



Plan Summary – Contract 17394 City of Rockville Pension Plan for Union Employees

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Website: www.prudential.com/online/retirement

Interactive Voice Response (IVR) service (weekdays 8:00a.m. – 9:00p.m. Eastern time): 877-778-2100

Eligibility and Entry

You are eligible to join the plan once you become an employee of the City of Rockville. You may begin to participate in the plan on your date of hire.

Required Contributions

Union employees hired prior to December 1, 1986 must contribute 4.2% of their salary towards the defined benefit plan. Union employees hired on or after December 1, 1986 do not contribute a portion of their salary towards the defined benefit plan and must make an irrevocable election of 1% to 5% of their salary towards the defined contribution plan (thrift).

Earned Benefit

As you work for the City of Rockville, you earn your retirement benefit. This earned benefit grows with your service and pay.

For union employees hired prior to December 1, 1986, the formula used to calculate your earned benefit is your final average earnings times your credited service multiplied by 1.8%.

For union employees hired on or after December 1, 1986 (who must contribute to the thrift plan), the formula used to calculate your earned benefit is your final average earnings times your years of service after December 1, 1986 multiplied by 1.0%.

Final Average Earnings

The average of your annual earnings during the 36 consecutive months which give the highest average out of the 120 latest months.

Vesting

You are always 100% vested in the required contributions. You cannot forfeit these contributions. Your vesting percentage will be 100% if you are working for the City of Rockville on or after the date you reach normal retirement age.

After completing 10 years of service, you are fully vested in your pension benefits. If you leave the City of Rockville before completing 10 years of vesting service, you may forfeit all or a portion of your benefit.

Benefit Information

You may obtain benefit information through:

- Annual statements
- Website: www.prudential.com/online/retirement
- Interactive Voice Response (IVR) system: 877-778-2100

Plan Funding and Expenses

The City of Rockville funds a portion of the pension plan and pays the plan administrative expenses.

When You Receive Benefits

For union employees hired before July 1, 2011 you may receive a benefit at:

- Normal Retirement (age 60)
- Early Retirement (The later of: the date you obtain age 50 or the date you complete 10 years of service)
- Death

For union employees hired on or after July 1, 2011 you may receive a benefit at:

- Normal Retirement (age 65)
- Early Retirement (The later of: the date you obtain age 58 or the date you complete 10 years of service)
- Death

For union employees hired before July 1, 2011, the Normal Retirement Date shall be the first day of the month coincident with or next following the employee's 60th birthday. For union employees hired on or after July 1, 2011, the Normal Retirement Date shall be the first day of the month coincident with or next following the later of (a) the employee's 65th birthday, and (b) the completion of ten (10) years of Credited Service.

For union employees hired before July 1, 2011, the Early Retirement Date shall be the first day of any month prior to such employee's Normal Retirement Date, but not before the later of (a) the employee's 50th birthday, and (b) the completion of ten (10) years of Credited Service. For union employees hired on or after July 1, 2011, the Early Retirement Date shall be the first day of any month prior to such employee's Normal Retirement Date, but not before the later of (a) the employee's 58th birthday, and (b) the completion of ten (10) years of Credited Service.

Forms of Benefits

The plan offers the following ways for you to receive your benefits:

- Life Annuity with 10 year certain period – Payments are made for as long as you live. If you die before the end of the 10 year certain period, any remaining payments will be paid to your beneficiary until the 10 years period ends.
- Survivorship Annuity – Payments are made for as long as you live. You choose a percentage (50%, 66 2/3%, or 100%) of your income to continue upon your death for the lifetime of the survivor you name. At death, 50%, 66 2/3%, or 100% of the amount you receive will be paid to the person you name as contingent annuitant.

After you terminate employment, you may receive a lump sum payment of your required contributions and credited interest and a portion of the benefit provided by City of Rockville.

Other Information

This is a brief summary of your employer's retirement plan. If there are any discrepancies between this summary and the plan document, the plan document will govern.

This summary is not meant to replace the plan document. If you would like to receive a copy of the plan document, please contact your employer.

*Most withdrawals/distributions are subject to taxation and required withholding. Check with your financial/tax advisor on how this may affect you.

Prudential's Call Center representatives are available to answer questions about the retirement plan, too. Please call 1-877-778-2100 (weekdays 8:00am – 9:00pm Eastern time) to speak with a representative.

For more information about Prudential Retirement, visit www.prudential.com/online/retirement