

**Article IX — Vesting & Forfeitures**

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## **Article IX — Vesting & Forfeitures**

### **§ 18-901 Accounts Which Are 100% Vested.**

The entire balance in any of the following accounts of a Participant (or Beneficiary) shall be 100% vested at all times:

- (a) Closed Employer Contribution Account.
- (b) Employee Contribution Account.

### **§ 18-902 Vesting of Other Accounts.**

(a) **Employer Contribution Accounts.** Except as provided in subsections (c) through (f), the vested portion of the Employer Contribution Account of any Participant or Beneficiary shall be a percentage of the account balance determined in accordance with the following schedule (*see* § 18-202):

<u>Years of Service</u>	<u>Vested Portion</u>
less than 7 .....	0%
7 or more .....	100%

(b) [RESERVED]

(c) **Normal Retirement Age.** The balance in all the Plan accounts created for any Participant who has attained the Normal Retirement Age (age 65) at a time when he is a Qualified Employee (or become a Qualified Employee after attaining the Normal Retirement Age) shall be 100% vested.

(d) **Death or Disability.** The balance in all the Plan accounts of any Participant or Beneficiary shall be 100% vested at all times after the Separation from Service of the Participant for whom the account was created if the Separation from Service occurred due to the death of the Participant or a condition which rendered the Participant Disabled.

(e) **Plan Termination.** The balance in all the Plan accounts of any Participant or Beneficiary shall become 100% vested upon the termination or complete discontinuance of Employer contributions under this Plan and Trust. In the event of a partial termination of the Plan, the accounts of those Participants (and Beneficiaries) included in that part of the Plan which has terminated shall become 100% vested.

(f) **Payments from a Partially Vested Account.** If any payments have been made out of any account of a person at a time when such account was not 100% vested, the vested portion of such account shall be:

(1) the amount which results when the otherwise applicable vesting percentage is applied to the sum of the account balance and the amount of payments which have been made from the account; **less**

(2) the amount of payments which have been made from the account.

## § 18-903 Forfeiture of Nonvested Employer Contributions.

(a) **Cash-Out of Plan Benefits.** In the case of any Participant who is not 100% vested in all of his Plan accounts (*see* § 18-902), the nonvested portion of the Participant's Plan accounts *shall be forfeited* —

(1) on any date, after the Participant Separates from Service, that all of the Participant's remaining vested Plan benefits are paid from the Plan; **or**

(2) on the date the Participant Separates from Service, if he has no vested balance in any account under the Plan.

(b) **Lengthy Break In Service.** With respect to any Plan account of any Participant (other than the Participant's Employee Contribution Account) for which there has not been a forfeiture under subsection (a), the portion of the account which is not vested *shall be forfeited* if and when the Participant incurs a Lengthy Break in Service (*see* § 18-303(b)). In the event of such a forfeiture, the portion of the Plan account which is vested shall be transferred to the Closed Employer Contribution Account.

(c) **Death.** The nonvested portion of the Plan accounts of any Participant who is not a Qualified Employee at the time of his death *shall be forfeited* as of the date of the Participant's death. The remainder of those accounts shall be transferred to the Participant's Closed Employer Contribution Account.

(d) **Withdrawal of Employee Contributions.** No forfeitures will occur solely as a result of an employee's withdrawal of employee contributions to the Plan.

#### § 18-904 Application of Forfeitures.

All funds forfeited under § 18-903 shall be allocated to the Forfeiture Account. Amounts in the Forfeiture Account under this Plan shall be applied on the last day of each Plan Year under the provisions of Article V to reduce Employer contributions to the Plan for the given Plan Year.

#### § 18-905 Repurchase Right In The Case of Reemployment Following a Forfeiture Due To a Cash-Out.

(a) **Cash-Out Distribution.** If a Participant who suffered a forfeiture under § 18-903(a)(1) (relating to forfeitures after a Separation from Service and distribution of all vested benefits) becomes a Qualified Employee again before he incurs a Lengthy Break in Service (*see* § 18-303(b)), and repays to the Plan the full amount of all distributed Plan benefits at a time when he is a Qualified Employee and before the first (1st) anniversary of the date the person became a Qualified Employee again, then the amount of the repayment shall be credited to the accounts from which they were derived. Further, the Employer shall contribute to each such account an amount equal to the amount which was forfeited from such account (without any adjustment for imputed interest or imputed Plan Income or loss). The contributions specified in this subsection (a) shall take place as of the date the person repays the amount of Plan benefits previously received.

(b) **Return of Formerly Non-Vested Participant.** If a Participant who suffered a forfeiture under § 18-903(a)(2) (relating to forfeitures of a Participant with no vested account balances after a Separation from Service) becomes a Qualified Employee again, before he incurs a Lengthy Break in Service (*see* § 18-303(b)), **then** the Employer shall contribute to the account(s) from which the forfeiture was made an amount equal to the amount which was forfeited from such account (without any adjustment for imputed interest or imputed Plan Income or loss). The contributions specified in this subsection (b) shall take place as of the date the person becomes a Qualified Employee again.

(c) **No Limitations.** The Employer contributions under this § 18-905 shall not be subject to any limitations provided in Article V (relating to Employer contributions) or Article VII (relating to Maximum Additions), and shall not be treated as Employer contributions for those purposes.