement, death benefits equal to the present value of the participant's accrued monthly pension benefit shall be paid, in installments for a period of ten years or as an annuity option including but not limited to a life and ten year certain or a 50-percent survivor annuity, notwithstanding that the participant may not otherwise have been eligible to receive a monthly pension benefit hereunder, to such one or more primary or contingent beneficiaries as the deceased participant shall have designated. Each participant shall notify the board of trustees in writing of such designation on the form or forms provided for that purpose. Each such designation may be revoked, amended or changed by the participant by like notice in writing filed with the board of trustees.
- Upon the death of any deferred vested participant, prior to his or her actual retirement, death benefits equal to the present value of the deferred vested participant's accrued monthly pension benefit shall be paid in installments for a period of ten years or as an annuity option including but not limited to a life and ten year certain, commencing on the date that the deferred vested participant would have been eligible to receive a monthly pension benefit hereunder, to such one or more primary or contingent beneficiaries as the deceased deferred vested participant shall have designated. Each deferred vested participant shall notify the board of trustees in writing of such designation on the form or forms provided for that purpose. Each such designation may be revoked, amended or changed by the deferred vested participant by like notice in writing filed with the board of trustees.
- (2) Any portion of the amounts payable under subsection (b)(1) hereof or any portion of any other benefits payable after his or her death (excluding benefits payable under a joint and survivor annuity) which is undisposed of because of the participant's failure to designate a beneficiary or because all or some of the designated beneficiaries have predeceased the participant shall be paid to the participant's spouse, if living; if not living, to the participant's surviving children, in equal shares; if no surviving children, to the participant's estate. If the participant has failed to designate the manner of paying such amounts, such portions shall be paid in the manner determined by the board of trustees. If the beneficiary does not predecease the participant, but dies prior to distribution of the death benefit, the death benefit will be paid to the beneficiary's designated beneficiary or if no designated beneficiary, the beneficiary's estate.
- For purposes of subsections (b)(2) and (3) reference to a participant shall include a deferred vested participant.
- (3) On and after the actual retirement of a participant, the right of such participant to death benefits shall cease and the benefits payable to such participant or any person claiming

through him or her shall be limited to the retirement benefits provided in subsection (a) [hereof].

(c) *Termination benefits.*

- (1) If any participant's employment with the employer terminated for any reason other than death or retirement, he or she shall be entitled to receive termination benefits determined as hereinafter provided.
- (2) For all employees hired prior to June 1, 2009, termination benefits shall be a percentage of his or her accrued monthly pension benefit, computed as of the date of his or her termination, as follows:

Years of Service	Vested Percentage
Less than 5	0
or more	100%

For all employees hired on or after June 1, 2009, termination benefits shall be a percentage of his or her accrued monthly pension benefit, computed as of the date of his or her termination, as follows:

Years of Service	Vested Percentage
Less than 10	0
or more	100%

- (3) After termination of employment of a participant entitled to such benefits under this subsection 2-370(c), the board of trustees shall pay to such former participant the amount to which he or she is entitled in an annuity under which payments shall be deferred to commence at age 55.
- (4) If a former participant shall be reemployed by the employer, he or she shall be considered a new employee for all purposes of the plan as of the date of his or her reemployment and any benefits thereafter coming payable to him or her hereunder shall be reduced by the amount of monthly retirement income, if any, which the board of trustees shall determine would be provided by the aggregate amount theretofore distributed or distributable to him or her under the provisions of this subsection.
- (5) The provisions of this retirement system ordinance notwithstanding, the accrued benefit for plan participants shall be nonforfeitable upon the attainment of normal retirement age.

(d) *Eligible rollover distributions.*

- (1) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a

distributee's election under this subsection, a distributee may elect, at the time and in the manner prescribed by the board of trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

a. Definitions:

Direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

Distributee. 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 section 414(p) of the Internal Revenue Code, or an eligible domestic relations order under the Eligible Domestic Relations Order Act, are distributees with regard to the interest of the spouse or former spouse. A distributee also includes an eligible designated nonspouse beneficiary.

Eligible retirement plan is an individual retirement account described in subsection 408(a) of the Internal Revenue Code, an individual retirement annuity described in subsection 408(b) of the Internal Revenue Code, an annuity plan described in subsection 403(a) of the Internal Revenue Code, or a qualified trust described in subsection 401(a) of the Internal Revenue Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

Eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made 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 years or more; any distribution to the extent such distribution is required under subsection 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

- b. If a distribution is one to which sections 401(a)(11) and 417 of the Internal Revenue Code do not apply, such distribution may commence less than 30 days after the notice required under subsection 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:
1. The board of trustees clearly informs the distributee that the distributee has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable), a particular distribution option); and
 2. The distributee, after receiving the notice, affirmatively elects a distribution.

(2) This subsection shall apply to distributions made after December 31, 2001.

- a. For purposes of the direct rollover provisions in this subsection, an eligible retirement plan shall also mean an annuity contract described in subsection 403(b) of the Internal Revenue Code and an eligible plan under subsection 457(b) of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to account separately for amounts transferred into such

plan from this plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in subsection 414(p) of the Internal Revenue Code, or an eligible domestic relations order under the Eligible Domestic Relations Order Act.

- b. For purposes of the direct rollover provisions in this subsection, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may be paid only to an individual retirement account or annuity described in subsection 408(a) or (b) of the Internal Revenue Code, or to a qualified defined contribution plan described in subsection 401(a) or 403(a) of the Internal Revenue Code that agrees to account separately for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

(Ord. No. 624, 4-16-2002; Ord. No. 672, 6-16-2009; Ord. No. 690, 3-1-2011; Ord. No. 695, §§ II, III, 12-20-2011; Ord. No. 703, 12-4-2012)

Sec. 2-371. Minimum distribution requirements.

- (a) *Effective date.* The provisions of this section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- (b) *Precedence.* The requirements of this section will take precedence over any inconsistent provisions of the fire department pension ordinance.
- (c) *Requirements of treasury regulations incorporated.* All distributions required under this section will be determined and made in accordance with the treasury regulations under section 401(a)(9) of the Internal Revenue Code.
- (d) *TEFRA section 242(b)(2) elections.* Notwithstanding the other provisions of this section, other than paragraph (c), distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to section 242(b)(2) of TEFRA.
- (e) *Required beginning date.* The member's entire interest will be distributed, or begin to be distributed, to the member no later than the member's required beginning date.
- (f) *Death of member before distributions begin.* If the member dies before distributions begin, the member's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (i) If the member's surviving spouse is the member's sole designated beneficiary, then, except as provided in the adoption agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the member died, or by December 31 of the calendar year in which the member would have attained age 70½, if later.
 - (ii) If the member's surviving spouse is not the member's sole designated beneficiary, then, except as provided in the adoption agreement, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the member died.
 - (iii) If there is no designated beneficiary as of September 30 of the year following the year of the member's death, the member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.
 - (iv) If the member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the member but before distributions to the surviving spouse

begin, this paragraph (f), other than paragraph (f)(i), will apply as if the surviving spouse were the member.

For purposes of this paragraph (f) and paragraphs (m), (n), and (o), distributions are considered to begin on the member's required beginning date (or, if paragraph (f)(iv) applies, the date distributions are required to begin to the surviving spouse under paragraph (f)(i)). If annuity payments irrevocably commence to the member before the member's required beginning date (or to the member's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (f)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (g) *Form of distribution.* Unless the member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with paragraphs (h) through (m) of this section. If the member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the [Internal Revenue] Code and the treasury regulations. Any part of the member's interest which is in the form of an individual account described in section 414(k) of the [Internal Revenue] Code will be distributed in a manner satisfying the requirements of section 401(a)(9) of the [Internal Revenue] Code and the treasury regulations that apply to individual accounts.
- (h) *General annuity requirements.* If the member's interest is paid in the form of annuity distributions under the retirement system, payments under the annuity will satisfy the following requirements:
- (i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
 - (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in paragraphs (m) through (o);
 - (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (i) *Amount required to be distributed by required beginning date.* The amount that must be distributed on or before the member's required beginning date (or, if the member dies before distributions begin, the date distributions are required to begin under paragraph (f)(i) or (ii)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bimonthly, monthly, semiannually, or annually. All of the member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the member's required beginning date.
- (j) *Additional accruals after first distribution calendar year.* Any additional benefits accruing to the member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.
- (k) *Joint life annuities where the beneficiary is not the member's spouse.* If the member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the member and a nonspouse beneficiary, annuity payments to be made on or after the member's required beginning date to the designated beneficiary after the member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the member using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the member and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the

designated beneficiary after the expiration of the period certain.

- (l) *Member survived by designated beneficiary.* If the member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the member's entire interest will be distributed, beginning no later than the time described in paragraph (f)(i) or (ii), over the life of the designated beneficiary or over a period certain not exceeding:
 - (i) Unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the member's death; or
 - (ii) If the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (m) *No designated beneficiary.* If the member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the member's death, distribution of the member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the member's death.
- (n) *Death of surviving spouse before distributions to surviving spouse begin.* If the member dies before the date distribution of his or her interest begins, the member's surviving spouse is the member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section 5 will apply as if the surviving spouse were the member, except that the time by which distributions must begin will be determined without regard to paragraph (f)(i).
- (o) *Designated beneficiary.* The individual who is designated as the beneficiary under subsection 2-370(b) of the retirement system ordinance and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (p) *Distribution calendar year.* A calendar year for which a minimum distribution is required. For distributions beginning before the member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the member's required beginning date. For distributions beginning after the member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to paragraph (f).
- (q) *Life expectancy.* Life expectancy as computed by use of the single life table in section 1.401(a)(9)-9 of the Treasury regulations.
- (r) *Required beginning date.* The date specified in subsection 2-370(a)(3) of the fire department pension ordinance.

(Ord. No. 635, 7-6-2004; Ord. No. 690, 3-1-2011)

Sec. 2-372. The trustees. [8]

- (a) The board of trustees shall have complete control of the administration of the Plan and shall have all powers necessary or convenient to enable it to exercise such control. In connection therewith, it may provide rules and regulations, not inconsistent with the provisions hereof, for the administration of the Plan and may from time to time amend or rescind such rules and regulations. In addition, it may employ or appoint a secretary and such advisers, agents or representatives as it may deem desirable and may consult with and employ counsel, actuaries or accountants with regard to any questions arising in connection with the Plan. All expenses incurred by the board of trustees in connection with the Plan shall be paid by the Employer.
- (b) The board of trustees may decide any question hereunder and may take or authorize or direct

- the taking of any action hereunder with the approval of a majority of the board of trustees and the approval of such majority expressed from time to time by a vote at a meeting shall constitute the action of the board of trustees and shall be valid and effective for all purposes of this Plan. The fact that a trustee shall be a Participant or ex-Participant shall not disqualify or debar him or her from participating in any action or decision affecting any class of Participant or ex-Participants, but he or she shall not participate in any action or decision directly affecting his or her separate interest as a Participant or ex-Participant.
- (c) The fact that any trustee is an employee or officer of the Employer of a Participant shall not disqualify him or her from doing any act or thing which this Plan authorizes or requires him or her to do as a trustee (except as otherwise provided in subsection (b) [herein] with respect to a trustee who is a Participant) or render him or her accountable for any allowance or distribution or other pecuniary or material profit or advantage received by him or her.
 - (d) The board of trustees shall have power to construe this Plan and to determine all questions of fact or law arising under it. They may correct any defect, supply any omission or reconcile any inconsistency in this Plan in such manner and to such extent as it may deem expedient and they shall be the sole and final judge of such expediency. All acts and determinations of the board of trustees made in good faith within the scope of its authority shall be final and conclusive on all the parties hereto and the Employees and Participants, and shall not be subject to appeal or review.
 - (e) The board of trustees shall not take any action in respect to any of the benefits provided hereunder or otherwise in pursuance of the powers conferred herein upon it which would be discriminatory in favor of Employees who are officers, or which would result in benefiting one Participant or group of Participants at the expense of another or in discrimination.
 - (f) The board of trustees shall establish and maintain the pension fund hereunder as a trust and shall accept and hold payments and contributions thereto and all investments and reinvestments thereof in trust for the persons ultimately entitled thereto under the terms of this Plan.
 - (g) The board of trustees shall have power with regard to all property in the pension fund at any time or from time to time:
 - (1) To do all other acts in its judgment necessary or desirable for the proper administration of the pension fund, although the power to do such acts is not specifically set forth herein;
 - (2) To invest all or any part of the pension fund in an individual or group insurance contract or contracts for the benefit of the Participants or any one or more of them;
 - (3) To invest all or any part of the pension fund in separate accounts maintained by an insurance company for pension fund investments.
 - (h) In the event of any dispute or uncertainty as to the person to whom payment of any funds or other property shall be made hereunder, the board of trustees may withhold such payment or delivery until such dispute or uncertainty shall have been determined or resolved by a court of competent jurisdiction or settled by the parties concerned.
 - (i) No trustee shall be directly or indirectly responsible or under any liability by reason of any action or default by him or her as a member of the board of trustees, or the exercise of or failure to exercise any power or discretion as such trustee except for his or her own fraud or bad faith shown in the taking of or failure to take such action, or the exercise of or failure to exercise such power or discretion, and no trustee shall be liable in any way for the acts or defaults of any other trustee. The board of trustees may consult with counsel, accountants or actuaries selected by it and the opinion of such counsel or recommendations of such accountants or actuaries shall be full and complete authority and protection for any action or conduct pursued by the board of trustees in good faith and in accordance with such opinion or

recommendations.

- (j) Any trustee may resign his or her position as trustee on 30 days notice to the Employer. Any successor trustee shall have all the powers conferred on a trustee hereunder and any trustee who has resigned or been removed from such office shall execute all instruments and do all acts necessary or proper to transfer the assets of the pension fund to the remaining trustees and his successor trustee, if any.

(Ord. No. 624, 4-16-2002; Ord. No. 635, pt. I, 7-6-2004)

Sec. 2-373. Miscellaneous.

- (a) Titles of sections herein are for general information only and are to be ignored in any construction of the provisions hereof.
- (b) Words in the masculine gender shall be construed to include the feminine gender in all cases where appropriate and words in the singular or plural shall be construed as being in the plural or singular where appropriate.
- (c) This plan shall be binding upon the successors and assigns of the employer.

(Ord. No. 624, 4-16-2002; Ord. No. 635, pt. I, 7-6-2004)

Secs. 2-374—2-360. Reserved.

FOOTNOTE(S):

— (7) —

Editor's note— Ord. No. 624, adopted April 16, 2002, repealed division 3 in its entirety and enacted similar provisions as set out herein. The former division 3 derived from Code 1978, §§ 2-211—2-215. ([Back](#))

Cross reference— Fire prevention and protection, ch. 30. ([Back](#))

— (8) —

Editor's note— Ord. No. 635, adopted July 6, 2004, renumbered sections 2-371 and 2-372 as 2-372 and 2-373 to accommodate the creation of a new section 2-371 ([Back](#))

**CITY OF CLAWSON
COUNTY OF OAKLAND
ORDINANCE NO. 690**

AN ORDINANCE TO AMEND CHAPTER 2 OF THE CLAWSON CODE ADMINISTRATION BY MAKING MODIFICATIONS TO ARTICLE VII ENTITLED BOARDS, COMMISSIONS AND AUTHORITIES, DIVISION 3 FIRE DEPARTMENT PENSION BOARD OF TRUSTEES SECTIONS 2-368(b), 2-370(b), 2-370(c)(5), AND 2-371(k-g) OF THE CLAWSON CODE BY DELETING SAID SECTIONS AND REPLACING THE SAME AS PROVIDED HEREIN.

Section 2-370(c) shall be amended by adding the following paragraph (5):

- (5) The provisions of this Retirement System Ordinance notwithstanding, the accrued benefit for plan participants shall be non-forfeitable upon the attainment of normal retirement age. ✓

Sections 2-371(k) through (q) are re-designated (l) through (r) and Section 2-371(k) is hereby added as follows:

Joint life annuities where the beneficiary is not the member's spouse. If the member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the member and a non-spouse beneficiary, annuity payments to be made on or after the member's required beginning date to the designated beneficiary after the member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the member and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain. ✓

Section 2-368 Monthly pension benefit shall be changed by the deletion of the present subparagraph (b) and its replacement with the following language:

- (b) in lieu of the standard monthly pension benefit any Participant may elect to receive the actuarial equivalent thereof in either a 50% joint and survivor or 100% joint and survivor optional annuity form for the payment of benefits computed as of the effective date of the pension, as the amount of pension under the standard monthly benefit amount calculated in accordance with the 1994 GAR Mortality Table and the 30-year treasury rate in effect on July 1st prior to the benefit calculation. Furthermore, any annuity with a different guaranteed number of payments shall be for a guaranteed period not to exceed his or her life expectancy. In the event a Participant elects to receive retirement benefits in the form of a joint and survivor annuity and designates a person other than his or her spouse as the survivor annuitant, the amount used to fund such survivor annuitant's benefit based on actuarial tables must be less than 50% of the balance in such Participant's account available to purchase such annuity election for any such optional form of payment shall be in such form and at such time prior to the actual retirement date as the Board of Trustees shall prescribe by rule or regulation and uniformly apply. ✓

The following Section 2-370(b) shall be deleted and replaced by the following:

- (2) Any portion of the amounts payable under Section 2-370(b)(1) hereof or any portion of any other benefits payable after his or her death (excluding benefits payable under a joint and survivor annuity) which is undisposed of because of the Participant's failure to designate a beneficiary or because all or some of the designated beneficiaries have predeceased the Participant shall be paid to the Participant's spouse, if living; if not living, to the Participant's surviving children, in equal shares; if no surviving children, to the Participant's estate. If the Participant has failed to designate the manner of paying such amounts, such portions shall be paid in the manner determined by the Board of Trustees.

If the beneficiary does not predecease the Participant, but dies prior to distribution of the death benefit, the death benefit will be paid to the beneficiary's designated beneficiary or if no designated beneficiary, the beneficiary's estate.

This Ordinance shall take effect as provided in accordance with the Charter and Ordinances of the City of Clawson.

STATE OF MICHIGAN)
)
 COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and active City Clerk of the City of Clawson, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of an ordinance made, passed, and adopted by the Council of said City at a regular meeting held in the Council Chambers, 425 N. Main Street, Michigan, on Tuesday, the 1st day of March, 2011 at 7:30 p.m., further this Ordinance was duly published in the March 18, 2011 edition of the Daily Tribune, a newspaper of general circulation in the City of Clawson.

Penny Luebs
 Penny Luebs, Mayor

G. Machele Kukuk
 G. Machele Kukuk, City Clerk

Dated: 3-1-11

Dated: 3-1-11

**CITY OF CLAWSON
COUNTY OF OAKLAND
ORDINANCE NO. 695**

AN ORDINANCE TO AMEND CHAPTER 2 OF THE CLAWSON CODE ADMINISTRATION BY MAKING MODIFICATIONS TO ARTICLE VII ENTITLED BOARDS, COMMISSIONS AND AUTHORITIES, DIVISION 3 FIRE DEPARTMENT PENSION BOARD OF TRUSTEES OF THE CLAWSON CODE AS FOLLOWS:

NOW THEREFORE, the City of Clawson ordains:

- I. Section 2-366(g) shall be amended and restated as follows:
 - (g) "Participant" shall mean, for the purposes of the death benefits contained herein, any active volunteer firefighter regardless of status (regular or probationary) and deferred vested Participants; for purposes of the retirement benefits of this plan, "Participant" shall mean any active volunteer firefighter designated as having regular status as well as deferred vested Participants.

- II. Section 2-370(b)(1) shall be amended by adding the second paragraph thereto as follows:
 - (1) Upon the death of any Participant prior to his or her actual retirement, death benefits equal to the present value of the Participant's accrued monthly pension benefit shall be paid, in installments for a period of ten years or as an annuity option including but not limited to a life and ten year certain or a 50% survivor annuity, notwithstanding that the Participant may not otherwise have been eligible to receive a monthly pension benefit hereunder, to such one or more primary or contingent beneficiaries as the deceased Participant shall have designated. Each Participant shall notify the Board of Trustees in writing of such designation on the form or forms provided for that purpose. Each such designation may be revoked, amended or changed by the Participant by like notice in writing filed with the Board of Trustees.

Upon the death of any deferred vested Participant, prior to his or her actual retirement, death benefits equal to the present value of the deferred vested Participant's accrued monthly pension benefit shall be paid in installments for a period of ten years or as an annuity option including but not limited to a life and ten year certain, commencing on the date that the deferred vested Participant would have been eligible to receive a monthly pension benefit hereunder, to such one or more primary or contingent beneficiaries as the deceased deferred vested participant shall have designated. Each deferred vested Participant shall notify the Board of Trustees in writing of such designation on the form or forms provided for that purpose. Each such designation may be revoked, amended or changed by the deferred vested Participant by like notice in writing filed with the Board of Trustees.

CITY OF CLAWSON
COUNTY OF OAKLAND
ORDINANCE NO. 703

AN ORDINANCE TO AMEND THE CLAWSON CODE OF ORDINANCES, CHAPTER 2. ADMINISTRATION, ARTICLE VII. BOARDS, COMMISSIONS AND AUTHORITIES, DIVISION 3. FIRE DEPARTMENT PENSION BOARD OF TRUSTEES WHICH CLARIFIES THE DEFINITION OF DISTRIBUTEES AS REQUIRED BY THE IRS

NOW THEREFORE, the City of Clawson ordains:

Section 2-370(d)(1)(a) Definitions: *Distributee* is hereby amended and restated in its entirety as follows:

Distributee: 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 Section 414(p) of the Internal Revenue Code, or an Eligible Domestic Relations Order under the Eligible Domestic Relations Order Act, are Distributees with regard to the interest of the spouse or former spouse. A Distributee also includes an eligible designated non-spouse beneficiary.

STATE OF MICHIGAN)
)
COUNTY OF OAKLAND)

I, the undersigned, the duly qualified and active City Clerk of the City of Clawson, Oakland County, Michigan, do hereby certify that the foregoing is a true and complete copy of an ordinance made, passed, and adopted by the Council of said City at a regular meeting held in the Council Chambers, 425 N. Main Street, Michigan, on Tuesday, the 4th day of December, 2012 at 7:30 p.m., further this Ordinance was duly published in the Friday, December 14, 2012 edition of the Daily Tribune, a newspaper of general circulation in the City of Clawson.

Penny Luebs
Penny Luebs, Mayor

G. Machele Kukuk
G. Machele Kukuk, City Clerk

Dated: December 4, 2012

Dated: December 4, 2012

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAR 18 2014

CITY OF CLAWSON
C/O CYNTHIA J BILLINGS
25800 NORTHWESTERN HWY STE 1000
SOUTHFIELD, MI 48075

Employer Identification Number:
38-2765364
DLN:
17007331057013
Person to Contact:
JENNIFER M THIMMADASIAH ID# 31316
Contact Telephone Number:
(513) 263-4613
Plan Name:
CLAWSON FIRE DEPARTMENT EMPLOYEES
PENSION PLAN
Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provides examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter gives no reliance for any qualification change that becomes effective, any guidance published, or any statutes enacted, after the issuance of the Cumulative List (unless the item has been identified in the Cumulative List) for the cycle under which this application was submitted.

This determination letter is applicable for the amendment(s) executed on 12/4/12 & 12/20/11.

This determination letter is also applicable for the amendment(s) dated on 3/1/11.

This determination letter is based solely on your assertion that the plan

Letter 2002

CITY OF CLAWSON

is entitled to be treated as a Governmental plan under section 414(d) of the Internal Revenue Code.

This determination letter is applicable to the plan and related documents submitted in conjunction with your application filed during the remedial amendment cycle ending 1/31/14.

This letter may not be relied on after the end of the plan's first five-year remedial amendment cycle that ends more than 12 months after the application was received. This letter expires on January 31, 2019. This letter considered the 2012 Cumulative List of Changes in Plan Qualification Requirements.

This is not a determination with respect to any language in the plan or any amendment to the plan that reflects Section 3 of the Defense of Marriage Act, Pub. L. 104-199, 110 Stat. 2419 (DOMA) or U.S. v. Windsor, 133 S. Ct. 2675 (2013), which invalidated that section.

We have sent a copy of this letter to your representative as indicated in the Form 2848 Power of Attorney or appointee as indicated by the Form 8821 Tax Information Authorization.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely,



Andrew E. Zuckerman
Director, EP Rulings & Agreements

Enclosures:
Publication 794



Department
of the
Treasury
Internal
Revenue
Service

Publication 794
(Rev. October 2010)
Catalog Number 20630M

Favorable Determination Letter

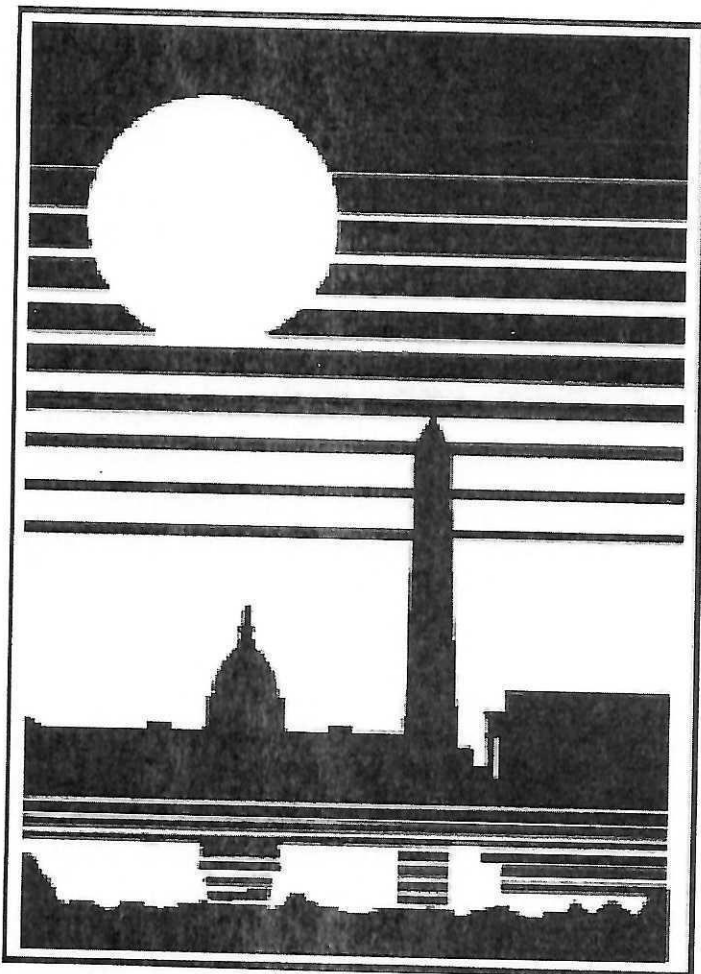
Introduction

This publication explains the significance of your favorable determination letter, points out some features that may affect the qualified status of your employee retirement plan and nullify your determination letter without specific notice from us, and provides general information on the reporting requirements for your plan.

Significance of a Favorable Determination Letter

An employee retirement plan qualified under Internal Revenue Code (IRC) section 401(a) (qualified plan) is entitled to favorable tax treatment. For example, contributions made in accordance with the plan document are generally currently deductible. However, participants will not include these contributions in income until the time they receive a distribution from the plan, at which time special income averaging rates for lump sum distributions may serve to reduce the tax liability. In some cases, taxation may be further deferred by rollover to another qualified plan or individual retirement arrangement. (See Publication 575, Pension and Annuity Income, for further details.) Finally, plan earnings may accumulate tax free. Employee retirement plans that fail to satisfy the requirements under IRC section 401(a) are not entitled to favorable tax treatment. Therefore, many employers desire advance assurance that the terms of their plans satisfy the qualification requirements.

The Internal Revenue Service provides such advance assurance through the determination letter program. A favorable determination letter indicates that, in the opinion of the IRS, the terms of the plan conform to the requirements of IRC section 401(a). A favorable determination letter expresses the IRS's opinion regarding the form of the plan document. However, to be a qualified plan under IRC section 401(a) entitled to favorable tax treatment, a plan must satisfy, in both form and operation, the requirements of IRC section 401(a), including nondiscrimination and coverage requirements. A favorable determination letter may also provide assurance, on the basis of information and demonstrations provided in your application, that the plan satisfies certain of these nondiscrimination and coverage requirements in form or operation. See the following topic, Limitations and Scope of a Favorable Determination Letter, for more details.



Limitations and Scope of a Favorable Determination Letter

A favorable determination letter is limited in scope. A determination letter generally applies to qualification requirements regarding the form of the plan. A determination letter may also apply to certain operational (non-form) requirements.

Generally, a favorable determination letter does not consider, and may not be relied on with regard to:

- certain requirements under IRC section 401(a)(4), including the requirement that the plan be nondiscriminatory in the amounts of contributions or benefits for highly compensated and nonhighly compensated employees;
- the coverage requirements under IRC sections 410(b) and 401(a)(26); and
- the definition of compensation under IRC section 414(s).

In addition, a favorable determination letter may not be relied on for any qualification changes that becomes effective, any guidance published, or any statutes enacted, after the issuance of the applicable Cumulative List of Changes in Plan Qualification Requirements (Cumulative List) unless the item has been identified in that Cumulative List for the cycle under which the application was submitted. See section 4 of Revenue Procedure (Rev. Proc.) 2007-44, 2007-28 I.R.B. 54.

However, if you requested one or more of the optional nondiscrimination and coverage determinations offered on the determination letter application forms (Form 5300, Form 5307, Schedule Q), your favorable determination letter considers, and may be relied on, with regard to the specific determination(s) you requested, provided you satisfy the following requirement: you must retain copies of the application forms, any required demonstrations, and all correspondence with the IRS Revenue Service related to the application for a favorable determination letter. **A favorable determination letter cannot be relied on with regard to any optional determination request unless all of the required information is retained.**

In addition, the following apply generally to all determination letters:

- If you maintain two or more retirement plans, some of which were either not submitted to the IRS for determination or not disclosed on each application, certain limitations and requirements will not have been considered on an aggregate basis. Therefore, you may not rely on the determination letter regarding the plans when considered as a total package.
- A determination letter for a defined benefit plan may be relied on regarding the requirements of IRC section 401(a)(26) if the application requested a determination regarding section 410(b).
- A determination letter does not consider the special requirements relating to: (a) affiliated service groups, (b) leased employees, or (c) plan assets or liabilities involved in a merger, consolidation, spin-off or transfer of assets with another plan unless the letter includes a statement that the requirements of IRC section 414(m) (affiliated service groups), or 414(n) (leased employees) has been considered.
- No determination letter may be relied on with respect to the effective availability of benefits, rights, or features under the plan. (See section 1.401(a)(4)-4(c) of the Income Tax Regulations.) Reliance on whether benefits, rights, or features are currently available to a non-discriminatory group of employees is provided to the extent requested in the application.
- A determination letter does not consider whether actuarial assumptions are reasonable for funding or deduction purposes or whether a specific contribution is deductible.
- A determination letter does not consider, and may not be relied on with respect to, certain other matters described in section 5 of Rev. Proc. 2009-6, 2009-1 I.R.B. 189 (i.e., whether a plan amendment is part of a pattern of amendments that significantly discriminates in favor of highly compensated employees; the use of the substantiation guidelines contained in Rev. Proc. 93-42, 1993-31 I.R.B. 32; and certain qualified separate lines of

business requirements of IRC section 414(r)).

- The determination letter applies only to the employer and its participants on whose behalf the determination letter was issued.
- A determination letter does not express an opinion whether disability benefits or medical care benefits are acceptable as accident or health plan benefits deductible under IRC section 105 or 106.
- A determination letter does not express an opinion on whether the plan is a governmental plan defined in IRC section 414(d).
- A determination letter does not express an opinion on whether contributions made to a plan treated as a governmental plan defined in IRC section 414(d) constitute employer contributions under IRC section 414(h)(2), nor on whether a governmental excess benefit arrangement satisfies the requirements of IRC section 415(m).

You should become familiar with the terms of the determination letter. Please call the contact person listed on the determination letter if you do not understand any terms in your determination letter.

Retention of information. Whether a plan meets the qualification requirements is determined from the information in the written plan document, the application form and the supporting information submitted by the employer. **Therefore, you must retain copies of any demonstrations or other information submitted with your application. Such demonstrations determine the extent of reliance provided by your determination letter. Failure to retain such information may limit the scope of reliance on issues for which demonstrations were provided.**

Other conditions for reliance. We have not verified the information submitted with your application. The determination letter will not provide reliance if:

- (1) there has been a misstatement or omission of material facts, (for example, the application indicated that the plan was a governmental plan and it was not a governmental plan);
- (2) the facts subsequently developed are materially different than the facts on

which the determination was made; or

(3) there is a change in applicable law.

Law changes affecting the plan. A determination issued to an adopting employer of an individually designed plan will be based on the most recent Cumulative List published prior to the one year period starting February 1st and ending January 31st in which the determination letter application was filed. The Cumulative List is a list published annually by the IRS that identifies on a year-by-year basis all changes in the qualification requirements resulting from statute changes, regulations, or other guidance published in the Internal Revenue Bulletin that are required to be taken into account in the written plan document. See sections 4, 13, and 14 of Rev. Proc. 2007-44 for further details. Generally, a determination letter issued to an adopting employer of a pre-approved plan (i.e., Master & Prototype (M&P) plan or volume submitter (VS) plan) will be based on the Cumulative List used by the IRS in reviewing the pre-approved plan. However, see section 19 of Rev. Proc. 2007-44 for exceptions to this rule. For terminating plans, a determination letter is based on the law in effect at the time of the plan's proposed date termination. See Section 8 of Rev. Proc. 2007-44.

Amendments to the plan. A favorable determination letter issued to an individually designed plan will provide reliance up to and including the expiration date identified on the determination letter. This reliance is conditioned upon the timely adoption of any necessary interim amendments as required by section 5.04 of Rev. Proc. 2007-44. A favorable determination letter issued to an adopting employer of a preapproved plan will provide reliance up to and including the last day of the six-year cycle following the six-year remedial amendment cycle in which the determination letter application was filed. The reliance is conditioned upon the timely adoption of any necessary interim amendments as required by section 5.04 of Rev. Proc. 2007-44. Also see Rev. Proc. 2005-16, 2005-10 I.R.B. 674 sections 5.01 and 15.05 and Announcement 2005-37, 2005-21 I.R.B. 1096.

Plan Must Qualify in Operation

Generally, a plan qualifies in operation if it continues to satisfy the coverage and nondiscrimination requirements and is maintained according to the terms on which the favorable determination letter was issued. Changes in facts and other basis on which the determination letter was issued may mean that the determination letter may no longer be relied upon.

Some examples of the effect of a plan's operation on a favorable determination are:

Not meeting nondiscrimination in amount requirement. If the determination letter application requested a determination that the plan satisfies the nondiscrimination in amount requirement of section 1.401(a)(4)-1(b)(2) of the regulations on the basis of a design-based safe harbor, the plan will generally continue to satisfy this requirement in operation if the plan is maintained according to its terms. If the determination letter application requested a determination that the plan satisfies the nondiscrimination in amount requirement on the basis of a nondesign-based safe harbor or a general test, and the plan subsequently fails to meet this requirement in operation, the favorable determination letter may no longer be relied upon with respect to this requirement.

Not meeting minimum coverage requirements. If the determination letter application includes a request for a determination regarding the ratio percentage test of IRC section 410(b) and the plan subsequently fails to satisfy the ratio percentage test in operation, the letter may no longer be relied upon with respect to the coverage requirements. Likewise, if the determination letter application requests a determination regarding the average benefit test, the letter may no longer be relied on with respect to the coverage requirements once the plan fails to satisfy the average benefit test in operation.

Changes in testing methods. If the determination letter is based in part on a demonstration that a coverage or nondiscrimination requirement is satisfied, and, in the operation of the

plan, the method used to test that this requirement continues to be satisfied is changed (or is required to be changed because the facts have changed) from the method employed in the demonstration, the letter may no longer be relied upon with respect to this requirement.

Contributions or benefits in excess of the limitations under IRC section 415. A retirement plan may not provide retirement benefits or, in the case of a defined contribution plan, contributions and other additions, that exceed the limitations specified in IRC section 415. Your plan contains provisions designed to provide benefits within these limitations. Please become familiar with these limitations, for your plan will be disqualified if these limitations are exceeded.

Top-heavy minimums. If this plan primarily benefits employees who are key employees, it may be a top-heavy plan and must provide certain minimum benefits and vesting for non-key employees. If your plan provides the accelerated benefits and vesting only for years during which the plan is top-heavy, failure to identify such years and to provide the accelerated vesting and benefits will disqualify the plan.

Actual deferral percentage or contribution percentage tests. If this plan provides for cash or deferred arrangements, employer matching contributions, or employee contributions, the determination letter does not consider whether special discrimination tests described in IRC section 401(k)(3) or 401(m)(2) have been satisfied in operation. However, the letter considers whether the terms of the plan satisfy the section 401(k)(3) or 401(m)(2) requirements specified in IRC section 401(k)(3) or 401(m)(2).

Reporting Requirements

Most plan administrators or employers who maintain an employee benefit plan must file an annual return/report. The following is a general discussion of the forms to be used for this purpose. See the instructions to each form for specific information:

Form 5500-EZ Annual Return of One-Participant (Owners and their Spouses) Pension Benefit Plans - generally for a "one-participant" plan, which is a plan that covers only:

- (1) an individual, or an individual and his or her spouse who wholly own a business, whether incorporated or not; or
- (2) partner(s) in a partnership or the partner(s) and the partner's spouse.

If Form 5500-EZ cannot be used, the one-participant plan should use Form 5500, Annual Return/Report of Employee Benefit Plan.

See Instructions to Form 5500-EZ for specific rules.

Note: A "one-participant" plan that has no more than \$250,000 in assets at the end of the plan year is not required to file a return. However, Form 5500-EZ must be filed for any subsequent year in which plan assets exceed \$250,000. If two or more one-participant plans have more than \$250,000 in assets, a separate Form 5500-EZ must be filed for each plan.

Instead of filing the paper Form 5500-EZ, plan administrators or employers may choose to file electronically using Form 5500-SF. Detailed information for electronic filing is available in the 2009 Instructions for Form 5500-EZ or at www.efast.dol.gov.

A "Final" Form 5500-EZ must be filed if the plan is terminated.

Form 5500, Annual Return/Report of Employee Benefit Plan - for a pension benefit plan that is not eligible to file Form 5500-EZ.

Note. Keogh (H.R. 10) plans having over \$250,000 in assets are required to file an annual return even if the only participants are owner-employees. The term "owner-employee" includes a partner who owns more than 10% interest in either the capital or profits of the partnership. This applies to both defined contribution and defined benefit plans.

Form 5330 for prohibited transactions. Transactions between a plan and someone having a relationship to the plan (disqualified person) are prohibited, unless specifically exempted from this requirement. A few examples are loans, sales and exchanges of property, leasing of property, furnishing goods or services, and use of plan assets by the disqualified person. Disqualified persons who engage in a prohibited transaction for which there is no exception must file Form 5330 by the last day of the seventh month after the end of the tax year of the disqualified person.

Form 5330 for tax on nondeductible employer contributions to qualified plans - If contributions are made to this plan in excess of the amount deductible, a tax may be imposed upon the excess contribution. Form 5330 must be filed by the last day of the seventh month after the end of the employer's tax year.

Form 5330 for tax on excess contributions to cash or deferred arrangements or excess employee contributions or employer matching contributions - If a plan includes a cash or deferred arrangement (IRC section 401(k)) or provides for employee contributions or employer matching contributions (IRC section 401(m)), then excess contributions that would cause the plan to fail the actual deferral percentage or the actual contribution percentage test are subject to a tax unless the excess is eliminated within 2½ months after the end of the plan year. Form 5330 must be filed by the due date of the employer's tax return for the plan year in which the tax was incurred.

Form 5330 for tax on reversions of plan assets - Under IRC section 4980, a tax is payable on the amount of almost any employer reversion of plan assets. Form 5330 must be filed by the last day of the month following the month in which the reversion occurred.

Form 5310-A for certain transactions - Under IRC section 6058(b), an actuarial statement is required at least 30 days before a merger, consolidation, or transfer (including spin-off) of assets to another plan. This statement is required for all plans. However, penalties for non-filing will not apply to defined contribution plans for which:

- (1) The sum of the account balances in each plan equals the fair market value of all plan assets,
- (2) The assets of each plan are combined to form the assets of the plan as merged,
- (3) Immediately after a merger, the account balance of each participant is equal to the sum of the account balances of the participant immediately before the merger, and
- (4) The plans must not have an unamortized waiver or unallocated suspense account.

Penalties will also not apply if the assets transferred are less than three percent of the assets of the plan involved in the transfer (spinoff), and the transaction is not one of a series of two or more transfers (spinoff transactions) that are, in substance, one transaction.

The purpose of the above discussions is to illustrate some of the principal filing requirements that apply to pension plans. This is not an exclusive listing of all returns and schedules that must be filed.