

RT- IBEW COLLECTIVE BARGAINING AGREEMENT**SECTION 5.6
ALTERNATIVE WORK SCHEDULE****PURPOSE**

To clarify the Letter of Agreement entered into between the Sacramento Regional Transit District and International Brotherhood of Electrical Workers, Local 1245, dated February 14, 1996, attached hereto as Exhibit A, establishing a uniform procedure for administering the terms and conditions of employment for employees working an alternative work schedule.

INTRODUCTION

The alternative schedules available to the conventional 5/8/40 week are 9/8/80 and 4/10/40.

4/10/40

The 4/10/40 plan is a work schedule in which employees complete the required 40-hour week by working 10 hours a day, 4 days a week.

9/8/80

The 9/8/80 plan is a work schedule in which employees alternate weekly between a schedule of four 9-hour days, plus one 8-hour day, and a schedule of four 9-hour days plus one day off. The total hours worked for the 2 weeks is 80.

RESPONSIBILITIES FOR THE ALTERNATIVE WORK SCHEDULE

Responsibilities for submitting a requisition for an alternative work schedule are as follows:

1. Employee's Responsibility

The individual group of employees must provide the District with a written justification* which consists of: 1) names of all employees within the classification on the affected shift; 2) the proposed shifts and days off for each employee; and 3) the work schedule for each employee (4-10-40, 9-8-80, 5-8-40). The employee must complete the Alternative Work Schedule form¹ and submit it to his/her supervisor/manager for review

* Justification has been defined as meeting the operational needs of the District.

¹ The Alternative Work Schedule form is available in the "J" drive as J:\erd\ibewalt.wk4.

Please note: Employees will continue to receive a paid or unpaid lunch break, pursuant to Section 5.4 of the CBA, based upon their established basic shift hours, not new hours resulting from approval of an alternative workweek schedule.

2. Department Manager=s Responsibility

Upon receipt of the employee=s request for alternative work schedule, the Department Manager, or designee, shall review the proposed schedule to determine whether the schedule meets the District's justification requirements.

If the proposed schedule does not meet the District's justification requirements, the Department Manager, or designee, shall communicate to the affected employees the reasons why, and no further action will be necessary.

The Department Manager, or designee, will establish the minimum duration for the proposed schedule.

If the proposed schedule meets the District's justification requirements, said work schedule shall be forwarded to the Employee Relations Department and the Business Representative of the IBEW, Local 1245, for further processing.

3. IBEW Business Representative=s Responsibility

Upon receipt of the proposed schedule, the Business Representative shall submit the proposed alternative work schedule to a vote of the affected employees in accordance with the Union's established approval procedures.

IMPLEMENTATION AGREEMENT

Following the vote, the Business Representative shall contact the Employee Relations Department to enter into an agreement regarding the outcome of the alternative work schedule request by the employees.

1. If the vote is not successful, the IBEW Business Representative will send a letter to that effect to the Employee Relations Department and upon execution of the agreement, the Department Manager will be notified and no further action is necessary.
2. If the schedule is approved for implementation, the IBEW Business Representative will send a letter to that effect to the Employee Relations Department and upon execution of the agreement, the originating department will fill the alternative work schedules pursuant to the bid posting, Section 8.5 of the CBA.

3. After the bid posting, to ensure that the pertinent information is properly maintained and recorded for pay purposes, each employee who accepts the alternative work schedule must be provided with an Alternative Work Schedule - Bid Award form²

4.

Please note: In preparing the Bid Award form, to avoid working overtime every other week, the official beginning of the Aworkweek² for 9/8/80 employees will be changed. Employees work 80 hours in 9 days over a two-week period (no more than 40 hours in any given week): 9 hours for 8 days, 8 hours for one day, with the corresponding day in the following week off. Once the 8-hour day is selected, it will be split (4+4) and the workweek will be officially changed to begin at the second 4-hour period. The first 4 hours will be part of week 1, and the second 4 hours will be part of week 2. For example, a typical 9/8/80 schedule is:

		SUN	MON	TUES	WED	THUR	FRI	SAT	
Week 1	Shift6 -3 Hours	6 -3 9	+ 9	+ 9	+ 9	+ 9	+ 4	+ 0	+ 0 = 40 hours
						4	(establishes start of workweek 2)		
Week 2	Shift6 -3 Hours	6 -3 9	+ 9	+ 9	+ 9	+ 9	+ ADO	+ 0	+ 0 = 40 hours

ADO = Alternative day off

4. Upon completion of the bid process, a copy of each employee's bid posting (indicating shifts, days off and hours) shall be forwarded to Payroll for processing, Risk/Personnel for filing in the employee's personnel file, and the employee.

CHANGES/TERMINATION TO ALTERNATIVE WORK SCHEDULES

Once an alternative work schedule is established for an employee, any changes or termination in the program must be maintained and recorded for pay purposes. *Please note: Alternative work schedule changes or terminations must be effective on the Monday of the first full week of the pay period. Further, documentation of the effective date of change/termination must be forwarded to the Payroll Department for processing.*

² The Alternative Work Schedule Bid Award form is available in the "J" drive as J:\erd\ibewalt.awd.



Sacramento Regional
Transit District
*A Public Transit Agency
and Equal Opportunity Employer*

Mailing Address:
P.O. Box 2110
Sacramento, CA 95812-2110

Administrative Office:
1400 29th Street
Sacramento, CA 95816
(916) 321-2800
(29th St. Light Rail Station/
Bus 36, 38, 50, 67, 68)

Light Rail Office:
2700 Academy Way
Sacramento, CA 95815
(916) 648-8400

February 14, 1996

Dennis Seyfer, Business Representative
IBEW Local 1245
P. O. Box 161719
Sacramento CA 95816-1719

Dear Mr. Seyfer:

This letter of intent represents the agreement between the UNION and DISTRICT concerning the manner in which the DISTRICT will consider and implement alternative work schedules. For the purposes of this agreement, 4-10 and 9-80 work schedules will be the only alternative work schedules considered.

The 4-10 alternative work schedule is based upon four 10 hour days per work week for a total of 40 hours. The 9-80 work schedule is based upon a two week period totaling 80 hours. During the first week, an employee would work four 9 hour days and one 8 hour day for a combination of 44 hours in that week. In the second week, that employee would work four 9 hour days for a weekly total of 36 hours. Over the two week period a total of 80 hours are worked which averages to 40 hours per week.

Employees interested in an alternative work schedule will be required to submit a written justification to the appropriate superintendent or department manager. This justification will contain the proposed work schedule (4-10 or 9-80) which employees would work, the alternative schedule and an indication that all effected employees concur with the work schedule. In order to be considered, the employees justification must be of sufficient detail to demonstrate that RT's operational needs would be met. Approval of alternative work schedules would be at the sole discretion of the applicable department manager. Once approved, alternative work schedules may be revoked by either the District or the Union with 30 calendar day notification. Effected employees will be returned to a 5-8 schedule with hours and days off determined as specified in Article 8 Section 8.5.

All provisions of the Collective Bargaining Agreement shall apply to employees working alternative work schedules except as noted below:

I. Article 3 - Union Activities

A. Section 3.3 - Negotiating Time

Negotiating team members on an alternative work schedule will be moved to an 8 hour five day work week for the term of negotiations.

II. Article 5 - Hours and Overtime

A. Section 5.1 - Definition

For alternative work schedules, the work week is defined to consist of seven consecutive days and the basic work week will be defined by the alternative work schedule. The days in the basic work week will be considered those days regularly scheduled for work as stated in the alternative work week schedule, and non-work days for those days regularly scheduled off.

B. Section 5.2 - Basic Shifts

The alternative work schedule will define an employee's shift while they are working that schedule. Employees on alternative work schedules will be considered a part of the shift which they left when they moved to the alternative schedule. Employees will be allowed 10 minute rest breaks as near the middle of the first half of the shift and second half of the shift as practicable.

C. Section 5.4 - Lunch Breaks

Employees moving from the day shift to an alternative work schedule will not receive a paid lunch regardless of the start or end times of their alternative work schedule. Alternative work schedules developed by employees on the day shift shall include a ½ hour non-paid lunch period regularly occurring between the third and sixth hour of the shift.

D. Section 5.4b - Paid Lunch

Employees moving to an alternative work schedule from the swing or midnight shifts will receive a ½ hour paid lunch break as is the current practice for employees on an 8 hour five day a week work schedule.

III. Article 6 - Overtime

A. Section 6.1 - Overtime Definitions

For alternative work schedules, overtime shall be paid for time worked in excess of the regularly scheduled day (9 hours or 10 hours); or time worked in excess of 40 hours in a work week for a 10-40 work schedule or 80 hours over a two week period for a 9-8-80 work schedule.

B. Section 6.2b - Compensation

Double time will continue to be paid for seventh day work in accordance with the existing contract provision.

C. Section 6.2e - Call-In

The existing call-in language shall apply, however, reference to the normal work day being 8 hours will change to what is normally scheduled for the employee under the alternative work schedule.

D. Section 6.11 - Training Time

The existing training time language shall apply, however, for employees on an alternative work schedule overtime will be paid for training in excess of the employees regularly scheduled work day under the alternative work schedule not to exceed 12 hours.

IV. Article 11 - Holidays

A. Section 11.5 - Holiday Pay

Employees on alternative work schedules will be paid 8 hours at their straight time hourly rate subject to the provisions of Section 11.5 of the Collective Bargaining Agreement. Employees on an alternative work schedule will be allowed to add vacation to the 8 hours of holiday pay in order to receive a full days pay for the holiday based upon the alternative work schedule.

V. Article 12 - Vacation

A. Section 12.1 - Vacation Eligibility

Employees on alternative work schedules will continue to accrue vacation days as specified in these articles. For employees on alternative work schedules, the days of vacation accrued will be converted to hours based

upon 8 hours per day. Employees on alternative work schedules will use vacation on an hourly basis.

VI. Article 16 - Sick Leave

A. Section 16.1 - Eligibility

Employees on alternative work schedules will accrue 8 hours of sick leave with pay for each month of continuous service. Sick leave shall be used on a hourly basis with all other provisions of Article 16 applying.

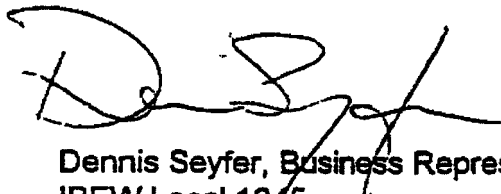
If you are in agreement with the foregoing please sign and return a copy of this letter of intent as indicated below.

Sincerely,



Dan Bailey
Employee Relations Manager

Approval:



Dennis Seyfer, Business Representative
IBEW Local 1245

**FILLING FULL JOURNEY-LEVEL AND JOURNEY-LEVEL TRAINEE POSITION
VACANCIES**

A. Introduction

The following illustrates the procedures and steps to follow in filling a position vacancy as outlined in the flow chart contained in Exhibit A, of this document. The Step/Action numbering sequence corresponds to the numbering of the boxes on the flowchart.

B. Steps/Action

1. The District decides to fill a vacancy in a journey-level job classification.
2. A recruitment notice for the vacancy position shall be posted internally for a minimum of seven (7) calendar days. The notice shall state whether the District is seeking a fully qualified journey-level worker or a journey-level/trainee.
- 3a./b. If the District decides that the position must be filled with an individual possessing full journey-level skills,¹ the senior, qualified, internal employee will be offered the vacant position, including the shift, days off and location of the job.
- 4a./b. If the District decides that the position can be filled with either a qualified journey-level employee or a journey-level trainee,² the vacancy will be offered to the senior, qualified journey-level employee, including shift, days off and location. If there is none, the vacancy will be offered to the senior, qualified journey-level trainee, as determined by the Joint Labor-Management Training Committee (JLMTC). The shift, days off and location will "float," as deemed necessary by the District, to facilitate completion of hands on training. In all such instances, preference will be given to the fully qualified journey-level employee over a trainee. Training and wage progression will be established pursuant to Step 10, below.
5. If the District is unable to fill the vacant position after completing Steps 3 or 4, as applicable, District may recruit for an external candidate.

¹ For purposes of this provision, an individual possessing a "journey-level" skill has been defined as one who has completed the District's Certification Training Program or one meeting the qualifications of the position as established for an outside recruitment.

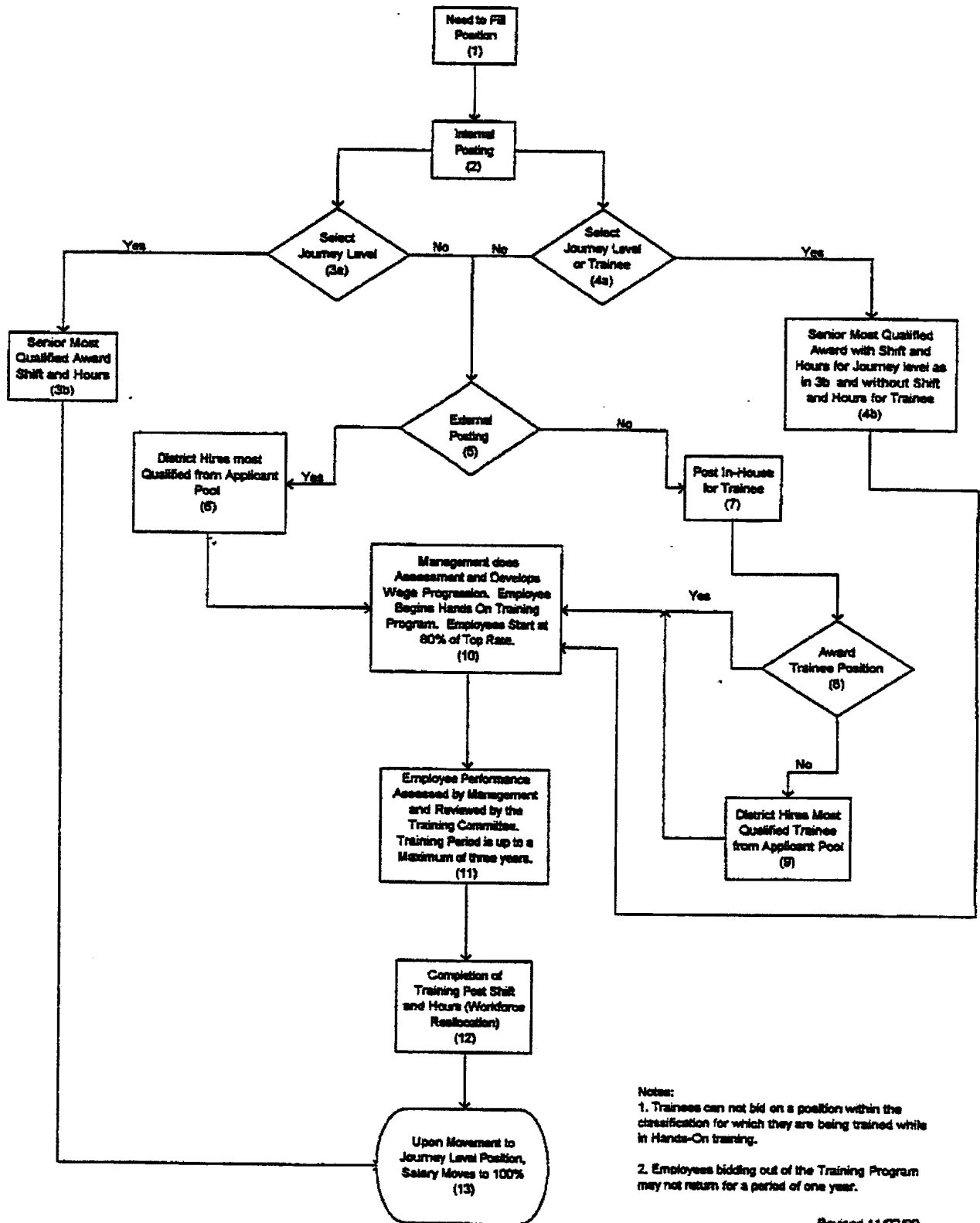
² For purposes of this provision, a "journey-level trainee" is defined as one that is actively enrolled in the District's Certification Training Program (CTP), has completed all of the required number of home-study modules and is waiting for an opportunity to move into the "hands-on" training phase.

6. If there is one or more qualified journey-level external candidate(s), the most qualified candidate will be offered the position. Training and wage progression will be established pursuant to Step 10, below.
7. If the District has been unsuccessful in recruiting an individual with full journey-level skills, after an internal (Step 3) or external (Step 5) recruitment, the District may re-post the vacancy internally for a journey-level trainee.
8. If a qualified internal journey-level trainee applies for the posted position, he or she will be offered the position (see Steps 4a and b, above). Training and wage progression will be established pursuant to Step 10, below.
9. If no one applies for the vacancy and/or no applicant is deemed to be a qualified internal journey-level trainee, the District may hire a candidate from the external recruitment applicant pool (Step 5) that most closely meets the needs of the District, for the purpose of placing him or her in the CTP. Training and wage progression will be established pursuant to Step 10, below.
10. Successful candidates, whether internal journey-level trainees or external new-hires will undergo a "needs assessment" by either District management and/or the JLMTC at the time they begin work. Individuals will start work at not less than eighty (80%) percent of the top hourly wage rate for the applicable job classification.
 - (1) An employee will progress to the top hourly wage rate based upon the length of time needed to complete the CTP or new-hire orientation/familiarization with District equipment. Newly hired, fully qualified journey-level employees will have their wage rate increased to the top hourly rate of pay for that job classification on or before the completion of their 6-month probationary period. Journey-level trainees will have their wage rate increased every six (6) months in an amount determined as follows. The amount of time, based upon the "needs assessment," that the employee will take to complete "hands-on" training will be divided into 6-month increments. The difference between 80% and 100% of the top hourly wage rate for the employee's job classification will be divided by the number of 6-month increments. That amount will be added to the trainee's hourly rate at the conclusion of each 6-month period of time. The "hands-on" training/progression period will not exceed 36 months unless the Union and District members of the Training Steering Committee (TSC) agree to extend that time period.

- (2) A journey-level trainee that accepts a position is not eligible to bid on other vacancies within his or her job classification while working in "trainee" status.
 - (3) An employee working on "trainee" status that bids into a different job classification may not return to his or her original trainee job classification for a minimum of 12 months.
 - (4) An employee working on "trainee" status will not be assigned a regular shift and days off. He or she may be assigned any shift, combination of days off and location deemed necessary by the District to facilitate completion of the training program.
- 11. The employee/trainee will receive performance standards and periodic reviews from his or her supervisor.
 - 12. At the conclusion of the training period (journey-level trainee), the vacant shift, days off and location will be posted for bid by all employees within the job classification as a "workforce reallocation."
 - 13. At the time the journey-level trainee starts performing full journey-level work, he or she will be compensated at the top hourly rate of the applicable job classification.

EXHIBIT "A" OF ATTACHMENT 2

Filling Journey Level and/or Trainee Positions



Notes:
 1. Trainees can not bid on a position within the classification for which they are being trained while in Hands-On training.
 2. Employees bidding out of the Training Program may not return for a period of one year.

RT-IBEW NEGOTIATIONS
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is entered into by and between the International Brotherhood of Electrical Workers, Local 1245, hereinafter referred to as "Union," and the Sacramento Regional Transit District, hereinafter referred to as "District." This MOU shall supercede and replace the RT-IBEW 1995 Negotiations Memorandum of Understanding dated October 17, 1996, and shall memorialize the intent of the parties for interpreting and applying contract provisions of the labor agreement in effect November 1, 1999, through October 31, 2003.

ARTICLE 4: Subcontracting

When the parties were discussing the situations where the subcontracting provisions might be used, their "intent" evolved. While the Union recognized that the District at times needs the ability to contract certain bargaining unit work for efficiency and cost, an IBEW-represented employee cannot be displaced or disadvantaged by such action. The District is willing to assure the Union that no member/employee will lose his or her job because of a subcontract. Further, if an employee is on layoff for lack of work and bargaining-unit work is being subcontracted, he or she shall be offered the opportunity to do the work provided he or she possesses the necessary skills.

When a subcontract involving work within the bargaining unit is approved, the number of Union member employees working at that time will be noted, and that number will be the level against which the impact of the subcontracting will be measured. Subcontracting cannot take place if its impact reduces the total regular workforce by attrition, demotion, displacement or layoff.

If the District decides to close out a classification and subcontract those functions, a meeting will be held with the Union to discuss setting up a "closed classification." The details will be worked out so that no bidding into the classification will occur. Current employees will be moved to other vacancies for which they are qualified within the bargaining unit or, at the option of the affected employee, "grandfathered" in the closed classification until there are no members remaining in that classification. During the phase-out of employees within the classification, functions may be subcontracted. Eventually, there would be no employees in the classification and the work performed by subcontractors. In this situation, anyone on a layoff would not be offered the opportunity to enter the closed classification. Should the District decide to once again hire employees to do the work, the Union will retain representation rights to the employees.

ARTICLE 5: Lunchbreak - Punch In and Out

Section 5.4 - The parties agree to suspend punching time clocks during the lunch period. Employees who work or are interrupted during their lunch period will have their supervisors sign authorization for said time. Employees who have been coached and counseled regarding abuse of their lunch period may be required to punch in and out for their lunch period.

ARTICLE 6: Overtime

Section 6.6 Misassignment of Overtime/Classification - The parties agree that issues arising from an error in assigning overtime or work to a classification, which has been substantiated, will be remedied by the District compensating the affected individual(s) at the appropriate rate of pay, rather than making overtime hours available to the employee(s).

ARTICLE 11: Floating Holiday, and ARTICLE 12: Vacation

The procedure to select vacation and floating holiday time off used by an employee (trainee) working in the Certification Training Program (CTP) is not addressed in the Collective Bargaining Agreement (CBA). In that regard, a "trainee" shall select, in seniority order, such time off separately from the other employees working in the job classification. The "trainee" shall be considered a "classification" for purposes of applying the selection language. In the event there is more than one "trainee" in the classification at the same time, All other provisions of the CBA shall be applicable to the CTP "trainees".

JOB DESCRIPTIONS

- a. Body/Fender and Painter Classifications - It is the understanding of the parties that the current job descriptions of Body/Fender and Painter do not need to be modified in order for the Body/Fender Classification to perform painting duties as part of repair work. It is not the intent to have Body/Fender Mechanics do the full vehicle painting. However, to be consistent with current practice, Body/Fender Mechanics may be utilized to perform painting on the areas which they have fixed.

CERTIFICATION EXAMINATIONS

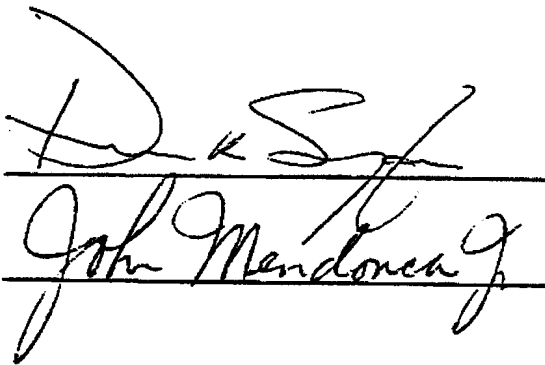
Employees who must successfully pass an examination required for the full performance of their job will be given no more than three opportunities to pass the test. The examination will be given two times in writing and, if the employee

is unable to pass the test, it will be administered one time orally. The employee may waive a written test and request the second examination be oral. Employees unable to pass the required test will be placed on "remedial status," and the training steering committee will meet to discuss the final dispensation of the matter. The decision of the steering committee will be final.

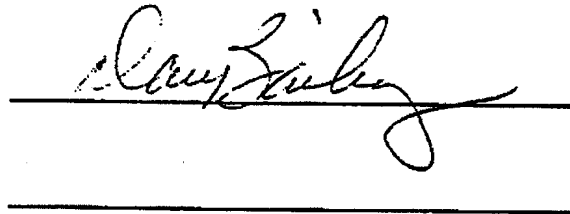
This MOU is hereby entered into on this 10th day of Nov., 1999, and shall run concurrently with the present Collective Bargaining Agreement and will expire on October 31, 2003, unless modified and/or extended by the parties.

FOR THE IBEW, 1245:

FOR THE DISTRICT



John Mendonca



APPENDIX A

RETIREMENT PLAN

BETWEEN

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS LOCAL UNION 1245, AFL-CIO**

AND

SACRAMENTO REGIONAL TRANSIT DISTRICT

NOVEMBER 1, 2007 thru OCTOBER 31, 2009

Retirement Plan for Regional Transit employees who are members of International Brotherhood of Electrical Workers Local Union 1245.

For clarification purposes, all references in the Plan that refer to the male gender shall also apply to the female gender equally.

Retirement Plan
for RT Employees who are Members
of IBEW Local 1245

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**RETIREMENT PLAN FOR
RT EMPLOYEES WHO ARE MEMBERS
OF IBEW LOCAL UNION 1245**

ARTICLE I

INTRODUCTORY STATEMENT AND RECITALS

1.1 The Sacramento Regional Transit District originally adopted this Retirement Plan for RT Employees Who Are Members of IBEW Local Union 1245 (the "Plan"), effective September 16, 1974. The Plan is designed to constitute a qualified defined benefit pension plan and is intended to be a qualified retirement plan under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). The Plan is a governmental plan within the meaning of section 414(d) of the Code.

Having amended and restated the Plan on prior occasions, Sacramento Regional Transit District hereby again amends and restates the Plan in order to comply with applicable laws and clarify various provisions of the Plan. Except as otherwise provided by this document, the Plan is hereby amended and restated effective as of November 1, 2007.

In general, the provisions of this amended and restated Plan are applicable to all Members who are credited with an Hour of Service as an Eligible Employee on or after the Effective Date of this amendment and restatement. For Sections of the Plan with specific Effective Dates, the provisions of the amended Section are applicable to all Members who are credited with an Hour of Service as an Eligible Employee on or after the Effective Date of the Section. Members who are not credited with an Hour of Service as an Eligible Employee on or after the Effective Date of this amendment and restatement are covered under the provisions of the Plan as in effect on the date they last earned an Hour of Service as an Eligible Employee.

1.2 This Retirement Plan supersedes all prior retirement plans which the parties hereto were a part; to wit: that certain tripartite Retirement Plan to which Amalgamated Transit Union, Local 256; International Brotherhood of Electrical Workers, Local 1245; and the Sacramento Regional Transit District were signatories.

1.3 This Plan sets forth the rights of the parties (and the Members of the Plan) as established in September of 1974, and as amended and restated through October 31, 2009. Nothing contained herein shall in any way prejudice those rights, which matured or vested under the Plan or Plans prior to the Effective Date of this amended and restated Plan.

ARTICLE II

DEFINITIONS

2.1 "Actuarial Equivalence" or the "Actuarial Equivalent" shall be determined in accordance with Appendix A unless otherwise provided in this Plan.

2.2 “Applicable Interest Rate” means the “applicable interest rate” defined in Code section 417(e)(3)(A)(ii)(II), and shall be the annual rate of interest on 30-year Treasury securities, as of the third month preceding the Plan Year containing the annuity starting date.

2.3 “Applicable Mortality Table” means the “applicable mortality table” defined in Code section 417(e) (3) (A) (ii) (I) in effect on the annuity starting date.

2.4 “Arbitration Board” shall mean the individuals charged with the arbitration of disputes under the Plan as determined under Section 15.5.

2.5 “Beneficiary” means any person or entity designated by a Member to receive payment of benefits under this Plan or who otherwise qualifies for receipt of benefits under the terms of this Plan. A Member’s designation of his or her Spouse or Registered Domestic Partner as Beneficiary shall survive separation or divorce or termination of the Registered Domestic Partnership, respectively, unless a Domestic Relations Order provides otherwise, in which case the Domestic Relations Order shall be effective prospectively from the date on which it is served for the purpose of removing the Spouse or Registered Domestic Partner as Beneficiary.

2.6 “Board of Directors” means the board of directors of the Employer.

2.7 “Break in Service” shall, unless provided otherwise elsewhere in this Plan, mean the cessation of an Employee’s service with the Employer as a result of resignation, discharge, death, retirement or any other reason; provided, however, that none of the following shall constitute a Break in Service for purposes of this Plan:

(a) A leave of absence by an Employee which is approved in writing by the Employer or periods during which an Employee is receiving or entitled to receive, or determining his or her right to receive temporary benefits under the provisions of the state workers’ compensation and unemployment disability laws; provided, that such leave or such periods do not exceed 12 months.

(b) Absence from employment with the Employer for any cause for less than 90 days, provided that the absence does not result in a loss of seniority under the applicable collective bargaining agreement and provided that the Member returns to work as an Eligible Employee within such 90 day period.

(c) Any cessation of an Employee’s service with the Employer described in Sections 3.4 through 3.9, inclusive.

2.8 “Code” means the Internal Revenue Code of 1986, as amended.

2.9 “Compensation” shall, with respect to any Member, be determined for purposes of this Plan as follows.

(a) Compensation shall include:

(1) base salary paid in cash for personal services actually rendered in the course of employment with the Employer, to the extent that the amounts are includible in the gross income of the Member;

(2) cash received for overtime and shift differentials;

(3) bonuses and commissions; and

(4) cash received in lieu of vacation or sick leave.

(b) Compensation shall not include:

(1) contributions made by the Employer to a plan under section 457(f) of the Code to the extent that the contributions are not includible in the gross income of the Member for the taxable year in which contributed;

(2) any distributions from a plan of deferred compensation;

(3) contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of any annuity contract described in Code section 403(b) (whether or not the contributions are actually excludable from the gross income of the Member);

(4) the monetary value of board, lodging, fuel, laundry or other advantages supplied to the Member; or

(5) any other benefit whether received in cash or not, including without limitation cash received in lieu of medical benefits, whether or not such benefit is includible in the gross income of the Member.

(c) For purposes of this Section, the determination of Compensation shall be made by including amounts which are contributed by the Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Member under Code sections 125, 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Member contributions described in Code section 414(h)(2) that are treated as Employer contributions, but only to the extent that such Compensation would otherwise be includible as base salary. Compensation shall also include elective amounts that are not includible in the gross income of the Member under Code section 132(f) (4), but only to the extent that such Compensation would otherwise be includible as base salary.

(d) In no event shall the annual Compensation of each Member exceed \$200,000, as adjusted for cost-of-living increases in accordance with section 401(a) (17) (B) of the Code.

(1) Notwithstanding the foregoing, the annual Compensation set forth in this Section; a Member's Retirement Allowance shall not be reduced below the amount of the Member's Retirement Allowance determined as of December 31, 1988 based on the Member's Final Monthly Compensation and Years of Service to that date.

(2) In determining benefit accruals for Plan Years beginning after December 31, 2001, the annual Compensation limit in this Section for determination periods beginning before January 1, 2002, shall be \$200,000 if a Member has an Hour of Service on or after January 1, 2002.

(3) The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the calendar year that begins with or within such calendar year.

2.10 “Current Service” has the meaning set forth in Section 3.2.

2.11 “Date of Hire” means the date on which an Employee is first entitled to payment for an Hour of Service for the Employer. In the case of an Employee who has had a Break in Service, Date of Hire shall mean the date on which the Employee is first entitled to payment for an Hour of Service for the Employer subsequent to the Break in Service.

2.12 “Death Benefit” has the meaning set forth in Article VI.

2.13 “Disability” and “Disabled” have the meanings set forth in Section 9.1

2.14 “Disability Retirement Allowance” has the meaning set forth in Article IX.

2.15 “Domestic Relations Order” means any valid judgment, decree, or order of court of competent jurisdiction including approval of a property settlement agreement, that is made pursuant to a state domestic relations law and that relates but is not limited to the provision of child support, alimony payments or marital or other property rights to a Spouse, former Spouse, Registered Domestic Partner, former Registered Domestic Partner, child or dependent.

2.16 “Effective Date” means one of the following as applicable:

(a) November 1, 2007, the effective date of this amended and restated Plan; or

(b) such other date as specified in this Plan as the effective date of a specific Article, Section or provision of this Plan.

2.17 “Eligible Employee” has the meaning set forth in Section 4.1.

2.18 “Employee” means any individual who is employed by the Employer under a common-law relationship. Employee includes any Leased Employee.

2.19 “Employer” means the Sacramento Regional Transit District.

2.20 “Family Code” means the California Family Code.

2.21 “Final Monthly Compensation” means the average monthly Compensation received by a Member during any consecutive 48 month period elected by a Member at or before the time he or she files an application for retirement or, if he or she fails to elect, during the last 48 consecutive months immediately preceding his or her retirement. The computation for any absence shall be based on the Compensation of the position held by the Member at the beginning of the absence.

- 2.22** “Hour of Service” has the meaning set forth in Section 3.10(a).
- 2.23** “IBEW” means the International Brotherhood of Electrical Workers
- 2.24** “IBEW Local 1245” means Local Union 1245 of the International Brotherhood of Electrical Workers
- 2.25** “Leased Employee” has the meaning set forth in section 414(n) of the Code.
- 2.26** “Member” means any person who meets the requirements set forth in Sections 4.2 and 4.3.
- 2.27** “Normal Form of Retirement Allowance” has the meaning set forth in Section 11.1.
- 2.28** “Normal Retirement Age” means age 62.
- 2.29** “Plan Year” means the 12-month period beginning on each July 1 and ending on the following June 30.
- 2.30** “Prior Service” has the meaning set forth in Section 3.1.
- 2.31** “Registered Domestic Partner” and “Registered Domestic Partnership” have the meanings set forth under Division 2.5 of the Family Code.
- 2.32** “Required Beginning Date” means April 1 of the calendar year following the later of the calendar year a Member attains age 70 1/2 or the calendar year in which a Member retires.
- 2.33** “Retirement Allowance” means the benefit payable to a Member as set forth in Article V. Pursuant to the rules for crediting service and for determining vesting under the Plan, a Member may be entitled to more than one Retirement Allowance if he or she accrues a vested benefit in two (2) or more periods of service with the Employer, each of which is separated by a Break in Service.
- 2.34** “Retirement Board” shall mean the individual or individuals charged with the administration of the Plan in accordance with Article XV.
- 2.35** “Retirement Fund” shall mean the trust established under Code section 401(a) to hold funds contributed by the Employer (and applicable earnings and losses) and from which benefits and allowable expenses under the Plan are paid.
- 2.36** “Spouse” means an individual who has entered into a marriage with a Member pursuant to Family Code Section 300 *et seq.*
- 2.37** “Year of Service” shall have the meaning set forth in Section 3.10(b).

ARTICLE III

SERVICE

The determination of "service" under the Plan shall be in accordance with this Article.

3.1 Prior Service shall include all continuous employment with the Employer and the following predecessor companies which occurred immediately prior to September 16, 1974, and subsequent to the most recent Date of Hire. No Employee is entitled to any Prior Service credit under this Plan, unless he was employed with such predecessor company in a job classification, which would have been covered by a collective bargaining agreement existing between the Employer and the IBEW Local Union 1245, as of September 16, 1974.

Sacramento Regional Transit District predecessors:

- (a) Pacific Gas and Electric Company
- (b) Sacramento Northern Railroad
- (c) Central California Traction Company
- (d) Sacramento City Lines
- (e) Gibson Lines
- (f) Suburban Transit Lines
- (g) Transit Authority of the City of Sacramento

3.2 Current Service shall include all continuous employment with the Employer subsequent to the most recent Date of Hire which occurs subsequent to September 16, 1974, in a job classification covered by any negotiated bargaining agreement with the IBEW Local Union 1245. Notwithstanding the foregoing, current service rendered prior to January 1, 1988 shall not be recognized with respect to an employee who has attained age seventy (70) at the time such service was rendered.

No employee is entitled to Current Service unless he or she is employed in a job classification covered by a collective bargaining agreement between the Employer and IBEW Local Union 1245. Absence from employment for fewer than 90 days for any cause, which does not result in a loss of seniority under the applicable collective bargaining agreement, shall not be deemed a break in service if the employee returns to work within such 90 day period.

3.3 Any Member on leave of absence approved in writing by the Employer or during periods which the Employee is receiving, entitled to receive, or determining his or her right to receive, temporary benefits under the provisions of the state workers compensation and unemployment disability laws, shall receive service credit for such authorized period of time for all purposes under the Plan, provided such period of time is reasonable and does not exceed 12 months. For good cause, however, the Retirement Board may extend the time limits in this Paragraph. The Compensation and Final Monthly Compensation of a person on leave of absence for any reason shall be determined in accordance with the applicable definitions in Article II of the Plan.

3.4 An Employee's service shall include any period during which he or she is in the armed forces of the United States, provided that he or she was eligible for membership in the Plan

immediately prior to his or her entry into the armed forces, but only if he or she returns to employment with RT within the applicable period specified below:

(a) In the case of an employee's service in the armed forces in time of war or national emergency, as proclaimed by the President or Congress, or through imposition of a draft, the employee must return to employment with RT within 180 days following his or her release from such service. If the Employee voluntarily elects to continue his or her service in the armed forces beyond the end of the six month period following the termination of such war, national emergency or period of conscription, the provisions of Subparagraph b below shall apply.

(b) In the case of an employee whose service in the armed forces voluntarily commences when there is no war or national emergency or continues for more than 6 months following the end of a war, national emergency or period of conscription, the Employee must return to employment with Employer within 90 days following his or her release of such service.

Notwithstanding the foregoing or any other provisions of this Plan to the contrary, this Plan shall comply with the provisions of Code section 414(u).

3.5 Unless otherwise provided in this Article III or elsewhere in the Plan, if a Member, incurs a Break in Service and subsequently resumes employment with the Employer, his or her service incurred prior to such Break in Service shall not be credited for any purpose under the Plan (including eligibility, vesting or benefit accrual).

3.6 Members on temporary leave of absence to engage in union duties are eligible to continue participation in this Plan and will be entitled to the benefits described in the Plan. Full-time Employees of IBEW Local Union 1245 on leave of absence from the Employer shall be entitled to continue participation in the Plan and have the period of the leave of absence considered as time worked, only if IBEW makes the contribution in employment with RT during the period of such leave of absence. The provisions for contributions to the Plan for such employees shall be subject to the provisions of any applicable collective bargaining agreement governing such contributions, or the calculation of credited service during such IBEW employment.

3.7 Members on temporary leave of absence to engage in IBEW duties shall not suffer any impairment of the credited service or Compensation or Final Monthly Compensation for the purpose of calculating either service or Compensation or Final Monthly Compensation under the terms of the Plan.

3.8 Service shall be credited as follows under the Plan.

(a) An Hour of Service shall be credited in accordance with the following provisions:

(1) An Hour of Service shall be credited for each hour for which the Member is paid, or entitled to payment, for the performance of duties for the Employer subsequent to the Member's most recent Date of Hire. These Hours of Service shall be credited to the Member for the period(s) in which the duties are performed.

(2) An Hour of Service shall be credited for each hour for which the Member is paid, or entitled to payment, by the Employer on account of a period of time subsequent to his or her most recent Date of Hire, during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, disability, layoff, jury duty, military duty or leave of absence authorized by the Employer or any leave authorized by applicable law.

(b) A Year of Service shall be credited in accordance with the following provision unless specifically provided otherwise elsewhere in this Plan:

(1) With respect to those Members employed in a job classification designated as full-time under the terms of the applicable collective bargaining agreement between IBEW and the Employer, a Year of Service shall be credited to a Member for each consecutive 12 month period subsequent to the Member's most recent Date of Hire as an Eligible Employee during which the Member is in continuous service with the Employer without a Break in Service.

(2) With respect to all other Members, a Year of Service shall be credited for each 2080 Hours of Service credited to a Member subsequent to the Member's most recent Date of Hire as an Eligible Employee.

(3) For purposes of both vesting and benefit accrual, Years of Service shall be prorated only to the extent set forth elsewhere in this Plan.

ARTICLE IV

ELIGIBILITY AND MEMBERSHIP

4.1 The provisions of this Plan regarding credit for Current Service notwithstanding, eligibility for membership in this Plan is limited to Employees of the Employer who are employed in work classifications covered by any collective bargaining agreement between the Employer and IBEW Local Union 1245 in effect after September 16, 1974 which makes specific reference to this Plan. Only such individuals shall be Eligible Employees.

In addition to the foregoing provision of this Section, any individual who is not initially classified or treated by the Employer as a common-law employee but who is reclassified as a common-law employee by a governmental agency, court or other third party shall not be an Eligible Employee for purposes of the Plan. If during any period the Employer does not treat an individual as a common-law employee and, for that reason, does not withhold income or employment taxes with respect to that individual, then that individual shall not be eligible to participate in the Plan during that period, even in the event that the individual is determined, retroactively, to have been a common-law employee during all or any portion of the period. An individual's status as an Eligible Employee shall be terminated by the Employer, and such determination shall be conclusive and binding on all parties.

4.2 Each Eligible Employee whose date of hire is after September 16, 1974 shall become a Member on the first day of the month following his entrance into employment.

4.3 Once an individual becomes a Member of this Plan he or she shall remain a Member of this Plan until the earliest to occur of the following:

- (a) his or her death;
- (b) upon the payment, withdrawal, or transfer of all vested benefits accrued by and due to the Member under this Plan;
- (c) his or her termination of employment as an Eligible Employee with no vested interest in any benefit accrued under the Plan; or
- (d) the termination of this Plan.

ARTICLE V

RETIREMENT ALLOWANCE

5.1 A Member who is fully vested in accordance with the provisions of Article VII and who meets the age and/or Years of Service requirements of Article VIII shall be eligible to file an application to retire and begin receiving his or her Retirement Allowance on a form provided, and in accordance with procedures established, by the Retirement Board.

5.2 A Member's Retirement Allowance shall be determined under Schedule Five of Appendix E.

ARTICLE VI

DEATH BENEFITS

6.1 To qualify for the Death Benefit, prior to his or her death the Member must have been vested in his or her benefit under this Plan. A Member of this Plan who is vested and whose death occurs while employed by the Employer, shall have his or her Death Benefit as determined by Section 6.2, payable to his or her Spouse or Registered Domestic Partner until the Spouse or Registered Domestic Partner dies. Said benefits shall begin with the first day of the month following the month in which the Member's death occurs and shall be payable monthly thereafter at the end of each month. The Death Benefit for the first month shall be prorated from the death of the Member based upon the number of normal working days in that month. The benefits shall continue until the last month prior to the death, of the Spouse or Registered Domestic Partner. Payment of benefits to Spouse or Registered Domestic Partner shall be contingent upon the submission of the Member's death certificate to the Retirement Board.

In the event of the death of the Spouse or Registered Domestic Partner, the natural dependent children and/or adopted dependent children of the deceased Member under the age of 21 years shall receive an equal share of the Death Benefit. The share of each such dependent shall continue until the last month prior to the month in which the dependent child attains the age of 21 years. Payments to a dependent child shall be contingent upon the delivery of the death certificate of the Spouse or Registered Domestic Partner and birth and/or adoption certificates of the dependent child to the Retirement Board.

In addition, the Retirement Board may require additional documentation of the Spouse or Registered Domestic Partner or dependent child as necessary.

6.2 The Death Benefit, subject to the provisions relating to vesting in Article VII below, shall be the Actuarial Equivalent of the Retirement Allowance computed as follows:

“The amount determined under the schedule in Article V of the Plan based upon the assumption that the Member had retired on the day preceding his or her death.”

Notwithstanding the foregoing, the Death Benefit of a Member who is not eligible to retire, but who is otherwise vested in his or her benefit on the date of his or her death, shall be calculated using a 2% multiplier.

6.3 Should a Member who qualifies for the Death Benefit die during a month on a date other than a normal benefit payment date, the Plan shall make available to the recipient of the Survivor Benefit the amount the Member would have earned on a prorated basis. Such proration shall be based on the number of normal working days in the month.

ARTICLE VII

VESTING

7.1 If a Member has ten Years Service, upon termination of employment, the Member will be entitled to a deferred retirement income for that service commencing after he or she would be eligible for the retirement benefit. The retirement benefit will be based upon service and salary prior to termination. If a member has five Years of Service that includes active service on or after November 1, 2006, upon termination of employment, the member will be entitled to a deferred retirement income for that service commencing after he or she would be eligible for the retirement benefit. The retirement benefit will be based upon service and salary prior to termination.

7.2 If a Member a member has the requisite number of Years of Service to vest as described in Article 7.1 hereinabove, upon termination of service with the Employer, the Member shall be entitled to a deferred Retirement Allowance commencing on the date he or she would otherwise be eligible to begin receiving a Retirement Allowance under the provisions of Article VIII. A Member's deferred Retirement Allowance shall be calculated based on the provisions of the Plan as in effect on the date the Member terminated employment as an Eligible Employee.

ARTICLE VIII

RETIREMENT AGE AND YEARS OF SERVICE

8.1 Normal Retirement Age under the Plan is 62.

8.2 Notwithstanding Section 8.1, a Member may retire:

(a) Members whose employment with the Employer terminated on or prior to October 31, 2006 may retire at any time after attaining age 55 if he or she is credited with at least ten (10) Years of Service as of that time, or

(b) Members whose employment with the Employer includes active service on or after November 1, 2006 and whose employment with the Employer terminated on or after November 1, 2006 may retire at any time after attaining age 55 if he or she is credited with at least five (5) Years of Service as of that time,

(c) Members with at least 25 Years of Service that includes active service on or after November 1, 2005, may retire at any time after November 1, 2005.

ARTICLE IX

DISABILITY RETIREMENT ALLOWANCE

9.1 A Member who becomes permanently Disabled physically or mentally through illness or injury to the extent that he is physically or mentally disqualified from performing his or her employment with the Employer, for reasons not constituting cause for discharge, shall be eligible for a Disability Retirement Allowance. The determination of the Member's Disability shall vest with the Retirement Board which shall make its determination based upon medical evidence of permanent disqualification from the job classification held at the time of such Disability.

9.2 To be eligible for Disability Retirement Allowance, a Member whose employment with the Employer terminated on or before October 31, 2006, must be so Disabled and have had at least ten (10) Years of Service, or a Member with current service on or after November 1, 2006, must be so Disabled and have had at least five (5) Years of Service. Service, for Disability only, shall mean all Years of Service with the Employer subsequent to the Member's most recent Date of Hire. Upon retirement for Disability, a Member with the requisite number of Years of Service shall receive a Disability Retirement Allowance equal to the Retirement Allowance set forth in Article V of this Plan based on Final Monthly Compensation and Years of Service determined as of the Date of retirement.

9.3. Limitation on disability retirement: In no event will the disability retirement allowance exceed the normal retirement allowance, based on the final compensation earned to the date of Disability, on the assumption the member was continued in employment and retired at age sixty-two (62).

9.4 The Retirement Board may require any recipient of a Disability Retirement Allowance, while under the minimum age of voluntary retirement for service applicable to individuals of his or her class, to undergo a medical examination. Such examination shall be made by a physician or surgeon appointed by the Retirement Board in the city of residence of the recipient or other place mutually agreed upon. Upon the basis of such examination, the Retirement Board shall determine whether he or she is still incapacitated, physically or mentally, for duty in the position held by him or her when retired or placed on Disability.

9.5 Any failure on a Member's part to follow reasonable courses of medical care prescribed that would lead to return to duty shall be cause for rejection of application for a Disability Retirement Allowance, as may be determined by the Retirement Board.

9.6 If the Retirement Board determines that such recipient is not so incapacitated for duty in the position held when retired for Disability, the Disability Retirement Allowance shall be cancelled forthwith and the individual shall once again become an active Member of the Plan upon his or her return to serve as an Eligible Employee.

9.7 If any recipient of a Disability Retirement Allowance is reemployed by the Employer, his or her Disability Retirement Allowance shall be cancelled and he or she shall immediately become an active Member of this Plan as of the date of reemployment as an Eligible Employee. In such a case, no Break in Service shall result from the period of Disability.

9.8 The Retirement Board shall also cause a medical examination to be made upon application for reinstatement of any recipient of a Disability Retirement Allowance. Such examination to be made for the purpose of determination by the Retirement Board whether such recipient is incapacitated physically or mentally for any other position with the Employer, for which application for reinstatement has been received.

9.9 Any benefits under this Article shall be reduced by 50% of the amount of earned income from other sources in excess of 50% of the Final Monthly Compensation during the Member's last Year of Service. This shall be determined on a monthly basis.

(a) This offset shall not apply to earnings after the 55th birthday of any retiree.

(b) Income from dividends and interest, real property or farm income, or property management shall not be offset against retirement income.

(c) The nature of the work, rather than the manner of payment, shall control the determination of whether it is income.

(d) Earnings shall be considered earned in the year in which they are received; provided, however, that income received in one year may be allocated to more than one year if, in the sole discretion of the Retirement Board, such allocation more correctly reflects the year or years in which the earnings were earned.

(e) Retirees must furnish the Retirement Board, from time to time, with such information as may be determined by the Retirement Board to be necessary to ascertain earnings. This shall include authorization for access to Social Security records. The Disability Retirement Allowance shall be suspended in the event of failure of a retiree to furnish such information or cooperate with the Retirement Board in obtaining such information.

(f) In the event a retiree receives retirement benefit payments to which he or she is not entitled, such overpayment shall be offset against future retirement benefit payments to which the retiree is entitled, or, at the discretion of the Retirement Board the retiree may be required to refund any overpayment as a condition precedent to receive any future retirement benefits.

ARTICLE X

REEMPLOYMENT AFTER RETIREMENT

10.1 A Member who has retired under this Plan for Service or Disability may be reinstated from retirement by the Retirement Board. Thereafter, the Member may be reemployed by RT in accordance with the provisions governing such service, in the same manner as a person who has not been so retired.

10.2 The Board Trustees may reinstate the Member from Retirement upon:

- (a) his or her application to the Retirement Board for reinstatement, and
- (b) the determination of the Retirement Board based upon medical examination, that he or she is not incapacitated for the duties to be assigned to him or her.

10.3 If a Member is reemployed by the Employer after retirement, such Member's Retirement Allowance shall be suspended forthwith, and he or she shall become an active Member of this Plan as of the date of reemployment as an Eligible Employee. Such individual's Retirement Allowance shall be resumed upon his or her subsequent retirement. Subject to the applicable provisions of this Plan (including, without limitation, those relating to crediting of service and vesting), such individual may accrue another Retirement Allowance for such period of reemployment. This Article X shall not apply to those individuals who provide services to the Employer after retirement in a position or on a basis designated by the Employer as under a "Personal Services Contract" or as temporary.

ARTICLE XI

FORMS AND TIME OF PAYMENT; MINIMUM RETIREMENT BENEFITS

11.1 The Normal Form of Retirement Allowance shall be a single life annuity for the Member's life alone.

11.2 In lieu of the Normal Form of Retirement Allowance, a Member may elect one (1) of the three (3) optional forms of settlements specified in this Article. Each of the optional forms of settlement shall be the Actuarial Equivalent of the Member's Normal Form of Retirement Allowance, determined as of the date of the Member's retirement. Such election, or any subsequent revocation or change of election, shall be made by the Member prior to the first payment of a Retirement Allowance.

(a) Optional Settlement No. 1 consists of the right to have a Retirement Allowance paid to the Member until his or her death and thereafter to continue the full amount of the Retirement Allowance during the life of the Member's Beneficiary.

(b) Optional Settlement No. 2 consists of the right to have a Retirement Allowance paid to the Member until his or her death and thereafter to have 50% of such Retirement Allowance paid during the life of the Member's Beneficiary.

(c) Optional Settlement No. 3 is available only to Members who retire prior to the age at which they would be entitled to receive Social Security benefits and, further, who have elected to receive the unmodified Retirement Allowance, and consists of the right to have the Retirement Allowance increased prior to the time the retired person is entitled to receive benefits under the federal Social Security law and be reduced thereafter so as to enable the retired person to receive an approximately level income from Social Security benefits and benefits under the Plan. For this optional settlement No. 3, Social Security benefits are assumed to commence in all cases at age 62.

11.3 If a Member elects Optional Settlement No. 1 or Optional Settlement No. 2 and the Beneficiary is the Member's Spouse or Registered Domestic Partner and such Spouse or Registered Domestic Partner predeceases the Member within 36 months after the date on which the Retirement Allowance is first payable, the Member's Retirement Allowance shall be increased to the amount the Member would have received had such Member selected the Normal Form of Retirement Allowance. Such increase shall be payable with the first monthly payment made to the Member following the date of death of the Member's Spouse or Registered Domestic Partner or the date of receipt by the Retirement Board of notice of the death of the Spouse or Registered Domestic Partner, whichever occurs later.

11.4 In addition to the foregoing Sections of this Article, the following minimum benefit levels shall apply to those already retired and to future retirees.

Over 25 Years of Service.....	\$400.00
Over 20 but less than 25 Years of Service.....	\$300.00
Over 15 but less than 20 Years of Service.....	\$200.00

The minimum shall not apply to future retirees who elect early retirement, but shall apply to normal and disability retirement. (These retirees may select options under Section 11.2, and said minimum benefits shall be adjusted accordingly).

11.5 Notwithstanding anything in this Plan to the contrary, all payments hereunder shall meet the requirements of the applicable minimum required distribution rules as set forth in the provisions of Appendix C.

ARTICLE XII

PROOF OF AGE

Proof of age satisfactory to the Retirement Board shall be required of all Members of the Plan and their Beneficiaries. After a Member and/or Beneficiary has once so advised the Retirement Board as to the date of birth, no further correction shall be permitted without the consent of the Retirement Board. This shall not preclude the Retirement Board from, at any time, investigating and demanding correction of the date of birth. Any such permitted correction shall require proper actuarial adjustment of retirement benefits.

ARTICLE XIII

INALIENABILITY OF BENEFITS

13.1 Except to the extent that the following may be contrary to the laws of the State of California, and except as otherwise provided herein, no Member or Beneficiary hereunder shall have the right to assign, transfer, encumber, or anticipate his or her interest in any retirement funds accumulated under this Plan or in any retirement benefit paid from this Plan. Funds and benefits shall not in any way be subject to any legal process to levy upon or attach the same for the payment of any claim against any Member or Beneficiary.

13.2 Notwithstanding Section 13.1, payment shall be made in accordance with the provisions of any judgment, decree or order which the Retirement Board determines to be a Domestic Relations Order. For purposes of determining benefits under a Domestic Relations Order, Actuarial Equivalence shall be determined using the actuarial assumptions used for funding the Plan, as adopted from time to time by the Retirement Board.

ARTICLE XIV

FUNDING; AMENDMENT OR TERMINATION OF PLAN

14.1 The Employer shall from time to time (at least annually to the extent necessary) make contributions to the Retirement Fund adequate to finance the benefits provided for in the Plan on a sound actuarial basis. Any forfeiture shall be used to reduce the Employer contributions otherwise payable.

14.2 The Employer reserves the right to amend, alter, modify or terminate this Plan or adopt a successor plan at any time, in its sole discretion, for any reason or for no reason; provided, however, that no amendment, alteration, modification or termination of the Plan shall adversely affect any accrued rights of any Member without corresponding advantages, but in all other respects such amendments, alterations or modifications shall be binding upon the Members of the Plan. In the event of termination of the Plan, the rights of Members to the benefits accrued under the Plan to the date of the termination, to the extent funded, shall be nonforfeitable.

14.3 No alteration, amendment, termination or discontinuance of contributions may be effected if in violation of applicable state or federal laws or in violation of the terms of any lawful collective bargaining agreement executed by the Employer with representatives of Employees.

14.4 In the event of the complete termination of the Plan, all funds held for the purpose of providing benefits under the Plan shall be applied as follows:

(a) An amount sufficient to provide for the retirement benefits payable to Members then retired. If the Retirement Fund is insufficient for this purpose, it shall be pro-rated among such Members.

(b) Any amount remaining in the Retirement Fund after the allocation in (a) above shall be allocated to the Members not retired on the basis of the actuarial reserves for their benefits, oldest first, until the Retirement Fund has been completely allocated.

14.5 Notwithstanding any other provision hereof or any amendment hereto to the contrary, at no time shall any amount held in the Retirement Fund revert to or be receivable by the Employer or be used for or diverted to purposes other than for the exclusive benefit of Members or their Beneficiaries under the Plan; provided, however, that reasonable expenses for administering the Retirement Fund may be paid from the Retirement Fund.

ARTICLE XV

ADMINISTRATION

15.1 The Plan shall be administered by the Retirement Board, which shall consist of not more than four (4) individuals, two (2) of whom shall be appointed by the Governing Board of the Employer and two (2) of whom shall be appointed by IBEW Local Union 1245. In addition, the Governing Board of the Employer and the IBEW Local Union 1245 shall each appoint one alternate member to the Board. The Retirement Board shall administer and interpret all provisions of the Plan. In addition to any implied duties and powers which may be needed to carry out the authority granted to the Retirement Board under this Article XVI of the Plan and Public Utilities Code Article B (Section 23651 *et seq.*), the duties of the Retirement Board, among others, shall include:

(a) It shall authorize the employment of such actuarial and other professional services as it may deem appropriate;

(b) It shall authorize the employment of an attorney to act as fiduciary counsel to the Retirement Board.

(c) It shall be responsible for the filing and maintaining of personnel records necessary for operation of the Plan.

(d) It shall authorize the payment of retirement benefits under the Plan. However, the Board may delegate its authority to approve retirement benefits for service retirements to the General Manager/CEO of the Employer if a majority of the Board members vote to approve such delegation. The Board will set the conditions and limitations of the delegation and may require quarterly reports to the Board from the General Manager/CEO regarding all service retirements approved each quarter. The General Manager/CEO must provide written notification to the IBEW of any service retirement approved pursuant to this delegation within forty-eight hours of approval. The General Manger/CEO must provide the required notification via first class mail to the address provided by IBEW.

(e) It shall approve, in accordance with applicable laws, mortality tables, interest rates, and other actuarial factors to be used in determining the requirements of the Plan.

In addition, the Retirement Board has each of the powers, authorities and responsibilities set forth in Section 17 of Article XVI of the California constitution with respect to a retirement board of public pension or retirement system.

15.2 All expenses incurred in the administration of the Plan, including legal, actuarial fees and expenses, shall be paid out of the Retirement Fund.

15.3 The Retirement Board shall cause an actuarial valuation of the Plan to be made annually and an investigation as to the experience under the Plan not less frequently than every four (4) years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service and compensation experience of the Members and Beneficiaries and shall evaluate the assets and liabilities of the Retirement Fund. Upon the basis of the investigation, evaluation, and recommendations of the actuaries, the Retirement Board shall recommend to the Employer such changes in the actuarial assumptions and in contributions as are necessary.

15.4 The Retirement Board may engage such attorneys, actuaries, accountants, consultants or other persons to render advice or to perform services with regard to its responsibilities under the Plan as it shall determine to be necessary or appropriate. The Retirement Board may designate one or more persons to carry out, where appropriate, responsibilities under the Plan. The duties and responsibilities under the Plan of the Retirement Board or of the Employer as Plan sponsor that have not been delegated to other individuals pursuant to the preceding sentence or which the Retirement Board or the Employer have not reserved to themselves shall be carried out by the directors, officers and Employees of the Employer, acting on behalf of and in the name of the Retirement Board or Employer in their capacities as directors, officers and Employees.

15.5 Retirement Board Deadlocks:

(a) If the Retirement Board deadlocks on an issue set forth under Section 15.6 (1)(a – e inclusive), the Retirement Board shall submit the matter to an Adjudication Board in accordance with the procedures set forth below in paragraph e. (4 – 9, inclusive). The Adjudication Board shall consist of three persons: one appointed by the IBEW Local 1245 appointed retirement board members and one appointed by the Employer's Governing Board's appointed retirement board members. The two so appointed shall endeavor to select a third member. In the event the person appointed cannot agree to a third member within 10 days of the last appointment, any Retirement Board member can petition the United States District Court for the Eastern District of California, Sacramento Division to appoint a third Adjudication Board member.

15.6 Adjudication of Disputes:

(a) Only disputes, claims, or grievances arising between Members and the Retirement Board concerning the following matters shall be submitted to arbitration:

- (1) the physical or mental condition of a Member;
- (2) the Member's earned income from other sources as determined under 10.8;
- (3) the determination of a Member's age;
- (4) the determination of a Member's service;
- (5) computations of Compensation or Final Monthly Compensation;

(6) No other disputed matters shall be submitted to arbitration without the prior consent of the Retirement Board and the aggrieved Member.

(b) The Member of IBEW Local Union 1245 or the Employer shall submit a written request for adjudication if the submitting party disputes a board decision dealing with any of the issues described in paragraph 15.6 (a – e inclusive) above. Such request for adjudication shall be submitted within 20 business days after the adverse decision of the Retirement Board. The matter shall then be submitted to an Arbitration Board.

(c) The Adjudication Board shall consist of three (3) persons: one appointed by IBEW Local Union 1245, one appointed by the Retirement Board. Such appointments shall be made, and each party shall notify the other of their respective appointment, within ten (10) days from the date the matter is submitted for arbitration. The two (2) persons so appointed shall endeavor to select the third member. In the event the persons appointed cannot agree on the third member within ten (10) days of the last appointment, the third person shall be selected in the following manner.

The parties shall, within ten (10) days, jointly request the State Mediation/Conciliation Service to list seven (7) persons qualified to act as an impartial member of the Arbitration Board. IBEW Local Union 1245 and the Retirement Board shall, within ten (10) days of the receipt of said list, alternately strike three (3) names from said list, and the seventh remaining name shall thereupon be accepted as the third member of the Adjudication Board. The decision as to which shall be first to start the elimination proceedings shall be determined by lot.

(d) The issue to be submitted to the Adjudication Board shall be limited to the dispute as submitted in writing and, unless otherwise agreed in writing, the jurisdiction of the Adjudication Board shall be limited to the determination of said issue. The Adjudication Board shall have no authority to modify, vary, alter, amend, add to or take away from, in whole or in part, any of the terms or provisions of this Plan.

(e) The Adjudication Board shall meet in the City of Sacramento within ten (10) days after the selection of the third member, or as soon thereafter as possible.

(f) The Adjudication Board, or either party, may call any Member as a witness and such Member, if on duty, shall be released from duty for the purpose of such appearance.

(g) The ruling of the Adjudication Board with respect to procedure and all obligations to the exclusion or inclusion of evidence shall be binding on the parties.

(h) Each party shall bear the expenses and fees of the Adjudication Board member appointed by it and its own expenses involved in the matter. All other expenses incurred by the Adjudication Board, including the making of a record, if the Adjudication Board deems it necessary, shall be borne equally by the parties. The reimbursement of wages for Members called as witnesses where a loss of wages has been incurred by said Member, shall be paid by the party calling such witness.

(i) The Adjudication Board's decision shall be in writing and shall be submitted within ten (10) days from the conclusion of the hearing.

(j) The decision of the majority of the Adjudication Board shall be final and binding on the parties.

ARTICLE XVI

INVESTMENTS

16.1 The Retirement Board shall have control and shall safely keep the monies of the Plan. It shall invest and reinvest the monies and may from time to time sell any securities belonging to the Plan, and shall invest and reinvest the proceeds there from. In the event the Retirement Board does not enter into contract of insurance under which the insurance company handles the investment of the Retirement Funds, no purchase or sale of securities may be affected by the Retirement Board except in accordance with advice of a corporate co-trustee or investment counsel designated by the Retirement Board. In selecting any investment counsel, the Retirement Board shall choose from among the firms of national reputation and shall not designate any individual or firm which derives a profit from the sale or purchase of any securities but, on the contrary, derives income solely from fees for investment advice. The Retirement Board may rely upon the advice of such a selected investment counsel in method and program of investments except to the extent that any particular investment or proportion of investment is precluded by applicable law.

16.2 Investment in or sale of securities pursuant to advice of the corporate co-trustee or investment counsel shall be made on authorization of the Retirement Board, and the Retirement Board is permitted to allow such advisors to make selections and the timing of investments within guidelines established by the Retirement Board after consultation with such advisors. Investment in or sale of securities shall not be made except on authorization of the Retirement Board or of an Employee, officer or director of the Employer to whom the Retirement Board has delegated the responsibility for making such authorization.

16.3 For the purpose of investing and reinvesting funds held under the Plan, the Retirement Board may enter into a custodial or trust agreement with a bank or trust company or into a contract with an insurance company, subject to legal approval.

16.4 The Retirement Board shall be permitted to commingle funds of this Plan with any other retirement plan covering the Employees of any other Employees of the Employer.

ARTICLE XVII

LIMITATION ON BENEFITS

17.1 Limitation on Retirement Income. Unless the alternate limitation of Section 17.2 below applies, a Member's Annual Benefit (as defined in Section 17.6 below) at any time during a Plan Year shall not exceed the dollar limitation for defined benefit plans of \$160,000 under section 415(b) (1) (A) of the Code, adjusted in such manner as the Secretary of the Treasury shall prescribe effective as of the January 1 of such Plan Year.

If a Member would exceed the foregoing limitation, then the Member's Annual Benefit shall be reduced by reducing the components thereof as set forth in Section 17.6 below as necessary in the order in which they are listed in Section 17.6 below.

17.2 Alternate Limitation for Retirement Income up to \$10,000. A Member's Annual Benefit shall not be subject to the limitation of Section 17.1 above if:

- (a) The Member's Annual Benefit does not exceed \$10,000; and,
- (b) The Member has never participated in a qualified defined contribution plan maintained by the Employer.

17.3 Reduced Limitation for Member With Fewer Than 10 Years of Participation. In the case of a Member who has not completed ten (10) years of participation in the Plan (determined with respect to the date as of which benefit payments are to commence), the limitation otherwise applicable to the Member under Section 17.1 above shall be multiplied by a fraction determined as follows:

- (a) the numerator of such fraction shall be the number of years and partial years of the Member's years of participation in the Plan; and,
- (b) the denominator of such fraction shall be ten (10).

17.4 Adjusted Limitation for Benefits Commencing Before Age 62. The limitation in Section 17.1 is treated as an annual annuity payable for life commencing at age 65. This limitation shall be unreduced if the Participant's Annual Benefit commences on or after age 62. This limitation shall be reduced if a Member's Annual Benefit commences before he or she attains age 62.

If a Member's Annual Benefit commences prior to age 62, the limitation in Section 17.1 shall be adjusted to commence payment at such age. This adjusted limitation shall be the Actuarial Equivalent, at such age, of the limitation in Section 17.1 commencing at age 62. For purposes of the preceding sentence, the Actuarial Equivalent shall be determined by using the Applicable Mortality Table and an interest rate which shall not be less than the greater of 5% or the rate specified in Appendix A.

17.5 Adjusted Limitation for Benefits Commencing After Age 65. The limitation described in Section 17.1 above shall be increased if a Participant's Annual Benefit commences after he or she attains age 65.

If a Member's Annual Benefit commences after age 65, the limitation in Section 17.1 shall be adjusted to commence payment at such age. This adjusted limitation shall be the Actuarial Equivalent, at such age, of the limitation in Section 17.1 commencing at age 65. For purposes of the preceding sentence, Actuarial Equivalent shall be determined by using the Applicable Mortality Table and an interest rate which shall not be greater than the lesser of 5% or the rate specified in Appendix A.

17.6 Annual Benefit. For purposes of this Article XVII, a Member's "Annual Benefit" shall be equal to the sum of the following:

- (a) the aggregate annual retirement benefit to which the Member is entitled under any other qualified defined benefit plans maintained by the Employer;

(b) the annual retirement benefit to which the Member is entitled under this Plan;

(c) the aggregate annual retirement benefit that has been distributed to the Member under any other qualified defined benefit plans maintained by the Employer; and,

(d) The aggregate annual retirement benefit that has been distributed to the Member under this Plan.

17.7 If the Member's benefit is or was payable in a form other than a straight-life annuity, the Annual Benefit shall be a straight-life annuity that is the Actuarial Equivalent of such other form of benefit. Actuarial Equivalent for purposes of this Section shall be based on the actuarial assumptions used in Section 17.4, but with the following exception. For purposes of adjusting any form of benefit subject to Code Section 417(e)(3), the interest rate assumption shall not be less than the greatest of:

(a) 5.5%,

(b) the rate that provides a benefit of not more than 105% of the benefit that would be provided if the Applicable Interest Rate were the interest rate assumption, or

(c) the rate specified in Appendix A.

ARTICLE XVIII

MISCELLANEOUS

18.1 Notwithstanding any other provision of this Plan to the contrary, all distributions shall meet the requirements set forth in Appendix C relating to required minimum distributions.

18.2 Notwithstanding any other provision of this Plan to the contrary, all provisions of this Plan shall be interpreted and administered in accordance with the requirements of Code section 414(u) and the applicable regulations.

18.3 In the event a Member or Beneficiary receives retirement benefit payments to which he or she is not entitled, such overpayments shall be offset against future retirement benefit payments to which the Member is entitled, or, at the discretion of the Retirement Board, the Member may be required to refund any overpayment as a condition precedent to receive any future retirement benefits.

18.4 Any Retirement Allowance (or Disability Retirement Allowance, if applicable) to which any Member, Spouse, Registered Domestic Partner or Beneficiary may be entitled hereunder shall be determined under the Plan as in effect when the Member's service with the Employer as an Eligible Employee terminates and shall not be affected by a subsequent change in the provisions of the Plan. If a Member is subsequently reemployed as an Eligible Employee and (subject to applicable provisions of the Plan relating to crediting of service and vesting) earns a new Retirement Allowance under the Plan, such new Retirement Allowance shall be determined in

accordance with the provisions of the Plan as in effect at the time of the subsequent termination of the Member's service with the Employer as an Eligible Employee.

18.5 If any person becomes unable to handle properly any amounts payable under the Plan, the Plan may make any arrangement for payment on such person's behalf that it determines shall be beneficial to such person, including (without limitation) payment to such person's guardian, conservator, Spouse or Registered Domestic Partner, or dependent.

18.6 Nothing in the Plan shall be deemed to give any person any right to remain in the employ of the Employer or affect any right of the Employer to terminate a person's employment with or without cause.

18.7 The provisions of the Plan shall be construed, administered and enforced in accordance with applicable laws of the State of California to the extent not preempted by applicable federal law, and in a manner consistent with the intention that the Plan qualify for favorable tax treatment under section 401(a) of the Code.

18.8 Each Member may designate in writing, prior to the date he or she begins to receive payments under this Plan, the person or persons who shall be his or her Beneficiary under this Plan on the form provided by the Employer.

18.9 Notwithstanding any provisions of this Plan to the contrary, to the extent permitted by applicable laws and regulations, a distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of an eligible rollover distribution (as defined in Code section 402(c)(4)) rolled directly to an eligible retirement plan (as defined as Code section 402(c)(8)(B)) specified by the distributee in a direct rollover

ARTICLE XIX


SIGN-OFF

IN WITNESS WHEREOF, the parties hereto execute this Retirement Plan for Regional Transit Employees who are members of the Amalgamated Transit Union, Local 256 in Sacramento, California, this 18, day of June, 2008.

FOR THE SACRAMENTO
REGIONAL TRANSIT DISTRICT



Michael R. Wiley, General Manager/CEO

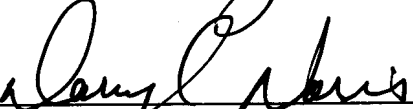


Dan Bailey, Employee Relations Manager
Chief Negotiator

FOR THE INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS LOCAL UNION 1245



Tom Dalzell, Business Manager



Darryl Norris, Business Representative
Chief Negotiator

APPENDIX A

ACTUARIAL EQUIVALENCE

Assumptions for Calculation of Optional Forms of Benefit

1. For benefits earned up to August 1, 1983:

Service retirement:

Interest Rate:	4-1/2%
Member and Beneficiary Mortality:	Males - 1951 GA Mortality, Male Table Females - 1951 GA Mortality, Female Table

Disability Retirement:

Interest Rate:	4-1/2%
Member Mortality:	1943 CH&E Disability Table
Beneficiary Mortality:	Males - 1951 GA Mortality, Male Table Females - 1951 GA Mortality, Female Table

2. For benefits earned after July 31, 1983:

(a) For retirements on or after August 1, 1983 but before August 1, 1985:

Service Retirement:

Interest Rate:	4-1/2%
Member Mortality:	1951 GA Mortality, Male Table
Beneficiary Mortality:	1951 GA Mortality, Female Table

Disability Retirement:

Interest Rate:	4-1/2%
Member Mortality:	1943 CH&E Disability Table
Beneficiary Mortality:	1951 GA Mortality, Male Table

(b) For retirements on or after August 1, 1985:

Service Retirement:

Interest Rate: 6%

Member Mortality: 1983 Group Annuity Table

Beneficiary Mortality: 1983 Group Annuity Table set back 6 years

Disability Retirement:

Interest Rate: 6%

Member Mortality: a) OASDI 1976 Disability Termination Table for Males, set back 4 years, for contract plan;

b) 1979 Pension Benefit Guaranty Corporation Disability Table for Individuals in Receipt of Social Security, for non-contract plan

Beneficiary Mortality: 1983 Group Annuity Table set back 6 years.

(c) For retirements on or after December 31, 2002:

Service and Disability Retirements:

Interest Rate: 6%

Member and Beneficiary Mortality:

The mortality table set out in the Internal Revenue Service Revenue Ruling No. 2001-62, dated December 31, 2001. The table shows, for each age, the number living based upon starting population of one million lives at age 1 (1_x), and the annual rate of mortality (Q_x).

For retirements on or after December 31, 2002 and before June 30, 2003, if application of foregoing mortality table would cause: (i) a reduction in the amount of the benefit, that reduction shall be reflected actuarially over the remaining payments to the Member and his/her Beneficiary, or (ii) an increase in the amount of the benefit, that increase shall be reflected actuarially over the remaining payments to the member and his/her Beneficiary.

APPENDIX B
RETIREMENT ALLOWANCE TABLES

**SERVICE RETIREMENT ALLOWANCE AS A PERCENTAGE
OF FINAL COMPENSATION**

Age at Retirement

Yrs Serv.	<u>55</u>	<u>56</u>	<u>57</u>	<u>58</u>	<u>59</u>	<u>60</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>	<u>65</u>	<u>66</u>	<u>67</u>	<u>68</u>	<u>69</u>	<u>70</u>	<u>71</u>	<u>72</u>	<u>73</u>	<u>74</u>	<u>75</u>
10	10.2	11.0	12.6	12.6	13.5	14.4	15.5	16.7	17.8	18.9	20.1	22.3	24.8	27.7	31.1	35.1	39.8	45.3	51.8	59.7	69.2
11	11.2	12.1	12.9	13.8	14.8	15.9	17.1	18.3	19.5	20.8	22.2	24.6	27.4	30.6	34.4	38.7	43.8	49.9	57.2	65.8	76.3
12	12.3	13.2	14.1	15.1	16.2	17.3	18.6	20.0	21.3	22.7	24.2	26.8	29.9	33.4	37.5	42.2	47.8	54.4	62.3	71.8	83.2
13	13.3	14.3	15.3	16.3	17.5	18.6	20.2	21.7	23.1	24.6	26.2	29.1	32.3	36.1	40.6	45.7	51.8	58.9	67.5	77.7	90.1
14	14.4	15.4	16.5	17.6	18.9	20.2	21.7	23.3	24.9	26.5	28.2	31.3	34.8	38.9	43.6	49.2	55.7	63.5	72.7	83.7	97.0
15	15.4	16.5	17.6	18.9	20.2	21.7	23.3	25.0	26.7	28.4	30.2	33.5	37.3	41.7	46.7	52.7	59.7	68.0	77.8	89.7	104.0
16	16.4	17.6	18.8	20.1	21.5	23.1	24.8	26.7	29.4	30.3	32.2	35.7	39.7	44.4	49.8	56.2	63.7	72.5	83.0	95.6	110.9
17	17.5	18.7	20.0	21.4	22.9	24.5	26.4	28.3	30.2	32.2	34.3	38.0	42.3	47.3	53.1	59.8	67.7	77.1	88.3	101.7	118.0
18	18.5	19.8	21.2	22.6	24.2	26.0	27.9	30.0	32.0	34.1	36.3	40.3	44.8	50.1	56.2	63.3	71.7	81.6	93.5	107.7	124.9
19	19.6	20.9	22.3	23.9	25.6	27.4	29.5	31.7	33.8	36.0	38.3	42.5	47.3	52.8	59.3	66.8	75.7	86.2	98.7	113.6	131.8
20	20.6	22.0	23.5	25.2	26.9	28.9	31.0	33.3	35.5	37.9	40.3	44.7	49.7	55.6	62.4	70.3	79.6	90.7	103.8	119.6	138.7
21	21.6	23.1	24.7	26.4	28.3	30.3	32.6	35.0	37.3	39.7	42.3	46.9	52.2	58.3	65.5	73.8	83.6	95.2	109.0	125.6	145.6
22	22.7	24.2	25.9	27.7	29.6	31.8	34.1	36.7	39.1	41.6	44.3	49.1	54.7	61.1	68.6	77.3	87.6	99.7	114.2	131.5	152.5
23	23.7	25.3	27.0	28.9	31.0	33.2	35.7	38.3	40.9	43.5	46.3	51.3	57.1	63.9	71.7	80.8	91.5	104.2	119.3	137.5	159.4
24	24.8	26.4	28.2	30.2	32.3	34.6	37.2	40.0	42.6	45.4	48.4	53.7	59.7	66.8	74.9	84.4	95.6	108.9	124.6	143.6	166.5
25	25.8	27.5	29.4	31.4	33.7	36.1	38.8	41.7	44.4	47.3	50.4	55.9	62.2	69.5	78.0	87.9	99.6	113.4	129.8	149.5	173.4
26	26.9	28.6	30.6	32.7	35.0	37.5	40.3	43.3	46.2	49.2	52.4	58.1	64.7	72.1	81.1	91.4	103.5	117.9	135.0	155.5	180.3
27	27.9	29.7	31.7	34.0	36.4	39.0	41.9	45.0	48.0	51.1	54.4	60.3	67.1	75.0	84.2	94.9	107.5	122.4	140.2	161.5	187.2
28	29.0	30.9	32.9	35.2	37.7	40.4	43.4	46.7	49.8	53.0	56.4	62.5	69.6	77.8	87.3	98.4	111.5	126.9	145.3	167.4	194.1
29	30.0	32.0	34.1	36.5	39.1	41.9	45.0	48.3	51.5	54.9	58.4	64.8	72.1	80.6	90.4	101.9	115.4	131.4	150.5	173.4	201.0
30	31.1	33.1	35.3	37.7	40.4	43.3	46.5	50.0	53.3	56.8	60.4	67.0	74.6	83.3	93.5	105.4	119.4	135.9	155.7	179.3	207.9
31	32.1	34.2	36.5	39.0	41.7	44.8	48.1	51.7	55.1	58.7	62.5	69.3	77.1	86.2	96.7	109.0	123.5	140.6	161.0	185.4	215.0
32	33.2	35.3	37.6	40.2	43.1	46.2	49.6	53.3	56.9	60.6	64.5	71.5	79.6	89.0	99.8	112.5	127.4	145.1	166.1	191.4	221.9
33	34.3	36.5	38.8	41.5	44.4	47.6	51.2	55.0	58.6	62.5	66.5	73.7	82.1	91.7	102.9	116.0	131.4	149.6	171.3	197.3	228.8
34	35.4	37.6	40.0	42.8	45.8	49.1	52.7	56.7	60.4	64.4	68.5	76.0	84.6	94.5	106.0	119.5	135.4	154.1	176.5	203.3	235.7
35	36.5	38.7	41.2	44.0	47.1	50.5	54.3	58.3	62.2	66.2	70.5	78.2	87.0	97.2	109.1	123.0	139.3	158.6	181.7	209.3	242.6
36	37.3	39.7	42.4	45.2	48.5	52.0	55.8	60.0	64.0	68.2	72.5	80.4	89.5	100.0	112.2	126.5	143.3	163.2	186.8	215.2	249.5
37	38.4	40.8	43.5	46.5	49.8	53.4	57.4	61.7	65.7	70.1	74.5	82.6	92.0	102.7	115.3	130.0	147.3	167.7	192.0	221.2	256.4
38	39.4	41.9	44.7	47.8	51.2	54.8	58.9	63.3	67.5	71.9	76.5	84.9	94.5	105.5	118.4	133.5	151.2	172.2	197.2	227.1	263.3
39	40.4	43.0	45.9	49.0	52.5	56.3	60.5	65.0	69.3	73.8	78.5	87.1	97.0	108.3	121.6	137.0	155.2	176.7	202.3	233.1	270.2
40	41.5	44.1	47.1	50.3	53.9	57.7	62.0	66.7	71.1	75.7	80.5	89.3	99.5	111.1	124.7	140.5	159.2	181.2	207.6	239.1	277.2
41	42.5	45.2	48.2	51.5	55.2	59.2	63.6	68.3	72.8	77.6	82.5	91.6	102.0	113.8	127.8	144.0	163.2	185.7	212.8	245.0	284.1
42	43.5	46.3	49.4	52.8	56.6	60.6	65.1	70.0	74.6	79.5	84.6	93.8	104.4	116.6	130.9	147.6	167.2	190.3	218.0	251.1	291.1
43	44.6	47.4	50.6	54.0	57.9	62.1	66.7	71.7	76.4	81.4	86.6	96.0	106.9	119.4	134.0	151.1	171.1	194.8	223.2	257.1	298.0
44	45.6	48.5	51.8	55.3	59.3	63.5	68.2	73.3	78.2	83.3	88.6	98.3	109.4	122.2	137.1	154.6	175.1	199.3	228.4	263.0	304.9
45	46.7	49.7	53.0	56.6	60.6	65.0	69.8	75.0	80.0	85.2	90.6	100.5	111.9	125.0	140.3	158.1	179.1	203.9	233.6	269.0	311.9

**SERVICE RETIREMENT ALLOWANCE AS A PERCENTAGE
OF FINAL COMPENSATION**

Age at Retirement

Yrs Serv.	<u>40</u>	<u>41</u>	<u>42</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>47</u>	<u>48</u>	<u>49</u>	<u>50</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>54</u>
25	9.2	9.9	10.5	11.2	12.0	12.8	13.6	14.6	15.6	16.7	17.9	19.2	20.7	22.2	23.9
26	9.6	10.3	10.9	11.7	12.5	13.3	14.2	15.2	16.3	17.4	18.7	20.1	21.5	23.2	25.0
27	10.0	10.7	11.4	12.1	12.9	13.8	14.7	15.8	16.9	18.1	19.4	20.8	22.4	24.0	25.9
28	10.4	11.1	11.8	12.6	13.4	14.3	15.3	16.4	17.5	18.8	20.2	21.6	23.2	25.0	26.9
29	10.8	11.5	12.2	13.0	13.9	14.8	15.9	17.0	18.2	19.4	20.8	22.4	24.0	25.8	27.8
30	11.1	11.9	12.7	13.5	14.4	15.4	16.4	17.6	18.8	20.2	21.6	23.2	24.9	26.8	28.8
31	11.5	12.3	13.1	13.9	14.9	15.9	17.0	18.1	19.4	20.8	22.3	23.9	25.7	27.7	29.8
32	11.9	12.7	13.5	14.4	15.4	16.4	17.6	18.8	20.1	21.5	23.1	24.8	26.6	28.6	30.8
33	12.3	13.1	14.0	14.9	15.9	17.0	18.1	19.4	20.8	22.2	23.8	25.6	27.5	29.6	31.8
34	12.7	13.5	14.4	15.4	16.4	17.5	18.7	20.0	21.4	22.9	24.6	26.4	28.4	30.5	32.8
35	13.1	13.9	14.9	15.8	16.9	18.1	19.3	20.6	22.1	23.7	25.4	27.2	29.2	31.4	33.9
36	13.3	14.3	15.2	16.2	17.3	18.5	19.7	21.1	22.6	24.2	25.9	27.8	29.9	32.2	34.6
37	13.7	14.7	15.7	16.7	17.8	19.0	20.2	21.7	23.2	24.9	26.6	28.6	30.7	33.1	35.5
38	14.1	15.1	16.1	17.1	18.2	19.5	20.8	22.3	23.8	25.6	27.4	29.4	31.5	33.9	36.5
39	14.4	15.5	16.5	17.6	18.7	20.0	21.3	22.9	24.4	26.3	28.1	30.2	32.4	34.8	37.4
40	14.8	15.9	16.9	18.0	19.2	20.5	21.9	23.5	25.1	26.9	28.8	30.9	33.2	35.7	38.4
41											29.5	31.7	34.0	36.6	39.4
42											30.2	32.5	34.9	37.5	40.3
43											31.0	33.3	35.7	38.4	41.3
44											31.7	34.0	36.5	39.3	42.2
45											32.4	34.8	37.4	40.2	43.2

APPENDIX C

MINIMUM DISTRIBUTION REQUIREMENTS

The following rules apply for purposes of the Internal Revenue Code. They do not affect the form or the total amount of any retirement benefit under the Plan.

C.1 General Rules.

C.1.1 Effective Date. Notwithstanding any other provision of the Plan to the contrary, the provisions of this Appendix shall apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

C.1.2 Precedence. The requirements of this Appendix shall take precedence over any inconsistent provisions of the Plan.

C.1.3 Requirements of Treasury Regulations Incorporated. All distributions required under this Appendix shall be determined and made in accordance with the Treasury Regulations under section 401(a) (9) of the Code.

C.1.4 TEFRA Section 242(b) (2) Elections. Notwithstanding the other provisions of this Appendix, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of TEFRA and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

C.2 Time and Manner of Distribution.

C.2.1 Required Beginning Date. The Member's entire interest shall be distributed, or begin to be distributed, to the Member no later than the Member's Required Beginning Date.

C.2.2 Death of Member Before Distributions Begin. If the Member dies before distributions begin, the Member's entire interest shall be distributed, or begin to be distributed, no later than as follows:

(a) If the Member's surviving Spouse is the Member's sole Designated Beneficiary, then, except as provided in the Plan, distributions to the surviving Spouse shall 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.

(b) If the Member's surviving Spouse is not the Member's sole Designated Beneficiary, then, except as provided in the Plan, distributions to the Designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

(c) 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 shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

(d) 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 Section C.2, other than Section C.2.2 (a), shall apply as if the surviving Spouse were the Member.

For purposes of this Section C.2 and Section C.5, distributions are considered to begin on the Member's Required Beginning Date (or, if Section C.2.2 (d) applies, the date distributions are required to begin to the surviving Spouse under Section C.2.2 (a)). 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 Section C.2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

C.2.3 Form of Distribution. Unless the Member's interest is distributed in the form of an annuity purchased from an insurance company, as of the first Distribution Calendar Year distributions shall be made in accordance with Sections C.3, C.4 and C.5 of this Appendix C. If the Member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of section 401(a)(9) of the 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 Code shall be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

C.3 Determination of Amount to be Distributed Each Year.

C.3.1 General Annuity Requirements. If the Member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity shall satisfy the following requirements:

(a) The annuity distributions shall be paid in periodic payments made at intervals not longer than one year.

(b) The distribution period shall be over a life (or lives) or over a period certain not longer than the period described in Section C.4 or C.5 of this Appendix C.

(c) Once payments have begun over a period certain, the period certain shall not be changed even if the period certain is shorter than the maximum permitted.

(d) Payments shall either be non-increasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(2) to the extent of the reduction in the amount of the Member's payments to provide for a Death Benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section C.4 dies or is no longer the Member's Beneficiary pursuant to a qualified domestic relations order;

(3) to provide cash refunds of Employee contributions upon the Member's death; or

(4) to pay increased benefits that result from a Plan amendment.

C.3.2 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 Section C.2.2(a) or (b)) 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., bi-monthly, monthly, semi-annually, or annually. All of the Member's benefit accruals as of the last day of the first Distribution Calendar Year shall 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.

C.3.3 Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Member in a calendar year after the first Distribution Calendar Year shall be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

C.4 Requirements for Annuity Distributions That Commence During Member's Lifetime.

C.4.1 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 Designated 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(c) of section 1.401(a)(9)-6 of the Treasury Regulations; provided, however, that if the Member's annuity starting date precedes the year in which the Member attains age 70, the Member's and non-Spouse Designated Beneficiary's age difference shall be adjusted as set forth in Q&A-2(c) in order to determine the applicable percentage as provided in the table set forth in Q&A-2(c). If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a non-Spouse Designated Beneficiary and a period certain annuity, the requirement in the preceding sentence shall apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

C.4.2 Period Certain Annuities. Unless the Member's Spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the

period certain for an annuity distribution commencing during the Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in section 1.401(a) (9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a) (9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the annuity starting date. If the Member's Spouse is the Member's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Member's applicable distribution period, as determined under this Section C.4.2, or the joint life and last survivor expectancy of the Member and the Member's Spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9) 9 of the Treasury Regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the calendar year that contains the annuity starting date.

C.5 Requirements for Minimum Distributions Where Member Dies Before Date Distributions Begin.

C.5.1 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 shall be distributed, beginning no later than the time described in Section C.2.2 (a) or (b), over the life expectancy of the Designated Beneficiary or over a period certain not exceeding:

(a) unless the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the designated Beneficiary's age as of the Designated Beneficiary's birthday in the calendar year immediately following the calendar year of the Member's death; or

(b) if the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the Designated Beneficiary's age as of the Designated Beneficiary's birthday in the calendar year that contains the annuity starting date.

C.5.2 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 shall be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.

C.5.3 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 C.5 shall apply as if the surviving Spouse were the Member, except that the time by which distributions must begin shall be determined without regard to Section C.2.2 (a).

C.6 Definitions.

The following words and phrases used in this Appendix C have the following meanings.

C.6.1 “Designated Beneficiary.” The individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under section 401(a) (9) of the Code and section 1.401(a) (9) – 1, Q&A – 4 of the Treasury Regulations.

C.6.2 “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 Section C.2.2 of this Appendix C.

C.6.3 “Life Expectancy.” Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury Regulations.

C.6.4 Other Capitalized Terms. All other capitalized terms used in this Appendix C have the meanings set forth in Article II, unless the context requires otherwise.

APPENDIX D--RECIPROCITY AGREEMENT

AGREEMENT REGARDING RETIREMENT PLAN RECIPROCITY

This Agreement is entered into on this 28th day of June 1999, by and between the **SACRAMENTO REGIONAL TRANSIT DISTRICT**, the **NON-CONTRACT EMPLOYEE COMMITTEE, Local Division 256 of the AMALGAMATED TRANSIT UNION, AFL-CIO**, and **LOCAL 1245 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO**.

1. MUTUAL RECIPROCITY PROVISION

The title and text of Paragraph 2 below entitled "Service Reciprocity" is hereby incorporated by this reference into the RT retirement plans as if set out in full therein. RT retirement plans means the plans referred to in paragraph 2f. below.

2. SERVICE RECIPROCITY

- a. This reciprocity provision is applicable only to those members who have current service credited under this Plan on or after July 1, 1999.
- b. Notwithstanding anything to the contrary in this Plan pertaining to vesting, for the purpose of determining a member's vesting, all prior and current service credited to a member under any other RT retirement plan shall be added to prior and current service credited to that member-under this Plan' except as follows: Any service performed by a member prior to a separation from RT employment shall not be added (for vesting or any other purpose) to service credited to that member under this Plan after such separation unless such separation was requested in advance by the employee and approved by RT as provided in the paragraph related to break in employment under the Section of the Plan entitled "Service." [Section 2e ATU/IBEW plans; Section 3E Salaried plan]
- c. The retirement allowance of a vested member of this Plan shall be calculated based only upon service credited to that member pursuant to the Section of the Plan entitled "Service."
- d. Notwithstanding anything to the contrary in the Section of the Plan entitled "Definitions," for the purpose of determining the member's final compensation a member must elect a consecutive monthly period of service for the duration required by this Plan. For this purpose, a member's final compensation may be based upon any consecutive monthly period of service in any RT retirement plan(s) that may be used for vesting in this Plan as described in paragraph b above.
- e. For the purpose of this reciprocity provision, a member who is retired for disability under any other RT retirement plan in which the member has a vested benefit shall be deemed to be disabled within the meaning of this Plan.
- f. For the purpose of this reciprocity provision, "RT retirement plans" means the:

1. Retirement Plan for RT Employees Who Are Members of ATU Local 256, effective as of April 1, 1974, as amended.
2. Retirement Plan for RT Employees Who Are Members of .I.B.E.W. Local 1245, effective as of September 16, 1974, as amended.
3. Retirement Plan for Salaried Employees of Sacramento Regional Transit District, restated effective August 1, 1996, as amended.

3. **AMENDMENT**

This Agreement shall remain in effect in accordance with the terms hereof until amended by the parties hereto.

In Witness Whereof, the parties have entered into this agreement as of the date first hereinabove appearing.

NON-CONTRACT EMPLOYEE COMMITTEE

**SACRAMENTO REGIONAL
TRANSIT DISTRICT**

By: */s/ Jim Warriner*
 JIM WARRINER
 Chairmen

By: */s/ Pilka Robinson*
 PILKA ROBINSON
 General Manager

APPROVED AS TO CONTENT

By: */s/ Jacquelyn Johnson*
 JACQUELYN JOHNSON
 Committee Person

By: */s/ Michael R. Wiley*
 MICHAEL R. WILEY
 Director of Administrative Services

APPROVED AS TO LEGAL FORM

By: */s/ Robert Ruiz*
 ROBERT RUIZ
 Committee Person

By: */s/ Mark W. Gilbert*
 MARK W. GILBERT
 Chief Legal Counsel

By: */s/ Dennis Jones*
 DENNIS JONES
 Committee Person

**LOCAL 256 of the AMALGAMATED
TRANSIT UNION, AFL-CIO**

By: /s/ Donald D. Delis
DONALD D. DELIS
President

By: /s/ Linda Oliveri
Linda Oliveri
Committee Person

By: /s/ Clyde Beckman
CLYDE BECKHAM
Financial Secretary

By: /s/ Joe Rovito
Joe Rovito
Committee Person

**LOCAL 1245 of the INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO**

By: /s/ Jack McNally
JACK McNALLY
Business Manager

APPENDIX E

Schedule Five

Retirement Allowance

(1) A Member's Retirement Allowance is the product of the Member's Final Monthly Compensation, Years of Service, and a percentage multiplier. The Retirement Allowance is determined by that one (1) formula set forth in Sections (1)(a) through (1)(f) below which produces the highest Retirement Allowance based upon the Member's most recent Current Service date with respect to Years of Service and age at retirement. If as a result of a Break in Service a Member is entitled to more than one Retirement Allowance as set forth in the definition of Retirement Allowance under Article II of the Plan, the provisions of this Schedule Five shall be applied separately to each Retirement Allowance.

(a) If a Member has Current Service on or after November 1, 1993 for retirement from service on or after age 55 but before age 65, the Retirement Allowance shall equal two percent (2%) of the Member's Final Monthly Compensation multiplied by the Member's Years of Service. Years of Service shall include partial years based on the preceding completed quarter year of service, if any. The provisions of this Paragraph shall not apply for purposes of determining the limitation on disability retirement benefits described in Article 9, Section 9.3. For the purposes of this Section (1), a Member who retires after March 1, 1993, shall receive a Retirement Allowance equal to the higher of:

(i) the amount the Member would have received had the Member's Retirement Allowance been computed based upon the Member's age and Years of Service as of February 28, 1993, and according to the Plan provisions in effect on February 28, 1993, or

(ii) the amount the Member is eligible to receive according to the Plan provisions in effect as of the Member's actual date of retirement.

Appendix F sets out the retirement allowance formula and table according to the RT-IBEW Retirement Plan provisions in effect on February 28, 1993.

(b) If a Member has Current Services on or between November 1, 1993 and June 30, 2008, for retirement from service on or after age 65, the Retirement Allowance shall equal two and one-half percent (2 ½%) of the Member's Final Monthly Compensation multiplied by a Member's Years of Service.

(c) If a Member has Current Service on or after July 1, 2008, and terminates or retires from service on or after age 60, or after earning at least 30 years of service, the Retirement Allowance shall equal two and one-half percent (2½%) of the Member's Final Monthly Compensation multiplied by the Member's Years of Service.

(2) A Retirement Allowance, is payable on the same dates and in the same manner as the Employer issues its payroll to active Members. Payment shall begin with the first day of the month coincident with or following the month in which the Employee actually retires, whichever

occurs last, provided, however, if an employee retires other than on his or her last regular work day of a calendar month, the retirement payment for that month shall be prorated accordingly. In no event shall payment of a Member's Retirement Allowance commence later than the Member's Required Beginning Date.

(3) In the event that a retired Member dies on a day other than the last calendar day of a month, the Member's Retirement Allowance payment for that month shall be prorated to that day and paid to the Member's Beneficiary (Spouse, Registered Domestic Partner or other, as the case may be) or to the Member's estate if there is no living Beneficiary. If the retired Member dies on the last day of a calendar month, the Member's full Retirement Allowance payment for that month shall be paid to the Member's Beneficiary or estate as the case may be.

APPENDIX F
RT-IBEW 1245
RETIREMENT PLAN PROVISION IN EFFECT
ON FEBRUARY 28, 1993

Upon retirement from service subsequent to September 16, 1974, a member is entitled to receive a service retirement allowance computed as follows:

For retirement at age 62, the monthly service retirement allowance shall equal one-sixtieth (1/60) of the member's final monthly compensation multiplied by the total number of years of prior service plus current service.

For retirement at ages other than 62, the allowance will be adjusted in accordance with the following table by applying the appropriate percentages to the final compensation of the member based upon his or her years of service and age at retirement. For ages and periods of service differing from those shown on the table, the applicable percentages shall be interpolated, based upon the preceding completed quarter year of service and the preceding completed quarter year of age. For ages beyond age 70, the applicable percentage shall be determined on the basis of the same actuarial assumptions used to obtain the percentages shown on the table.

APPENDIX B

**TO THE
COLLECTIVE BARGAINING AGREEMENT**

BETWEEN

SACRAMENTO REGIONAL TRANSIT DISTRICT

AND

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 1245, AFL-CIO**

POSITIVE DISCIPLINE PROGRAM GUIDELINES

November 1, 2007 thru October 31, 2009

POSITIVE DISCIPLINE PROGRAM GUIDELINES
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SACRAMENTO REGIONAL TRANSIT DISTRICT POSITIVE DISCIPLINE PROGRAM GUIDELINES

I. Introduction

The Sacramento Regional Transit District (RT) and the International Brotherhood of Electrical Workers (IBEW) adopted a "Positive Discipline" Program pursuant to the memorandum of agreement dated March 9, 1993. Positive Discipline is a total performance management system that supports Regional Transit's belief that employees prefer successes in their work, and should be encouraged and recognized for these successes. Positive Discipline concentrates and relies on personal responsibility and decision making to build commitment and self-discipline. This is essential for the success of Regional Transit and its employees.

When employees perform their work well, they deserve to be recognized for it. When they do not, they deserve to have it discussed with them and to be given the opportunity to improve. Key aspects of the Positive Discipline system include recognizing and encouraging good performance, and correcting performance, which does not meet expectations. Positive Discipline focuses on communicating an expectation of change and improvement in a personal, adult, non-threatening way, while at the same time maintaining a commitment to RT's performance requirements.

II. Application

The Positive Discipline Program applies to all regular IBEW member employees. It does not apply to newly hired employees while they are on probation. The performance of probationary employees shall continue to be monitored utilizing performance reviews and counseling. Employees on probation as a result of a promotion will be subject to the Positive Discipline Program.

III. Responsibilities

To be successful, it is important that all the participants under Positive Discipline understand their roles and responsibilities. The participants include Executive Management, IBEW, Senior Managers, Superintendents, Supervisors, and each employee. These responsibilities are outlined as follows.

A. Executive Manager

Executive Management is responsible for the top down support of the Positive Discipline Program. This includes monitoring departmental participation and holding Senior managers accountable for the effective application of Positive Discipline in their respective departments.

B. I.B.E.W.

The IBEW will actively participate in all elements of the Positive Discipline Program including education, communication and evaluation.

C. Senior Managers

Managers are responsible for the effective application of Positive Discipline in their departments. This includes assuring that supervisors have the necessary skills, supervisory performance, and monitoring consistency and fairness among supervisors.

D. Superintendents and Supervisors

Superintendents and Supervisors are responsible for the day to day application of the Positive Discipline Program with the employees, which they supervise. This includes providing positive recognition and feedback, coaching and counseling, and addressing performance problems as they occur. Each supervisor is responsible for clearly communicating RT's performance expectations to the employees who work for them, and to let them know how they are performing, through coaching, counseling, recognition, and formal discipline.

E. Employees

Each employee is responsible and accountable for his or her own actions and performance, and for performing their jobs in a safe and efficient manner. Employees are expected to know the performance expectations for their jobs and to meet those expectations.

IV. Procedures and Practices

A. Recognition

The supervisor is a very important member of the work group. Since the supervisor's job is to get work done through others, it is essential that energies be concentrated on helping employees be as successful as possible. What a supervisor expects of an employee and the way the employee is treated to a large extent determines that employee's performance. Good performance is a shared responsibility.

The supervisor has an opportunity to foster a working environment that is based on mutual respect and trust. This is a collaborative team effort that is mutually beneficial to the supervisor, employee, and the organization. Positive Discipline is intended not only to resolve performance problems

but encourage improvement and recognize exceptional performance. Reinforcement of this behavior will help ensure its continuation and should be used in a variety of circumstances including the following examples:

1. When an employee's attendance, conduct and/or performance improves, it is the responsibility of the supervisor to acknowledge the improvement in a way that encourages the employee to continue the improvement.
2. When an employee deserves recognition and commendation for performance that is above and beyond the call of duty.
3. When an employee deserves recognition and commendation for performing competently and diligently over a period of time.

In a discussion of this nature, the supervisor must refer to the specific improvement or incident with which the supervisor is pleased. The supervisor must be specific and sincere. These positive contacts should be noted on the employee's operating file. If the employee's performance is exceptional, or the supervisor is deactivating a step of formal discipline, a memo to the employee should be prepared by the supervisor recognizing this exceptional or improved performance. The memo should be presented personally by the supervisor to the employee. This type of recognition can be highly successful in establishing and maintaining a motivating, productive work environment.

B. Coaching and Counseling

Coaching/counseling is the expected method for the supervisor to inform an employee about a problem in the areas of work performance, conduct, or attendance. The objective of performance coaching/counseling is to help the employee recognize that a problem exists and to develop effective solutions to it. Since it is the supervisor's approach to a performance problem that often brings about the employee's decision to change behavior, it is critical that the supervisor be prepared. Coaching/counseling is intended to be a deliberation and discussion between the supervisor and employee. Normally, performance problems can be resolved at this step. Documentation (memoranda or forms) of coaching and counseling sessions shall be signed and dated by the employee.

Coaching/counseling memos, forms, or notes kept in the supervisor's operating file should be deactivated in the same manner as oral reminders. If a bargaining unit employee requests a shop steward prior to or during coaching/counseling, such requests shall be granted.

C. Formal Discipline Steps

When an employee fails to respond to counseling or a single incident occurs which is serious enough to warrant a formal step of discipline, the supervisor will have several options, depending upon the seriousness of the performance problem. These options include:

1. Oral Reminder

The oral reminder is a formal conversation between a supervisor and an employee about a conduct, attendance or performance problem. The conversation is followed by the supervisor's memo to the employee summarizing the conversation and the employee's commitment to change or improve in the identified deficiency. It is the first step of the formal discipline process.

a. Application

The supervisor discusses the conduct, attendance, or work performance problem(s) with the employee in a private meeting. The supervisor reminds the employee of the importance of commitment to follow work rules and District standards. In this problem solving discussion, the supervisor informs the employee that this is the first step of formal discipline and restates the employee's need to live up to his or her commitment. The meeting closes with the supervisor expressing confidence in the employee's ability to change.

b. Documentation

i. The supervisor will prepare a memo documenting the points covered in the conversation; this memo shall be signed and dated by the employee when received by the employee. The Supervisor shall retain it in his or her operating file. The employee will be given a copy of this memo.

ii. An oral reminder is active for six (6) months.

2. Written Reminder

A written reminder is a formal conversation between a supervisor and an employee about a continued or serious performance, conduct, attendance problem. The conversation is followed by the

supervisor's written letter to the employee summarizing the conversation and the employee's commitment to change his or her behavior. It is the second step of formal discipline.

a. Application

This step is applied when

- i. An employee's commitment to improve is not met within the six (6) month active time period for an oral reminder; or
- ii. An employee commits a serious offense whether or not any previous disciplinary action has been taken.

b. Documentation

- i. After the conversation with the employee, the supervisor will then write a letter to the employee summarizing the discussion. It should describe the specific performance conduct or attendance problem, the date of previous coaching/counseling and/or oral reminders, if any, what offense caused the written reminder, the employee's commitment and need to change in the future, and that further steps of formal discipline could follow if the problem is not solved. The letter shall be signed and dated by the employee.
- ii. The original copy of the letter is given to the employee. The immediate supervisor retains a copy of the letter and a copy is placed in the employee's personnel file.
- iii. The written reminder is active for twelve (12) months.

3. Decision Making Leave (DML)

The DML is the third and final step of formal discipline. It consists of a discussion between the supervisor and the employee about a very serious incident or continuation of a performance conduct or attendance problem. The discussion is followed by the employee being placed on a decision making leave the following workday, with pay, to decide whether he or she wants and is able to continue work for RT. This means following all the rules and performing conducting or attending work in a fully satisfactory manner.

The employee's decision is reported to the supervisor the next workday after the DML. The DML is an extremely serious step since, he or she will be subject to termination from employment if the employee does not live up to the commitment to meet all company work rules and standards during the next eighteen (18) months, the active period of the DML.

Because the DML is a total performance agreement by the employee there is only one (1) active DML allowed.

a. Application

This step is applied when:

- i. An employee's commitment to improve is not met during the twelve (12) month active time period for a written reminder; or
- ii. An employee commits or continues a very serious offense whether or not previous discipline has taken place.

b. Documentation

- i. When the employee returns from the decision making leave, the employee will be given a letter summarizing the decision making leave incident and the employee's decision. The letter will advise the employee he/she will be subject to termination should the employee fail to live up to his or her commitment to maintain an acceptable level of performance, conduct and attendance and abide by all company rules. The letter shall be signed and dated by the employee.
- ii. The original copy of the letter is given to the employee. The immediate supervisor retains a copy of the letter and a copy is placed in the employee's personnel file.
- iii. A DML is active for eighteen (18) months.

c. Prohibition on Promotion

An employee working under the terms of an active (live) DML is not eligible to bid for, or be awarded a promotion into another job classification with a higher top hourly pay rate.

4. Extension of Active Time Period for Disciplinary Action

During the active period of a disciplinary action, if an employee has an absence for anything other than floating holiday, military leave, jury duty or vacation, the active period of the disciplinary action will be extended by one (1) day for each day of any such absence.

5. Termination

- a. Termination from employment shall occur when Positive Discipline has failed to bring about a positive change in an employee's behavior, such as another disciplinary problem occurring within the eighteen (18) month active duration of a DML. Termination from employment will also occur in instances when a single offense of such major consequence is committed that the employee forfeits his or her right to the Positive Discipline Program. Examples include but are not limited to theft, possession of illegal drugs or alcohol on company property, during working hours striking a member of the public or another employee and other similar offenses.
- b. Notwithstanding the forgoing, if a performance conduct or attendance problem which normally would result in any level of formal discipline occurs during an active DML, RT will take mitigating factors such as length of employment, employment record, nature and seriousness of the violation, etc. into consideration before making a decision to discharge. Should RT make the decision not to terminate, this decision should be documented and placed in the employee's personnel file. The employee should also be given a copy of this documentation.
- c. In the event of a proposed termination from employment for a violation of the terms of a DML or for a single instance of egregious conduct, the employee shall be subject to a pre-termination hearing, as set forth in Section 29.5, of the labor agreement.

V. Administrative Guidelines

A. Rule Infraction Categories

Rule infractions are generally divided into three (3) categories. These are:

1. Work performance
2. Conduct
3. Attendance

The maximum number of oral reminders that may be active at one time are three (3) and these must be in different categories. Should another performance, conduct or attendance problem occur in a category where there is already an active oral reminder, the discipline must escalate to a higher level of seriousness; usually a written reminder.

The maximum number of written reminders that may be active at one time is two (2), and these must be in different categories. Should another performance, conduct or attendance problem occur in a category where there is already an active written reminder, the discipline must escalate to a DML.

The supervisor is responsible for the Positive Discipline Program including each step of formal discipline. At each formal discipline step specific approvals are required as indicated on the attachment entitled Positive Discipline Summary.

B. Grievance Appeal

Placement of an employee at a Positive Discipline step or termination of an employee may be grieved by the Union on the grounds that such action was without "just cause".

Because the Decision-Making Leave is a total performance agreement on the employee's part, there is only one (1) DML that can be active at any time. While a DML is active, no other formal discipline may be administered.

C. Infraction Category Examples

The following list, which is not intended to be all inclusive, gives examples of rule violations and the general categories they fall into.

1. Attendance

- a. Absenteeism
- b. Tardiness
- c. Sick leave abuse
- d. Unavailability for work
- e. AWOL

2. Conduct

- a. Violation of employee work rules
- b. Insubordination
- c. Falsification of District records
- d. Conducting personal business on District time
- e. Failure to adhere to safe work practices
- f. Sleeping on the job

3. Work Performance

- a. Unsatisfactory work performance (quality/quantity, effort, or negligence)
- b. Poor housekeeping

D. **Infraction Severity**

Offenses in each of the three (3) categories are normally assigned a level of severity. Their level of severity can be minor, serious, or major in nature. As a general rule, the seriousness of the offense dictates which disciplinary step of the Positive Discipline Program would apply.

E. **Practices, Rules and Common Sense**

The above list is not totally inclusive. RT's standard practices, safety and procedural rules, along with sound judgment and common sense should govern individual conduct and actions. Individual departments also have rules and standards, which must be followed.

F. **Union Representation/Record Review**

Upon request, all employees are entitled to Union representation during any coach and counseling or formal discipline step of the Positive Discipline Program. Employees will be permitted to review their performance conduct or attendance record upon advance notice to their supervisor allowing a mutually agreeably time to be established.

G. Crises Suspension

Crises suspension should be used when the employee's inappropriate behavior is so serious immediate removal from the work place is necessary because the employee's actions indicate that remaining on, or returning to the job may be detrimental to the employee, patrons, or to RT. The employee shall be required to leave RT property with pay pending the results of an investigation. Some examples would be theft, gross insubordination, threat of violent action or, destruction of RT property. Such situations are to be handled as follows:

1. If, upon completion of its investigation, RT finds that there is insufficient evidence to support the alleged misconduct, the employee will be returned to work.
 2. If, upon completion of its investigation, RT finds that there is sufficient evidence to support proposed termination of employment, the employee will be charged and given an opportunity to respond in accordance with procedures of the CBA. The response will be taken into consideration in making a final decision.
 3. If, upon completion of its investigation, RT finds that there is sufficient evidence to support disciplinary action short of termination from employment, the appropriate step of formal discipline will be assessed.
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H. Disciplinary Action Deactivation

A very important step of the Positive Discipline Program which recognizes improved performance is the disciplinary action deactivation process. If an employee's attendance, conduct, and/or performance improves, it is mandatory that the supervisor acknowledge the improvement during a meeting with the employee. The administrative process of deactivation is summarized below.

1. Oral Reminder

At the end of the six (6) month active time period, the immediate supervisor will meet with the employee and inform him or her of the inactive status of the oral reminder, and commend the improved performance conduct or attendance. The original memo is to be removed from the supervisor's operating file and returned to the employee.

2. Written Reminder

At the end of the twelve (12) month active time period for the written reminder the supervisor will meet with the employee and informs him or her of the inactive status of the written reminder. The supervisor will prepare a memo advising the employee of the inactive status of this step, commend the improved performance, conduct or attendance and sends a copy to the employee's personnel file.

3. DML

At the end of the eighteen (18) month active time period for the DML the supervisor will meet with the employee and inform him or her of the inactive status of the DML. The supervisor will prepare a memo advising the employee of the inactive status of the step, commend the improved performance conduct or attendance and sends a copy to the employee's personnel file.

I. Employee Assistance Program

The Employee Assistance Program (EAP) will continue to play a very important role and should be utilized by supervisors and employees when appropriate.

J. Options to Formal Discipline

At each step of the Positive Discipline Program, both the supervisor and employee should consider a variety of options to formal discipline. These may include EAP, training, demotion, leave of absence, etc.

K. Documentation

Documentation prepared by the supervisor as a part of the Positive Discipline Program, including recognition, coaching/counseling, and formal discipline, will be issued after a discussion with the affected employee. The documentation should address the following items.

1. The event leading to the discussion.
2. What was said by both parties during the discussion.
3. What future actions are expected.

The employee is to be afforded copies of all documentation related to the administration of this program.

VI. Program Duration

This Positive Discipline Program, first established on September 21, 1993, and as is revised from time to time, shall run concurrently with the present Collective Bargaining Agreement and will continue in its present form unless modified or terminated by the parties through collective bargaining.

FOR THE
DISTRICT:

Walter Bailey 06/18/08
Douglas C. Miller 6/18/08

FOR THE
IBEW, LOCAL 1245:

Tom Daly
James P. Lewis

POSITIVE DISCIPLINE SUMMARY

ACTION	MONTHS ACTIVE	INITIATING RESPONSIBILITY	APPROVAL	DOCUMENTATION
Employee Recognition	---	Immediate Supervisor	---	Verbal or Letter (Copy of letter placed in Personnel File)
Coaching/Counseling	---	Immediate Supervisor	---	Letter placed in Operating File or Log

FORMAL DISCIPLINE

Oral Reminder	6	Immediate Supervisor	Reviewed by Department Manager	Written memo to employee (Copy placed in Supervisor's Operating File)
Written Reminder	12	Immediate Supervisor	Reviewed by Department Manager & Senior Staff	Typed letter given to employee (Copy placed in Supervisor's Operating File & Personnel File)
Decision Making Leave (DML)	18	Immediate Supervisor	Reviewed by Department Manager, Senior Staff, & Employee Relations Manager	Typed letter given to employee (Copy placed in Supervisor's Operating File & Personnel File)
Termination	---	Immediate Supervisor	Reviewed by Department Manager, Senior Staff, & Employee Relations Manager	Typed letter given to employee (Copy placed in Personnel File)

NOTE:

- Oral Reminder The maximum number of oral reminders that may be active at one time is three (3) and all of these must be in different categories. Any employee whose performance requires reminders in excess of this will move to the next level of discipline.
- Written Reminder The maximum number of written reminders that may be active at one time is two (2) and these must be in different categories. Any employee whose performance requires reminders in excess of this will move to the next level of discipline.
- DML A DML is a total performance step. There is one DML allowed during its active period.

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