

AGREEMENT BETWEEN
THE BOROUGH OF NAUGATUCK SUPERVISORS
CHAPTER 90
C.S.E.A., INC./SEIU, LOCAL 2001
AND
THE BOROUGH OF NAUGATUCK
JULY 1, 2013 – JUNE 30, 2016

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The following contract, effective as of July 1, 2013 by and between the Borough of Naugatuck, hereinafter referred to as the "Borough" and The Borough of Naugatuck Supervisors Chapter 90, C.S.E.A./SEIU Local 2001, hereinafter referred to as the "Supervisors" or "Union", as follows:

ARTICLE I
RECOGNITION AND UNIT DESCRIPTION

The Borough of Naugatuck recognizes the Borough of Naugatuck Supervisors Chapter 90, C.S.E.A. Inc./SEIU, Local 2001, SEIU, as the exclusive bargaining agent for the purpose of collective bargaining relative to wages, hours, and other conditions of employment for the Building Inspector, Town Planner/Wetlands Enforcement Officer, ZEO, Director of Visiting Nurses Association, Supervisor of Clinical Services, Recreation Director, Director of Youth Services, Assistant Controller, Assistant Tax Collector, Assistant Borough Engineer, Assistant Town Clerk, Police Department Office Manager, Assistant Director of Youth Services, Borough Clerk, Building Custodial Superintendent, Assistant to Building Inspector, I.T. Director, excluding all others.

The Borough agrees that if the Survey Section Chief, the Assistant Assessor, the Assistant Borough Clerk, the Administrative Assistant/Benefits Coordinator, the Network Manager – Police Department and/or Animal Control Officer positions are reinstated, such position(s) shall be recognized as bargaining unit positions.

The position of Golf Course Superintendent shall be excluded so long as the duties of the position are performed by the Golf Pro.

All of the foregoing positions are recognized to be included in the bargaining unit except as they may be excluded by order of the Connecticut State Department of Labor under applicable State law, or by agreement between the Borough of Naugatuck and the Union. The Borough agrees to keep whole the existing bargaining unit as described above.

ARTICLE II
UNION SECURITY/AGENCY FEE

All employees in the unit who are not Union members on the effective date of this Agreement shall, as a condition of continued employment, commencing thirty (30) days after the effective date of this Agreement, pay CSEA, Inc./Local 2001, SEIU each month a service charge as a contribution toward the cost of administering and negotiating of the Agreement and servicing of grievance provisions provided, however, that no employee shall be required to comply with this section before the completion of his/her first probationary period. Objection to his section by any non-union member may be appealed in writing to CSEA, Inc./Local 2001, SEIU for review. The service charge will be computed in accordance with the following:

The service charge for non-members shall represent that proportion of full union membership dues and fees, which represents the cost of contract administration, contract negotiations, and grievance administration. At least annually the Union shall certify, in writing, to the Board or their designee and bargaining unit members subject to the service charge as it relates to full unit

membership, union dues and fees.

The provisions of this Section shall be in effect only so long as CSEA, Inc./Local 2001, SEIU is the sole and exclusive bargaining representative for the employees covered by this Agreement.

DUES CHECK OFF: Upon receipt of individual written authorization from bargaining unit members, the Borough agrees to deduct union dues or a service fee monthly from earned wages and remit promptly to CSEA, Inc./Local 2001, SEIU at its current address no later than the last day of each month. The organization agrees to indemnify and to hold the Borough harmless against any and all claims, demands, suits, or other forms of liability that shall, or may arise out of, or by reason of, action taken by the union for the purpose of complying with the provisions of this Article.

ARTICLE III **EMPLOYEES RIGHTS AND REPRESENTATION**

Section 1. The chief steward, the department steward and not more than one (1) employee involved in any grievance shall be granted leave of absence without loss of pay for the time required to discuss and process any grievance with the employee or others involved, and to participate in any grievance step described in this contract or in any arbitration proceedings consequent thereto.

Pay for purposes of this section shall not include pay from non-profit organizations, work for the school department, contract jobs, or any other jobs where the Borough is to be reimbursed for such pay.

Section 2. The Union officers, one (1) chief steward, or his/her designee shall be permitted to discuss official Union business with (a) the Mayor or his/her designee, at a mutually agreeable time, and (b) with employees prior to the normal workday or the end of the workday.

One (1) chief steward or his designee shall be permitted to discuss official Union business during regular working hours with any employees on matters pertaining to such an employee's grievance, at a time outside of regular working hours.

ARTICLE IV **STABILITY OF AGREEMENT**

No amendment, alternation or variation of the terms of this Agreement shall bind the parties hereto unless made and agreed to in writing by both parties.

ARTICLE V **HOLIDAYS**

Section 1. The following holidays shall be observed as days off with full pay:

New Year's Day

Columbus Day

Martin Luther King Day
President's Day
Good Friday
Memorial Day
Independence Day
Labor Day

Veteran's Day
Thanksgiving Day
Friday after Thanksgiving Day
Christmas Day
Day after Christmas

Section 2. Holidays shall be celebrated on the day designated under State or Federal law. In the absence of such State or Federal law, holidays falling on a Saturday shall be celebrated on the preceding day and holidays falling on Sunday shall be celebrated on Monday.

Section 3. When a holiday occurs during regular vacation, said holiday shall not be charged against the employee's earned vacation time. The employee shall be granted an additional day off at a time mutually agreeable to the employee and the Mayor or his/her designee.

Section 4. Any unanticipated holiday or day of mourning declared by the Mayor, or his/her designee, and celebrated by all other Borough employees, other than Board of Education employees, in the form of time off with pay, shall be granted to the members of this bargaining unit. A holiday shall mean a day in which usual Borough business is suspended for the commemoration of some event or person.

Section 5. Payments for holidays shall be included in a paycheck for the period in which the holiday occurs.

ARTICLE VI **SENIORITY**

Section 1. The Borough, with the cooperation of the Union, shall provide a list of department supervisors showing their date of hire and length of service with the Borough on or before December 1st of each year. Seniority shall be within the bargaining unit and within the department.

Section 2. New full time employees shall serve a probationary period of one hundred twenty (120) working days and shall have no seniority rights during this period, but shall be subject to all other provisions of this Agreement. The dismissal or reprimand of a probationary employee during the probationary period shall not be subject to the grievance procedure. Working days shall be defined as days that the employee actually attended work. Upon successful completion of the probationary period, the new full time employee's first date of actual employment shall be used for purposes of length of service.

Section 3. All vacancies and new positions shall be posted for a period of seven (7) working days on bulletin boards to be provided for such purpose, prior to any action taken by the Borough to permanently fill such vacancies or new positions. The Mayor or his/her designee shall notify the Union President, in writing, of any such vacancy. Employees wishing to be considered for assignment to such vacancies or new positions may, personally or through their Union Representative, submit their request to the Mayor in writing.

Section 4. An employee shall lose his/her seniority rights under any of the following circumstances:

- a. Resignation.
- b. Discharge for just cause.
- c. Failure to report to work within ten (10) days after due notice by the Borough to the employee's last known address to return to work after layoff, provided the employee makes known his/her desire, in writing, to return within five (5) days.
- d. Absence beyond authorized absence.
- e. Expiration of one (1) year from date of layoff.
- f. Absence for a period of twelve (12) consecutive months.

Section 5. The seniority rights of the Union President, Vice-President, Secretary, Treasurer, Executive Committee, and Union Representatives shall be exactly the same as the seniority rights of all other employees.

Section 6. The person appointed to the vacancy or new position and the Union Secretary shall be notified, in writing, of the appointment. Notification shall be made not later than five (5) working days after the appointment.

Section 7. Copies of the job posting and a list of members of the bargaining unit bidding for the job, in writing, shall be sent to the Union Secretary at the end of the posting period.

ARTICLE VII **HOURS OF WORK, OVERTIME AND HOLIDAY PAY**

Section 1. Except as noted below, the regular hours of employment for exempt employees (group 1 employees) and non-exempt employees (group 2 employees) shall be thirty-five (35) hours per week divided equally over five (5) working days of seven (7) hours each Monday through Friday. The regular hours of employment for the Town Planner/Wetland Enforcement Officer, the Police Department Office Manager, ZEO and the Building Custodial Superintendent shall be forty (40) hours per week divided equally over five (5) working days of eight (8) hours each Monday through Friday.

The work week for exempt employees (group 1 employees) shall be flexible in that the scheduling of daily hours will be determined by the actual hours worked by such employees on a daily or weekly basis subject to the approval of the Mayor or his/her designee.

Documentation of such time shall be for the sole purpose of justifying these flexible hours and not for additional compensation for accrued hours.

Based on the duties and responsibilities of non-exempt employees (group 2 employees), such employees may work a flexible schedule during their respective work weeks agreed to, in writing, between the employee and his/her Department Head.

Section 2. All regular bargaining unit employees shall be paid on a one (1) week basis, i.e., 1/52 of annual rate, provided, however, in the event that the Borough decides to implement payday on a bi-weekly basis, the Union shall be provided with sixty (60) days advance written notice.

Section 3. There is no compensatory time allowed (accrued and/or used) for any exempt (as defined by the Fair Labor Standards Act) employees.

Non-exempt employees shall receive straight time for all hours worked up to forty (40) hours worked in a workweek.

Non-exempt employees shall receive overtime (at time and one-half (1½)) for all hours worked after forty (40) hours in a workweek, provided, however, all overtime must be approved, in advance, in writing, by the employee's Department Head.

Holidays, sick days, vacation days, personal days, bereavement leave, jury duty and/or any other forms of paid time off shall not be considered "hours worked" for purposes of calculating overtime.

The following bargaining unit positions shall be considered, salaried, exempt positions:

Group 1:

- Building Inspector
- Town Planner/Wetlands Enforcement Officer
- Director of Visiting Nurses Association
- Supervisor of Clinical Services
- Assistant Controller
- Assistant Borough Engineer
- I.T. Director
- Director of Youth Services

The following bargaining unit positions shall be considered non-exempt positions:

Group 2:

- Assistant Tax Collector
- Assistant Town Clerk
- Borough Clerk
- Police Department Office Manager
- Assistant Director of Youth Services
- Building Custodial Superintendent

- Assistant to Building Inspector
- Recreation Director
- ZEO

In the event that the Borough reinstates the Survey Section Chief, the Assistant Assessor, the Assistant Borough Clerk, the Administrative Assistant/Benefits Coordinator, the Network Manager – Police Department or Animal Control Officer positions, the Borough shall determine if the specific position(s) should be included in Group 1 or Group 2.

Section 4. Effective within thirty (30) days of the parties' agreement (via negotiations, mediation or arbitration) on the collective bargaining agreement commencing on July 1, 2013, all bargaining unit employees shall be paid via direct deposit. Accordingly, all remuneration owed to employees shall be paid via direct deposit. Bargaining unit employees shall complete necessary documentation in order for the Borough to implement direct deposit.

SPECIAL SECTION
DIRECTOR OF VISITING NURSES-SUPERVISORS OF CLINICAL SERVICES
ON CALL DUTY - WEEKENDS AND HOLIDAYS

Section 1. Should the Director of Visiting Nurses or Supervisor of Clinical Services be on call on a weekend or on a holiday, she shall receive, in addition to her regular rate of pay for all hours actually worked, a flat rate equal to the amount of the flat rate given to the registered nurses in effect at the time of occurrence.

Section 2. The Director of Visiting Nurses and the Supervisor of Clinical Services shall receive whatever the clothing allowance and cleaning allowance is for registered nurses in effect at the time of payment.

ARTICLE VIII
LAYOFF PROCEDURE

In the event of a layoff, the employee shall be given at least two (2) weeks' notice in writing.

ARTICLE IX
GRIEVANCE PROCEDURE

A "grievance" is a claim by an employee or group of employees that there is a breach, misinterpretation, or misapplication of a specific provision(s) of this Agreement. An effort shall be made to resolve all difference informally. However, when unresolved, the following grievance procedure shall apply:

LEVEL ONE: DEPARTMENT HEAD:

The employee shall submit his/her grievance in writing his/her Department Head or the Department Head's designee within seven (7) days of its occurrence. In the event that the grievance relates to the Department Head (or if the employee does not have a direct supervisor or if the employee's direct supervisor is a member of the Union), the employee may submit the

grievance directly to level two within the seven (7) days' time limit set forth herein.

Within fourteen (14) days after receipt of said grievance, the Department Head or his/her designee shall arrange a meeting and meet with the grievant and the Union Steward (or CSEA, Local 2001 Staff Representative) to discuss the grievance. The Department Head or his/her designee shall remit his/her decision in writing to the grievant within seven (7) days of said meeting.

LEVEL TWO: HUMAN RESOURCES:

If the grievant is not satisfied with the decision at Level One, the grievant may present his/her grievance to Level Two by presenting a written statement of the grievance and response of the Department Head or his/her designee to the Director of Human Resources or the Director of Human Resources designee within seven (7) days following the decision of the Department Head or his/her designee.

Within seven (7) days after receipt of said grievance, the Director of Human Resources or his/her designee shall arrange a meeting and meet with the grievant and the Union Steward (or CSEA, Local 2001 Staff Representative) to resolve the grievance. The Director of Human Resources or his/her designee shall remit his/her decision in writing to the grievant within seven (7) days of said meeting.

LEVEL THREE: ARBITRATION:

If the grievant is not satisfied with the decision at Level Two, the Union may submit the grievance to the State Board of Mediation and within seven (7) days of the decision of the Director of Human Resources or his/her designee.

The decision of the Arbitrator shall be final and binding on all parties. The Arbitrator shall have no power to add to, subtract from or to modify the terms of this Agreement.

The mediation services of the State Board of Mediation and Arbitration may be used prior to any step of the grievance process (after step one) by mutual written agreement of the parties.

In the event that the parties agree to the use of mediation, the time lines set forth above for steps 2-3 shall be tolled until the conclusion of mediation. If the mediation is unsuccessful, the time lines shall recommence on the day following the mediation.

"Days" shall be defined as calendar days.

Failure by the Department Head or the Director of Human Resources to meet the prescribed time limits shall be considered to be a denial on the final day for filing a response. Failure of the grievant to comply with the time limit shall be considered to be acceptance of the decision at the preceding level. Moreover, failure by the grievant to file a timely grievance at level one in accordance with Article IX shall be considered a waiver of such grievance.

ARTICLE X
BEREAVEMENT LEAVE

An employee, absent due to a death in the immediate family will be paid their regular salary or hourly rate for a period of three (3) days. Such leave shall commence on the day of death and continue through and include day of burial, but not over three (3) days in total, although leave may be extended at the discretion of the Mayor or his/her designee.

"Immediate Family" is defined to mean husband, wife, father, mother, grandmother, grandfather, grandchildren, brothers, sisters, or the employee's children, son-in-law, daughter-in-law, step-mother, step-father, step-children, mother-in-law, father-in-law. The foregoing is intended to cover legal as well as blood relationships.

One day's leave with pay shall be granted to an employee who attends the funeral of a sister-in-law, brother-in-law, aunt, or uncle, which may be extended at the discretion of the Mayor or his/her designee.

ARTICLE XI
PENSION PLAN

The pension plan for all members of the bargaining unit shall remain unchanged.

Bargaining unit members hired for Union bargaining unit positions prior to July 1, 2009 and bargaining unit members already vested in the Borough's defined benefit plan at the time that he/she becomes a member of the Union bargaining unit shall remain eligible for the Borough's defined benefit plan.

Except as set forth above, any employee hired for a Union bargaining unit position on or after July 1, 2009 shall not be eligible for the Borough's defined benefit plan; such employees shall be enrolled in the Borough's defined contribution plan, in accordance with the terms and conditions set forth in such plan.

ARTICLE XII
LONGEVITY

Employees shall receive longevity payments in a lump sum which shall be payable on the anniversary date of employment each fiscal year of the contract.

<u>YEARS OF SERVICE</u>	<u>AMOUNT</u>
10 years and over	\$200.00
20 years and over	\$300.00
30 years and over	\$400.00

ARTICLE XIII
PERSONAL LEAVE DAYS

Section 1. Regular full time bargaining unit employees shall be granted up to three (3) personal days as time off with pay within any given contract year, subject to the demands of service as determined by the Mayor, provided that the employee is an employee (as defined in this Agreement) on the date of the requested personal days and further provided that the employee has satisfactorily completed his/her probationary period as a new employee. A personal day may not be carried over to the following contract year. Except in an emergency situation, a request for a personal day shall be made, in writing, by the employee to the Mayor or his/her designee at least one (1) day prior to the requested date for personal leave, together with a statement of the reason for the request in sufficient detail to satisfy the Mayor or his/her designee. As used herein, the phrase "contract year" shall mean each one (1) year period of the contract commencing on July 1st annually.

Section 2. Such personal leave shall be available for approved legal or personal business matters that require the absence of the employee during work hours, and which cannot be scheduled at any other time.

ARTICLE XIV
NO STRIKE - NO LOCKOUT

During the life of this Agreement, there shall be no strike, slowdown, suspension, or stoppage of work in any part of the Borough's operations by any employee or employees or by the Union, nor shall there be any lockout by the Borough in any part of the Borough's operations covered by this Agreement.

ARTICLE XV
ARTICLES COVERED BY STATE STATUTES

Section 1. Each employee shall be covered by Connecticut State Statutes regarding:

- a. Workers' Compensation
- b. Jury Leave

Section 2. Where applicable, each employee and the Borough shall comply with the terms and conditions of the Federal Family and Medical Leave Act, the said terms and conditions of which are incorporated herein by reference.

ARTICLE XVI
EDUCATION

- A. Any regular, full-time employee covered by this Agreement shall be entitled, following the successful completion of thirty (30) of the required credit hours toward a bachelor's degree specifically related to his/her work, to the sum of two hundred dollars (\$200.00) a

year in addition to what he/she otherwise would be entitled. All courses shall be subject to the approval of the Mayor or his/her designee prior to enrollment.

- B. Any regular, full-time covered by this Agreement shall be entitled, following the successful completion of sixty (60) of the required credit hours toward a bachelor's degree specifically related to his/her work, to the sum of four hundred dollars (\$400.00) a year in addition to what he/she otherwise would be entitled. All courses shall be subject to the approval of the Mayor or his/her designee prior to enrollment.
- C. Any regular, full-time employee covered by this Agreement shall be entitled, following the successful completion of ninety (90) of the required credit hours toward a bachelor's degree specifically related to his/her work, to the sum of six hundred dollars (\$600.00) a year in addition to what he/she otherwise would be entitled. All courses shall be subject to the approval of the Mayor or his/her designee prior to enrollment.
- D. Any regular, full-time employee covered by Agreement shall be entitled, after successful completion of four (4) years of college with a Bachelor's Degree specifically related to his/her work, to the sum of one thousand dollars (\$1,000.00) a year in addition to what he/she otherwise would be entitled. All courses shall be subject to the approval of the Mayor or his/her designee prior to enrollment.
- E. Any regular, full-time employee covered by this Agreement shall be entitled, after successful completion of a graduate program with a Master's Degree specifically related to their work and above and beyond the minimum educational requirements for his/her position, to the sum of one thousand dollars (\$1,000.00) a year in addition to what he/she otherwise would be entitled. All courses shall be subject to the approval of the Mayor or his/her designee prior to enrollment.
- F. Said sum to which an employee is entitled shall be payable on or about August 1st in each year upon written application and proof of said credits and/or degrees. Said sections A, B, C, D and E above shall not be cumulative.
- G. Regular, full-time employees who enroll in courses relative to their work with the Borough shall be reimbursed fifty percent (50%) by the Borough for the costs of tuition, books and supplies, up to a maximum of three thousand dollars (\$3,000.00) annually. However, said sum shall not be due and payable to the employee unless and until proof of successful completion of the course involved, and the submission of invoices showing payment of said books and supplies. All courses for which the employee is seeking reimbursement shall be subject to the approval of the Mayor or his/her designee prior to enrollment. Additionally, all reimbursement of costs for tuition, books and supplies shall be subject to advance approval of the Mayor and the Board of Burgesses (Borough Board).
- H. All books in connection with said courses successfully completed and for which payment is made to the employee shall become part of the Department Library for the use of all department personnel and shall belong to the Borough.

- I. All schools must be fully accredited and all courses subject to the approval of the Mayor or his/her designee.
- J. Section A through I above shall not apply to courses completed prior to hiring, and reimbursement or payment for course work shall not be made for courses leading to the minimum educational requirements for the position held by the employee. However, with the advance approval of the Mayor or his/her designee, compensation may be made for course related to requirement newly imposed by the State after the employee has met the minimum educational requirement of his/her position.
- K. Employees shall not be eligible for tuition reimbursement as set forth herein for: (a) a second master's degree; (b) a doctoral degree; or (c) a law degree.

ARTICLE XVII
HOSPITALIZATION AND INSURANCE

Section 1. Effective July 1, 2013, all bargaining unit employees shall have the choice of the following plans for the eligible employee and his/her dependents (except where otherwise stated):

- Health Benefit Plan with a drug and vision rider (Option 1); or
- HDHP Plan with a vision rider (Option 2).

Effective July 1, 2013 eligible bargaining unit employees will contribute a cost-share toward the annual premium of the aforementioned plan in the following amounts:

	<u>July 1, 2013</u>	<u>July 1, 2014</u>	<u>July 1, 2015</u>
<u>Health Benefit Plan</u>	8%		
	9% (1-1-14)	10%	11.5%
	<u>Jan. 1, 2014</u>	<u>Jan 1, 2015</u>	<u>Jan 1, 2016</u>
<u>HDHP Plan</u>	0%	4%	6%

Option 1:

Health Benefit Plan co-pays:

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
	(upon signing)		
Office	\$20	\$25	\$25
Inpatient	\$150	\$200	\$200
Outpatient	\$150	\$150	\$150
ER	\$100	\$100	\$100

Urgent Care	\$25	\$25	\$25
Prescription:	\$5/\$20/\$35	\$5/\$25/\$40	\$5/\$25/\$40
Out of Network deductible \$1,000/\$2,000/\$2,500			
70%/30%			

Option 2:

HDHP: Effective January 1, 2014: \$2,000/\$4,000 deductible
 100% in network/70% out of network after deductible
 \$2,000/\$4,000 in network/\$4,000/\$8,000 out of network

If an employee elects the HDHP Plan, in year 1 of the contract (January 1, 2014), the Borough agrees to contribute seventy-five percent (75%) of the deductible; in year two of the contract (January 1, 2015), the Borough agrees to contribute sixty-five percent (65%) of the deductible and in year 3 of the contract (January 1, 2016), the Borough agrees to contribute fifty percent (50%) of the deductible.

The parties acknowledge that the Borough’s contribution toward funding the deductible is not an element of the underlying plan, but rather relates to the manner in which the deductible shall be funded for active employees. The Borough shall have no obligation to fund any portion of the plan for retirees or other individuals upon their separation from employment.

The employee will be responsible for opening the HDHP account and for any bank fees associated with maintaining the HDHP account. The Borough will make provisions for a before tax direct deposit payroll deduction for employees who elect the HDHP plan.

The Borough shall have the right to change current insurance carriers or self-insure for all of or for some of the aforementioned insurance provided that such modification(s) substitute benefits are substantially equivalent to or better than the benefits set forth herein on an overall plan benefit basis.

The Borough further agrees to provide each eligible bargaining unit member with:

- Flexible Dental Plan and
- \$50,000 Life Insurance Policy with AD&D Policy. (Dependents not included in Life Insurance Policy or AD&D Policy)

Employees who are sixty-five (65) years of age or over and who are actively employed shall receive the same benefits as all employees in the bargaining unit.

RETIRED:

Under 65, current health insurance with the applicable premium share contribution that was in effect at the time of the employee’s retirement.

Life: 25% of the plan offered to active employees

65 and over:

Medicare Supplement Plan F, with the applicable premium share contribution that was in effect at the time of the employee's retirement.

Life: 25% of the plan offered to active employees

Section 2. Employees eligible for health insurance benefits may waive coverage provided by the Borough and be paid twenty five percent (25%) of the medical premium costs that the employee is eligible for to a maximum of one thousand five hundred dollars (\$1,500.00) for waiving individual coverage, two thousand five hundred dollars (\$2,500.00) for waiving two person coverage and three thousand five hundred dollars (\$3,500.00) for waiving family coverage, to be paid on June 30th of each fiscal year.

Employees wishing to waive insurance coverage shall deliver proof of health insurance coverage and a signed, witnessed waiver form to the Human Resources Director prior to May 1st of each fiscal year.

Section 3. Detailed questions of interpretation and related matters of insurance will be determined by the master policy issued by the applicable insurance carrier.

ARTICLE XVIII
SICK LEAVE

Section 1. On the first day of each fiscal year, except as provided below, regular full-time bargaining unit employees shall be credited with fifteen (15) sick days. Probationary employees shall commence being credited with sick days upon the successful completion of his/her probationary period. Employees with less than one (1) year of service shall be credited with 1.25 sick days per month. Sick days shall be cumulative to a maximum of one hundred five (105).

Section 2. In the event that an employee is absent from work for five (5) consecutive work days or after nine (9) sick days in any sixty (60) day period, he/she shall submit a note from the physician treating the employee for the illness causing the absence. Failure to provide such a note or an incomplete note may be the basis for discipline.

Additionally, a pattern of absenteeism or abuse of absences may be the basis for discipline.

Section 3. For absence from work because of illness or injury (which illness or injury is not compensable under the Connecticut Workers' Compensation Act) or absence from work for medical or dental treatment which cannot be scheduled during the employee's non-working hours, sick leave shall be granted without loss in the employee's normal pay to the extent of the employee's sick leave eligibility as prescribed in Section 1 hereof.

Section 4. In the event of the death of the employee, the Borough will pay to the employee's

spouse or his dependent children or to their estate, if there are no spouse or dependent children, a sum equal to their regular daily salary for each day of credited sick leave or fraction thereof that the deceased employee had been credited up to the date of his/her death subject to the maximum set forth in Section 4 above. For the purpose of computation, five (5) working days constitutes one (1) week's salary. Employees hired on or after July 1, 1996 shall have accrued sick leave based upon their salary in effect at the actual time of accrual of said sick leave.

Section 5. Upon layoff, retirement or voluntary separation of service for good reason, after five (5) years of service, the Borough will pay to the employee an amount equal to their regular daily salary for each day of credited sick leave or fraction thereof the employee has been credited up to the date of such termination, to a maximum of ninety (90) sick days. For the purpose of computation, five (5) working days constitutes one (1) week's salary. The benefits of this section and the preceding section shall not be cumulative. Employees hired on or after July 1, 1996 shall have accrued sick leave based upon their salary in effect at the actual time of accrual of said sick leave.

ARTICLE XIX
LEAVE OF ABSENCE

Section 1. Family and medical leave shall be granted in accordance with applicable state and federal law.

Section 2. Military Leave shall be granted in accordance with applicable state and federal law and Borough policy.

ARTICLE XX
MILEAGE AND EXPENSE ACCOUNTS

Section 1. Any employee who utilizes her/her automobile for the purpose of Borough business shall be paid the standard applicable I.R.S. mileage rate. If an employee utilizes his/her automobile on weekends or holidays for the purpose of Borough business, he/she shall be paid from portal to portal.

Section 2. The Assistant Borough Engineer shall receive an annual clothing and cleaning allowance of five hundred dollars (\$500.00).

ARTICLE XXI
VACATION PAY

Section 1. Annual vacation leave with pay shall be credited to all full time employees in the following manner:

TERMS OF SERVICE

VACATION PAY

6 months to 1 year
1 year 1 day to 5 years

1 week
2 weeks

5 years 1day to 10 years	3 weeks
10 years 1day to 15 years	4 weeks
15 years 1day to 34 years	5 weeks
35 years	6 weeks

Section 2. Requested dates for vacation leave shall be granted with due consideration to the wishes of the employee, except that it may be deferred by the Mayor or his/her designee so as not to conflict with an emergency or peak loads of the department.

Section 3. When an employee has no sick leave available, he/she may elect to use vacation time as sick leave or request an extension of sick leave from the Mayor or his/her designee with pay.

Section 4. In the event of an employee's death, such payment shall be made to his dependent survivor or his estate if there is no survivor. Such payment will be made within two (2) weeks of date of expiration, in one lump sum, providing it does not cross the fiscal year. In the event it does cross the fiscal year, payment will be made in two (2) installments.

Vacation time credited in the employee's last year of employment shall be prorated for purposes of such pay out.

Section 5. Carryover of vacation time shall be granted to the employee by the Mayor or his/her designee, only if the employee had to forego scheduled vacation leave as a result of Borough needs.

ARTICLE XXII
MISCELLANEOUS

Each bargaining unit employee shall be evaluated on an annual basis by his/her immediate supervisor or Department Head, in consultation with the Director of Human Resources, as determined by the Borough.

ARTICLE XXIII
DISCIPLINARY ACTION

No employee who has completed his/her probationary period shall be removed, dismissed, discharged, suspended, demoted or disciplined in any other manner except for just cause. If an employee is disciplined, and in the judgment of such employee, this action is taken by the Borough without just cause, he/she may file a grievance in writing in accordance with Article IX herein.

Depending on the seriousness of the alleged infraction, the level of discipline shall normally be as follows:

- verbal warning
- written warning
- suspension without pay

- discharge

The Borough and the Union agree that the Borough may take disciplinary action without the need for progressive discipline when an offense is of such a nature that warrants it.

ARTICLE XXIV
UNION MEETINGS

The Union may call meetings in the Town Hall, providing such meetings do not conflict with other scheduled Town Hall activities or programs and providing further that employees do not leave their work stations until the end of the work day. All meetings will require previous notice being given to the Borough Clerk and will be held in a room approved by the Borough Clerk.

ARTICLE XXV
RIGHT TO REVIEW

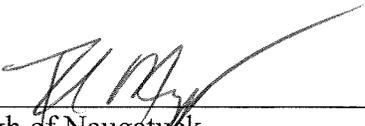
All employees shall have the right to review their personnel file, upon reasonable request to the custodian of said records, and at such time that the request will not interfere with the orderly operation of the Department in which such records are kept. The custodian of said records shall have the right to refuse a request when there is a reasonable cause to believe an employee is abusing the privilege.

ARTICLE XXVI
DURATION

This Agreement shall be effective as of the first day of July, 2013 and shall remain in full force and effect until the 30th day of June, 2016 except that it may be amended at any time by mutual agreement.

ARTICLE XXVII
SIGNATURE BLOCK

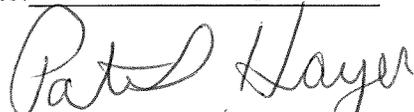
The provisions of this Agreement shall be in effect from July 1, 2013 and shall continue in force through June 30, 2016.

By: 
Borough of Naugatuck
Robert A. Mezzo


Borough of Naugatuck Supervisors
Chapter 90, C.S.E.A. Inc./SEIU,
Local 2001

Date: 10/23/2013

Date: 12-23-13


Patrick Hayes
Staff Representative
CSEA/SEIU Local 2001 1-13-14

APPENDIX A
SALARY AND WAGES

Section 1.

<u>Group 1:</u>	<u>July 1, 2013</u>	<u>July 1, 2014</u>	<u>July 1, 2015</u>
<u>Annual Salary</u>	2.15%	2.15%	2.20%
Building Inspector	\$78,493.03	\$80,180.63	\$81,944.60
Town Planner/Wetlands Enforcement Officer	\$89,328.76	\$91,249.33	\$93,256.82
Director of Visiting Nurses Association	\$72,601.82	\$74,162.76	\$75,794.34
Supervisor of Clinical Services	\$58,081.45	\$59,330.20	\$60,635.46
Assistant Controller	\$75,682.58	\$77,309.76	\$79,010.57
Assistant Borough Engineer	Vacant		
I.T. Director	\$83,398.90	\$85,191.98	\$87,066.20
Director of Youth Services	\$63,080.13	\$64,436.35	\$65,853.95

<u>Group 2:</u>	<u>July 1, 2013</u>	<u>July 1, 2014</u>	<u>July 1, 2015</u>
<u>Hourly Wage Rate</u>	2.15%	2.15%	2.20%
Assistant Tax Collector	\$29.73	\$30.37	\$31.04
Assistant Town Clerk	\$25.53	\$26.08	\$26.65
Borough Clerk	\$27.62	\$28.21	\$28.83
Police Department Office Manager	\$28.24	\$28.85	\$29.48
Assistant Director of Youth Services	\$27.85	\$28.45	\$29.08
Building Custodial Superintendent	\$22.10	\$22.57	\$23.07
Assistant to Building Inspector	\$31.61	\$32.29	\$33.00
Recreation Director	\$22.71	\$23.20	\$23.71
ZEO	\$29.15	\$29.78	\$30.43

Section 2. The starting wage rate for new employees shall be determined at the sole discretion of the Board of Mayor and Burgesses.

Chapter 89 + 90
(UPSEU)

BOROUGH OF NAUGATUCK

CONSOLIDATED PENSION PLAN

FOR SUPERVISORY AND WHITE COLLAR EMPLOYEES

September 1, 1990

ARTICLE ONE

Preamble

The Borough of Naugatuck, Connecticut and Local Number 760 of the Civil Service Employees Affiliates Chapters 89 and 90 (the "Union"), hereby adopt the Consolidated Pension Plan for Supervisory and White Collar Employees. The Plan is the sole and exclusive pension plan governing employees covered by the collective bargaining agreement effective April 1, 1990 between the Borough and Chapter 89 and Effective April 1, 1989 between the Borough and Chapter 90.

ARTICLE TWO

Definitions and Construction

2.1 Definitions. Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth in this Section 2.1, unless the context clearly indicates otherwise:

- a. Alternate Retirement Age means the date on which a Participant has attained age sixty (60) and completed at least ten (10) Years of Credited Service.
- b. Beneficiary means the individual or estate entitled to receive death benefits payable under this Plan pursuant to Section 6.4.
- c. Borough means the Borough of Naugatuck, Connecticut.
- d. Break-in-Service means a Plan Year in which an Employee does not complete a Year of Credited Service. A Break-in-Service may be caused by retirement, voluntary or involuntary termination of employment, unauthorized absence, or employment on a part-time basis, provided, however, in the event a Participant is subject to a layoff and recommences employment within one (1) year of such layoff, he shall not incur a Break-in-Service.
- e. Compensation means all monetary remuneration actually paid by the Employer to a Participant for personal services to the Employer during a Plan Year, including wages and salaries and accrued vacation pay and accrued sick leave paid as a result of termination of employment. Compensation shall not include (i) compensation paid in a form other than cash; (ii) severance pay; (iii) cash payment for compensatory time

paid as the result of termination of employment; (iv) any amounts contributed by the Employer to this or any other retirement plan or employee benefit plan; or (v) any business expense reimbursements paid by the Employer to the Participant. For Participants who were not participants in the Chapters 89 or 90 pension plans in effect prior to the Effective Date, Compensation shall not include: payments for: (1) overtime; (2) accumulated sick leave; (3) severance pay; or (4) cash payment for compensatory time paid as the result of termination of employment.

f. Date of Hire means the first day on which an Employee completes an Hour of Service, or the first day on which an Employee completes an Hour of Service following reemployment after a termination of employment.

g. Date of Severance means the earlier of: (i) the date on which an Employee's employment with the Employer terminates by reason of the Employee's resignation, discharge, retirement, Disability or, death, including accrued vacation time, but excluding compensatory time, or (ii) the first anniversary of the first date of a continuous period in which the Employee remains absent from active employment with the Employer for any reason other than the Employee's resignation, discharge, retirement, death, or Disability.

h. Disability means a physical or mental condition which, in the judgment of the Employer, based upon medical reports and other evidence satisfactory to the Employer, presumably permanently prevents an Employee from satisfactorily performing his usual duties for the Employer.

Disability shall not include incapacities arising from:

- (i) chronic or excessive use of drugs or narcotics;
- (ii) intentionally self-inflicted injury or intentionally self-induced sickness;
- (iii) a Participant's unlawful act or enterprise; or
- (iv) military service from which the Participant is eligible to receive a government sponsored military pension.

i. Disabled Participant means a Participant who has incurred a Disability.

j. Early Retirement Age means the date on which a Participant has attained age fifty-five (55) and has completed fifteen (15) Years of Service.

k. Effective Date means September 1, 1990, unless otherwise expressly provided herein.

l. Employee means a full-time paid, supervisory or white collar employee of the Borough.

m. Employee Contribution Account means the account maintained for a Participant to record his contributions and adjustments thereto.

n. Employer means the Borough of Naugatuck, Connecticut.

o. Final Average Earnings means the yearly Compensation of a Participant averaged over the three (3) consecutive Years of Service ending on his Date of Severance.

p. Former Participant means an individual who at one time was a Participant under the provisions of this Plan.

q. Hour of Service means the sum of hours for an Employee under (i) through (iii) below during the applicable computation period, as determined by the Pension Board from the employment records of the Employer:

- (i) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer;
- (ii) Each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability) and;
- (iii) Each hour for which an Employee is paid or entitled to payment, by the Employer on account of temporary total workers' compensation benefits.

The same hours of service shall only be credited once under Paragraphs (q)(i), (ii) and (iii).

r. Late Retirement Age means a Participant's Date of Severance following his Normal Retirement Age.

s. Legally Dependent Adult means an adult for whom a conservator of the estate, a guardian or a limited guardian has been appointed.

t. Month of Service means a calendar month during any part of which an Employee is credited with one or more Hours of Service.

u. Normal Retirement Age means the earlier of: (i) the date on which the Participant attains age fifty-five (55) and completes thirty (30) Years of Service or (ii) the date the Participant attains age sixty (60) and completes fifteen (15) Years of Service.

v. Participant means an Employee participating in the Plan in accordance with the provisions of Section 3.1.

w. Pension Board means the Pension Board created by the Borough pursuant to Borough Ordinance Number 83, Ordinance Creating Alternative Pension Plan and a Supplemental Pension Plan for Certain Non-Union Employees adopted September 20, 1988 and effective September 26, 1988; provided, however a Union member from each of Chapters 89 and 90, recommended by the Union president to the Borough's Mayor or elected by the Union membership shall serve in place of the non-union employee and the Board of Education member.

x. Pension Fund (Fund) means the assets of the fund known as the Supervisory and White Collar Pension Plan, maintained in accordance with this Plan.

y. Plan means the Supervisory and White Collar Pension Plan, the plan set forth herein, as amended from time to time.

z. Plan Year means the 12-month period commencing on July 1 and ending on June 30.

aa. Service means the aggregate of the period or periods of an Employee's employment with the Employer commencing upon the Employee's Date of Hire and ending upon a Date of Severance, as determined under Section 3.2.

bb. Year of Credited Service means, the twelve (12) consecutive month period during which an Employee completes at least twenty (20) Hours of Service per week for at least fifty-two (52) weeks per year. For purposes of Final Average Earnings calculation, Years of Credited Service shall be measured in years and completed Months of Service. In the event an Employee

of the Employer on the Effective Date who was not a Participant in the Chapters 89 or 90 plans irrevocably elects to become a Participant as provided in Section 3.1, Years of Credited Service shall be calculated from the date of such election.

2.2 Construction. The masculine gender shall be deemed to include the feminine gender unless the context clearly indicates to the contrary. The Plan shall be construed according to the laws of the State of Connecticut, and all provisions hereof shall be administered according to, and its validity shall be determined under, the laws of such State, except where preempted by Federal law.

ARTICLE THREE

Participation and Service

3.1 Requirements for Participation. Every Employee of the Employer on the Effective Date who was a participant in the Chapter 89 or 90 Pension Plan must irrevocably elect in writing, no later than March 1, 1991 to become a Participant or to remain a participant of the Chapter 89 or 90 Pension Plan. Every Employee of the Employer on the Effective Date who was not a participant in the Chapter 89 or 90 pension plan shall become a Participant as of the Effective Date. Any other Employee shall become a Participant upon becoming an Employee. No Employee may become a Participant if he participates in any other pension plan, other than Social Security, to which the Employer contributes.

3.2 Service. A Participant's eligibility for benefits under the Plan shall be based upon his period of service determined in accordance with the following:

- (a) Service Prior to Effective Date. An Employee who was a participant in the Chapter 89 or 90 pension plan as of the Effective Date shall receive credit for Service prior to the Effective Date to the extent provided in such plan.
- (b) Service On and After Effective Date. On and after the Effective Date a Participant shall accrue one Year of Credited Service for each Year in which he is credited with at least twenty (20) Hours of Service per week for at least fifty-two (52) weeks per year.

3.3 Break-in-Service. If an individual incurs a Break-in-Service and subsequently recommences employment with the Employer, he shall be considered a new Employee for

the purpose of determining Years of Credited Service under the Plan; provided, however, such an individual shall be credited with his prior Years of Service under the Plan if: (i) he had completed ten (10) Years of Credited Service prior to termination of employment, and (ii) at the time of termination of employment he had not received distribution of his Employee Contribution Account. In no event will an individual who occurs a Break-in-Service be entitled to "buy-back" his Years of Credited Service.

X 3.4 Eligibility for Alternate Retirement. Any Employee on the Effective Date who: (i) was a participant in the Chapter 89 or 90 pension plan; and (ii) elects to become a Participant, shall irrevocably elect in writing no later than March 1, 1991: (a) to have his retirement benefit calculated pursuant to such Chapter 89 or 90 pension plan and to receive the Alternate Retirement Benefit as provided in Section 6.2; or (b) to have his retirement benefit calculated pursuant to this Plan as provided in Sections 6.1, 6.3 or 6.4. Upon making an election to receive the Alternate Retirement Benefit, the Participant shall be ineligible for benefits on attainment of his Early Retirement Age, Normal Retirement Age or Late Retirement Age.

ARTICLE FOUR

Participant Contributions

A Participant shall be required to contribute, by payroll deduction, four percent (4%) of his Compensation to the Pension Fund, provided, however, a Participant who elects Alternate Retirement shall continue to contribute three percent (3%) of his Compensation to the Pension Fund.

ARTICLE FIVE

Participants' Accounts

5.1 Individual Accounts. The Pension Board shall create and maintain adequate records to disclose the interest in the Pension Fund of each Participant and Beneficiary. Such records shall be in the form of individual accounts, and credits and charges shall be made to such accounts in the manner herein described. The maintenance of individual accounts is only for accounting purposes, and a segregation of the assets of the Pension Fund to each account is not required. Distributions made from an account shall be charged to the account as of the date paid by the Pension Board.

5.2 Interest Allocation. Five percent (5%) interest shall be credited to Participant contributions made on and after the Effective Date and shall be calculated and allocated to the Employee Contribution Account of a Participant on the last day of the Plan Year. Contributions made prior to the Effective Date shall accrue interest as calculated above at the annual rate of four percent (4%).

*Contributions
made
after
11/1/91*

ARTICLE SIX

Benefits

6.1 Normal Retirement. Upon a Participant's retirement on or after his Normal Retirement Age, he shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to one and three quarters percent (1.75%) of his Final Average Earnings multiplied by his Years of Credited Service, to a maximum of seventy-five percent (75%) of Final Average Earnings.

6.2 Alternate Retirement.

- (a) Upon a Chapter 89 or 90 Participant's retirement after his Alternate Retirement Age and completion of less than fifteen (15) Years of Credited Service, he shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to his Final Average Earnings multiplied by two percent (2%) for each Year of Credited Service.
- (b) Upon a Participant's retirement on or after his Alternate Retirement Age and completion of fifteen (15) Years of Credited Service but less than twenty (20) Years of Credited Service, he shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to forty percent (40%) of his Final Average Earnings.
- (c) Upon a Participant's retirement after his Alternate Retirement Age and completion of twenty Years of Credited Service, he shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to sixty percent (60%) of his Final Average Earnings.
- (d) Upon a Participant's retirement after his Alternate Retirement Age and completion of more than twenty (20) Years of Credited Service, he

shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to sixty percent (60%) of his Final Average Earnings, plus one percent (1%) of his Final Average Earnings multiplied by his Years of Credited Service which exceed twenty (20) Years of Credited Service to a maximum of seventy-five percent (75%) of Final Average Earnings.

6.3 Early Retirement. Upon a Participant's retirement on or after his Early Retirement Age, he shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to one and three quarters percent (1.75%) of his Final Average Earnings multiplied by his Years of Credited Service and reduced by five percent (5%) of dollar benefit for each year that the Participant's early retirement precedes his attainment of age sixty (60), to a maximum of seventy-five percent (75%) of Final Average Earnings.

6.4 Late Retirement. Upon a Participant's retirement after reaching his Late Retirement Age, he shall be entitled to begin to receive his retirement benefit as of his Date of Severance in an annual amount equal to one and three quarters percent (1.75%) of his Final Average Earnings multiplied by his Years of Credited Service to a maximum of seventy-five percent (75%) of Final Average Earnings.

6.5 Disability. In the event of the Disability of a Participant, the Employer shall pay the Disabled Participant a Disability benefit equal to fifty percent (50%) of his Final Average Earnings calculated as of his Date of Severance, provided:

- (a) (i) The Disabled Participant is an active Employee on the date the Disability commences;
 - (ii) The Disability arises in and from the Participant's employment;
 - (iii) The Disabled Participant is not receiving benefits under the Connecticut Workers' Compensation Act, the Connecticut Heart Disease and Hypertension Law, or is not receiving benefits under any other disability or sick leave benefit plan provided by the Employer; and
- (b) A Disabled Participant whose Disability does not arise in and from his employment and who has not

accrued ten (10) Years of Credited Service on the date the Disability commences shall be entitled solely to the amount credited to his Employer Contribution Account plus accrued interest thereon as provided in Section 5.2.

(c) A Disabled Participant whose Disability does not arise in and from his employment and who has accrued ten (10) Years of Credited Service on the date the Disability commences may elect in writing: (i) a refund of his Employee Contribution Account, plus accrued interest thereon as provided in Section 5.2, in which case he shall forfeit all rights to benefits under the Plan; or (ii) to defer payment of his Employee Contribution Account until he attains Normal Retirement Age, Early Retirement Age or Alternate Retirement Age, in which case he shall be entitled to receive the appropriate retirement benefit.

(d) A Participant's Disability benefit shall be terminated:

- (i) In the event he returns to his regular or equivalent employment with the Employer;
- (ii) The Participant is employed, or capable of employment, in any occupation which provides an income, in either real terms or inflation adjusted dollars equivalent to the income he would receive if he were to have continued his regular employment with the Employer;
- (iii) The Participant refuses to provide statements of annual income acceptable to and as required by the Employer.
- (iv) The Employer determines on the basis of medical evidence that the Participant is no longer prevented from performing the duties of his regular or equivalent employment with the Employer;
- (v) The Participant refuses to undergo a medical examination requested by the Employer; provided, however, a Participant shall not be required to undergo a medical examination more often than twice in any calendar year;

- (vi) The Participant reaches his Normal Retirement Age or Alternate Retirement Age;
- (vii) The Participant withdraws his contributions; or
- (viii) The Participant dies.

6.6 Death.

- (a) If a Participant dies after his retirement benefit has commenced, his benefit will be distributed as provided in Section 6.6(d).
- (b) If a Participant who has completed ten (10) Years of Credited Service dies prior to the commencement of distribution of his retirement benefit, the Participant's benefit will be distributed as provided in Section 6.6(d).
- (c) If a Participant who has completed less than ten (10) Years of Credited Service dies prior to his Early Retirement Age, Normal Retirement Age or Alternate Retirement Age, as the case may be, a benefit equal to the balance of his Employee Contribution Account, plus accrued interest thereon, shall be distributed to his Estate in a lump sum.
- (d) In the case of a Participant entitled to a benefit under Section 6.6(a) or (b), a benefit equal to fifty percent (50%) of the deceased Participant's retirement benefit, determined as of the Participant's date of death, shall be payable to the Participant's spouse until her remarriage or death. If the Participant's spouse does not survive him or subsequently dies before the Participant's children attain age eighteen (18), the benefit provided under this Section 6.6(d) shall be paid in equal shares to the Participant's children who have not attained age eighteen (18) as provided below.
 - (i) In the event a Participant's minor children are eligible to receive his retirement benefit, the amount of such benefit shall be:
 - (1) If there is one minor child - twenty-five percent (25%) of such benefit;

- (2) If there are two (2) minor children - thirty-seven and one-half percent (37.5%) of such benefit, in equal shares;
 - (3) If there are three (3) or more minor children - fifty percent (50%) of such benefit, in equal shares; or
 - (4) In the event there is more than one minor child receiving benefits, when each of such minor children reaches age eighteen (18), the percentage of benefits received by the remaining minor children shall be reduced to reflect the number of minor children then receiving benefits.
- (ii) If an adult child of the Participant has been determined to be a Legally Dependent Adult prior to the Participant's death (or if subsequent to the Participant's death, within six (6) months of attaining age eighteen (18)), such child shall continue to receive the benefit provided by this Section 6.6(d) until the earlier of: (i) termination of his status as a Legally Dependent Adult; or (ii) his death.
- (e) In the event a Participant's Employee Contribution Account, plus accrued interest thereon, exceeds benefit payments made to him or his spouse and/or his children, the excess shall be paid to his estate in a lump sum.

6.7 Termination for Other Reasons. If a Participant, terminates employment prior to his Normal Retirement Age, Early Retirement Age or Alternate Retirement Age for any reason other than Disability or death, the Participant shall be entitled solely to the amount credited to his Employee Contribution Account plus accrued interest thereon.

A Participant, including a Participant who elects the Alternate Retirement Date, who terminates Service with ten (10) or more Years of vested Credited Service may elect in writing: (i) a refund of his Employee Contribution Account, plus accrued interest thereon, in which case he shall forfeit all rights to benefits under the Plan; or (ii) to defer payment of his Employee Contribution Account until he attains Normal Retirement Age, Early Retirement Age or Alternate Retirement Age, in which case

he shall be entitled to receive the appropriate retirement benefit. Any other Participant shall receive a refund of his Employee Contribution Account, plus accrued interest thereon as provided in Section 5.2 and shall not be entitled to receive a retirement benefit.

ARTICLE SEVEN

Pension Fund

All Employee contributions to this Plan hereunder shall be held in the Pension Fund. The Pension Fund, including investment income, shall be retained by the Pension Board for the exclusive benefit of the Participants and Beneficiaries and shall be used to pay benefits to such persons or to pay administrative expenses of the Plan and Fund.

ARTICLE EIGHT

Allocation of Responsibilities

8.1 Pension Board. The Pension Board shall have exclusive responsibility for the control and management of the Pension Fund and shall have no other responsibilities other than those specifically assigned to it in the Plan. The Pension Board shall have responsibility and authority to control the operation and administration of the Plan including, but not by way of limitation, the duties and powers described in Article Nine.

8.2 Investment Consultant. The Pension Board may employ the services of an Investment Consultant to evaluate and recommend various investment options of the Pension Fund.

ARTICLE NINE

Administration

9.1 Pension Board Powers and Duties. The Pension Board shall have such authority and powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following:

- (a) to construe and interpret the Plan; decide all questions of eligibility; and determine the amount and time of payment of any benefits hereunder;

- (b) to prescribe procedures to be followed by Participants or Beneficiaries filing applications for benefits;
- (c) to prepare and distribute, in such manner as the Pension Board determines to be appropriate, information explaining the Plan;
- (d) to obtain from the Employer and from Participants such information as shall be necessary for the proper administration of the Plan;
- (e) to furnish the Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;
- (f) to receive, review, and keep on file (as it deems convenient or proper) reports of the financial condition, and of the receipts and disbursements of the Pension Fund from the Pension Board;
- (g) to appoint or employ individuals to assist in the administration of the Plan and any other agents it deems advisable, including legal and actuarial counsel; and
- (h) to comply with governmental regulations relating to records of Participants' service, account balances; and notifications to Participants; and
- (i) to develop and submit to the Borough Board of Mayor and Burgesses and the Borough Board of Finance, sitting jointly, an annual budget for funding the Pension Fund in excess of Employee Contributions in order to ensure actuarial soundness.

The Pension Board shall have no power to add to, subtract from, or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan. The Pension Board, in exercising its discretion, shall do so in a uniform and non-discriminatory manner, treating all Employees, Participants and Beneficiaries in similar circumstances alike.

9.2 Claims Procedure. Any request for specific information with respect to benefits under the Plan must be made to the Pension Board in writing by a Participant or his

Beneficiary. Oral communications will not be recognized as a formal request or claim for benefits.

The Pension Board shall provide adequate notice in writing to any Participant or Beneficiary whose claim for benefits under the Plan has been denied, (i) setting forth the specific reasons for such denial, specific references to pertinent plan provisions, and a description of any material and information which had been requested but not received by the Pension Board; and (ii) advising such Participant or Beneficiary that any appeal of such adverse determination must be submitted in writing to the Pension Board not more than sixty (60) days after receipt of such notification, and must include a full description of the pertinent issues and basis of the claim.

If the Participant or Beneficiary fails to appeal such action to the Pension Board in writing within the prescribed period of time, the Pension Board's adverse determination shall be final.

If an appeal is filed with the Pension Board, the Participant or Beneficiary shall submit such issues he thinks are pertinent and the Pension Board shall re-examine all facts, make a final determination as to whether the denial of benefits is justified under the circumstances, and advise the Participant or Beneficiary in writing of its decision and the specific reasons on which such decision was based, within sixty (60) days of receipt of such written request, unless special circumstances require a reasonable extension of such sixty (60) day period, in which event a final determination will be made within 120 days of receipt of such written request.

9.3 Administrative Rules and Procedures. The Pension Board may adopt such rules as it deems necessary, desirable, or appropriate. All rules and decisions of the Pension Board shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Pension Board shall be entitled to rely upon information furnished by a Participant or Beneficiary, the Employer, or the legal counsel of the Employer.

9.4 Substitute Payee. If a Participant or Beneficiary entitled to receive benefits hereunder is in his minority, or is, in the judgment of the Pension Board, legally, physically, or mentally incapable of personally receiving and receipting for any distribution, the Pension Board may make distributions to his legally appointed guardian or to such other person or institutions as, in the judgment of the

Pension Board, is then maintaining or has custody of the payee.

9.5 Required Information. The Pension Board may require a Participant or Beneficiary to complete and file with the Pension Board an application for a benefit and all other forms approved by the Pension Board, and to furnish all pertinent and reasonably necessary information or evidence requested by the Pension Board. The Pension Board may rely upon such information so furnished it, including the participant's current mailing address. Failure on the part of any Participant or Beneficiary to comply with such request within a reasonable period of time shall be sufficient grounds for delay in the payment of benefits until the information or evidence requested is received.

ARTICLE TEN

Amendments of the Plan

The Plan may be amended or otherwise modified by the Employer and the Union, prospectively or retroactively, provided, that no amendment or modification shall:

- (a) prior to the satisfaction of all expenses of the Pension Fund and all liabilities under the Plan with respect to all Participants or their Beneficiaries, permit any part of the Pension Fund to be used for or diverted to purposes other than (i) the exclusive benefit of the Participants or Beneficiaries and (ii) administrative expenses, and expenses incurred in effectuating such changes; and
- (b) deprive any Participant or Beneficiary of any benefit already accrued, vested, and payable.

ARTICLE ELEVEN

Miscellaneous

11.1 Limitation of Rights. Neither the establishment of the Plan, nor any modification thereof, nor the creation of any fund, trust, or account, nor the payment of any benefits shall be construed as giving any Participant, Beneficiary, or any other person whomsoever, any legal or equitable right against the Employer, or the Pension Board, unless such right shall be specifically provided for in the Plan or conferred by the affirmative action of the Pension Board or the Employer in accordance with the terms and provisions of

the Plan; or as giving any Participant or any other Employees of the Employer the right to be retained in the service of the Employer. All Participants and other Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted.

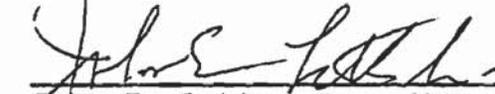
11.2 Nonalienation of Benefits. Except to the extent that may be required by law, benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable hereunder, shall be void. The Pension Fund shall not in any manner be liable for or subject to, the debts, contracts, liabilities, engagements, or torts of any person entitled to benefits hereunder.

11.3 Construction; Severability. Should any provision of the Plan or any amendment thereto be deemed or held to be unlawful or invalid for any reason, such fact shall not adversely affect the other provisions or amendments unless such invalidity shall render impossible or impractical the functioning of the Plan, and, in such case, the appropriate parties shall immediately adopt a new provision or amendment to take the place of the one held illegal or invalid.

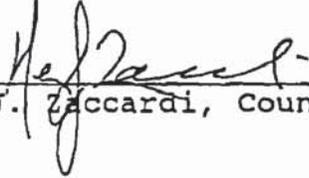
11.4 Titles and Headings. The titles and headings of the Sections in this Plan are for convenience of reference only and, in the event of any conflict, the text rather than such titles or headings shall control.

This Borough of Naugatuck Consolidated Pension Plan for Supervisory and White Collar Employees is hereby adopted this 24th day of JANUARY, 1991, effective September 1, 1990.

BOROUGH OF NAUGATUCK

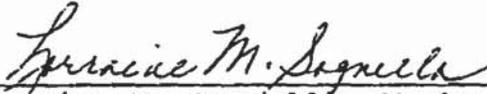


John E. Letts, Sr., Mayor



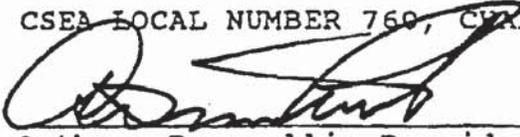
Henry J. Zaccardi, Counsel

CSEA LOCAL NUMBER 760, CHAPTER 89

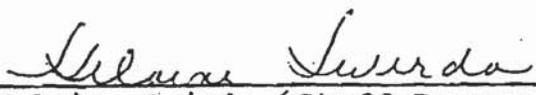


Lorraine M. Sagnella, Member

CSEA LOCAL NUMBER 760, CHAPTER 90



Anthony Pesanelli, President



Helaine Swirda, Staff Representative

**NAUGATUCK DEFINED CONTRIBUTION UNION PLAN
SUMMARY PLAN DESCRIPTION**

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NAUGATUCK DEFINED CONTRIBUTION UNION PLAN

SUMMARY PLAN DESCRIPTION

INTRODUCTION TO YOUR PLAN

What kind of Plan is this?

Naugatuck Defined Contribution Union Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of qualified retirement plan commonly referred to as a 401(k) Plan. As a participant under the Plan, you may elect to contribute a portion of your compensation to the Plan.

What information does this Summary provide?

This Summary Plan Description ("SPD") contains information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this SPD to get a better understanding of your rights and obligations under the Plan.

In this SPD, the Employer has addressed the most common questions you may have regarding the Plan. If this SPD does not answer all of your questions, please contact the Administrator or other plan representative. The Administrator is responsible for responding to questions and making determinations related to the administration, interpretation, and application of the Plan. The name of the Plan Administrator can be found at the end of this SPD in the Article entitled "General Information about the Plan."

This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language and is designed to comply with applicable legal requirements. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan and your rights under the Plan are subject to federal laws, such as the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code, as well as some state laws. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or Department of Labor (DOL). The Employer may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, the Employer will notify you.

ARTICLE I PARTICIPATION IN THE PLAN

How do I participate in the Plan?

If you are a leased employee, you are not entitled to participate in the Plan.

If you are a reclassified employee (an employee who was previously not treated as an employee of the Employer but you are reclassified as being an employee), you are not entitled to participate in the Plan.

Provided you are not an Excluded Employee, you may begin participating under the Plan once you have satisfied the eligibility requirements and reached your Entry Date, except as indicated above for leased and reclassified employees. The following describes Excluded Employees, if any, the eligibility requirements and Entry Dates that apply. You should contact the Plan Administrator if you have questions about the timing of your Plan participation.

Elective Deferrals

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of elective deferrals. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excluded Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of elective deferrals on your date of hire. However, you will actually participate for purposes of elective deferrals once you reach the Entry Date as described below.

Eligibility Conditions. You will be eligible to participate for purposes of elective deferrals when you have attained age 18. However, you will actually participate for purposes of elective deferrals once you reach the Entry Date as described below.

Entry Date. For purposes of elective deferrals, your Entry Date will be the first day of the month coinciding with or next following the date you satisfy the eligibility requirements.

Matching Contributions

Excluded Employees. If you are a member of a class of employees identified below, you are an Excluded Employee and you are not entitled to participate in the Plan for purposes of matching contributions. The Excluded Employees are:

- certain nonresident aliens who have no earned income from sources within the United States

See "Additional Excluded Employee provisions" below at the end of this question section for special provisions that may apply in determining who is an Excludable Employee.

Eligibility Conditions. You will be eligible to participate for purposes of matching contributions on your date of hire. However, you will actually participate in matching contributions once you reach the Entry Date as described below.

Eligibility Conditions. You will be eligible to participate for purposes of matching contributions when you have attained age 18. However, you will actually participate for purposes of matching contributions once you reach the Entry Date as described below.

Entry Date. For purposes of matching contributions, your Entry Date will be the first day of the month coinciding with or next following the date on which you satisfy the eligibility requirements.

Additional Excluded Employee provisions

Exclude Non-union Employees covered in Plan A See the Plan Administrator for additional information if you are not sure if this affects you.

What happens if I'm a participant, terminate employment and then I'm rehired?

If you are no longer a participant because of a termination of employment, and you are rehired, then you will be able to participate in the Plan on the date on which you are rehired if you are otherwise eligible to participate in the Plan.

ARTICLE II EMPLOYEE CONTRIBUTIONS

What are elective deferrals and how do I contribute them to the Plan?

Elective Deferrals. As a participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan on a pre-tax basis as an elective deferral. Your taxable income is reduced by the deferral contribution so you pay less in federal income taxes (however, the amount you defer is still counted as compensation for purposes of Social Security taxes). Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Therefore, federal income taxes on the deferral contributions and on the earnings are only postponed. Eventually, you will have to pay taxes on these amounts.

Deferral procedure. The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. If you wish to defer, the procedure will require that you enter into a salary reduction agreement. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it.

Deferral modifications. You may revoke or make modifications to your salary deferral election in accordance with procedures that the Employer provides. See the Plan Administrator for further information.

Annual dollar limit. Your total deferrals in any taxable year may not exceed a dollar limit which is set by law. The limit for 2011 is \$16,500. After 2011, the dollar limit may increase for cost-of-living adjustments.

Deferrals limited by nondiscrimination testing. In addition to the annual dollar limit just described, the law requires testing of the deferrals to ensure that deferrals by HCEs do not exceed certain limits. If you are a highly compensated employee (generally more than 5% owners or individuals receiving wages in excess of certain amounts established by law), a distribution of amounts attributable to your elective deferrals or certain excess contributions may be required to comply with the law. The Plan Administrator will notify you if and when a distribution of deferrals is required.

Catch-up contributions. If you are at least age 50 or will attain age 50 before the end of a calendar year, then you may elect to defer additional amounts (called "catch-up contributions") to the plan for that year. The additional amounts may be deferred regardless of any other limitations on the amount that you may defer to the plan. The maximum "catch-up contribution" that you can make in 2011 is \$5,500. After 2011, the maximum may increase for cost-of-living adjustments. Any "catch-up contributions" that you make will not be taken into account in determining any Employer matching contribution made to the Plan.

You should be aware that each separately stated annual dollar limit on the amount you may defer (the annual deferral limit and the "catch-up contribution" limit) is a separate aggregate limit that applies to all such similar elective deferral amounts and "catch-up contributions" you may make under this Plan and any other cash or deferred arrangements (including tax-sheltered 403(b) annuity contracts, simplified employee pensions or other 401(k) plans) in which you may be participating. Generally, if an annual dollar limit is exceeded, then the excess must be returned to you in order to avoid adverse tax consequences. For this reason, it is desirable to request in writing that any such excess elective deferral amounts be returned to you.

If you are in more than one plan, you must decide which plan or arrangement you would like to return the excess. If you decide that the excess should be distributed from this Plan, you must communicate this in writing to the Administrator no later than the March 1st following the close of the calendar year in which such excess deferrals were made. However, if the entire dollar limit is exceeded in this Plan or any other plan the Employer maintains, then you will be deemed to have notified the Administrator of the excess. The Plan Administrator will then return the excess deferral and any earnings to you by April 15th.

What are rollover contributions?

Rollover contributions. At the discretion of the Plan Administrator, if you are an eligible employee, you may be permitted to deposit into the Plan distributions you have received from other plans and certain IRAs. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the Administrator or Trustee of the other plan or IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. You should consult qualified counsel to determine if a rollover is in your best interest.

Rollover account. Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account" (see the Article in this SPD entitled "Vesting"). This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

Withdrawal of rollover contributions. You may withdraw the amounts in your "rollover account" at any time.

ARTICLE III EMPLOYER CONTRIBUTIONS

In addition to any deferrals you elect to make, the Employer may make additional contributions to the Plan. This Article describes Employer contributions that may be made to the Plan and how your share of the contributions is determined.

What is the Employer matching contribution and how is it allocated?

Matching Contribution. The Employer may make a discretionary matching contribution equal to a uniform percentage or dollar amount of your elective deferrals each payroll period. The total matching contribution made on your behalf will not exceed Dollar for Dollar up to 3% Deferral, 0 thereafter each payroll period.

The Plan will not match any catch-up deferrals.

Allocation conditions. You will always share in the matching contribution regardless of the amount of service you complete during the Plan Year.

What are forfeitures and how are they allocated?

Definition of forfeitures. In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that the Employer makes to the Plan. This means that you will not be entitled to ("vested" in) all of the contributions until you have been employed with the Employer for a specified period of time (see the Article in this SPD entitled "Vesting"). If a participant terminates employment before being fully vested, then the non-vested portion of the terminated participant's account balance remains in the Plan and is called a forfeiture. Forfeitures may be used by the Plan for several purposes.

Allocation of forfeitures. Forfeitures will be allocated as follows:

- Forfeitures attributable to nonelective contributions will be used to reduce any nonelective contribution.
- Forfeitures attributable to matching contributions will be used to reduce any matching contribution.

ARTICLE IV COMPENSATION AND ACCOUNT BALANCE

What compensation is used to determine my Plan benefits?

Elective Deferrals

Definition of compensation. Compensation is defined as your total compensation that is subject to income tax and paid to you by the Employer. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that may apply for the contribution(s) noted above.

Adjustments to compensation. The following adjustments to compensation will be made for purposes of elective deferrals:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise

have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:

- compensation paid for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential), or other similar payments that would have been made to you had you continued employment.
- compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued.
- nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment.

Matching Contributions

Definition of compensation. Compensation is defined as your total compensation that is subject to income tax and paid to you by the Employer. If you are a self-employed individual, your compensation will be equal to your earned income. The following describes the adjustments to compensation that may apply for the contributions noted above.

Adjustments to compensation. The following adjustments to compensation will be made for purposes of matching contributions:

- elective deferrals to this Plan and to any other plan or arrangement (such as a cafeteria plan) will be included.
- compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:
 - compensation paid for services performed during your regular working hours, or for services outside your regular working hours (such as overtime or shift differential), or other similar payments that would have been made to you had you continued employment.
 - compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued.
 - nonqualified unfunded deferred compensation if the payment is includible in gross income and would have been paid to you had you continued employment.

Is there a limit on the amount of compensation which can be considered?

The Plan, by law, cannot recognize annual compensation in excess of a certain dollar limit. The limit for the Plan Year beginning in 2011 is \$245,000. After 2011, the dollar limit may increase for cost-of-living adjustments.

Is there a limit on how much can be contributed to my account each year?

Generally, the law imposes a maximum limit on the amount of contributions including elective deferrals that may be made to your account and any other amounts allocated to any of your accounts during the Plan Year, excluding earnings. Beginning in 2011, this total cannot exceed the lesser of \$49,000 or 100% of your annual compensation (as limited under the previous question). After 2011, the dollar limit may increase for cost-of-living adjustments.

How is the money in the Plan invested?

The Trustee of the Plan has been designated to hold the assets of the Plan for the benefit of Plan participants and their beneficiaries in accordance with the terms of this Plan. The trust fund established by the Plan's Trustee will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

Participant direction of investments. You will be able to direct the investment of your entire interest in the Plan. The Plan Administrator will provide you with information on the investment choices available to you, the procedures for making investment elections, the frequency with which you can change your investment choices and other important information. You need to follow the procedures for making investment elections and you should carefully review the information provided to you before you give investment directions. If you do not direct the investment of your applicable Plan accounts, then your accounts will be invested in accordance with the default investment alternatives established under the Plan. These default investments will be made in accordance with specific rules under which the fiduciaries of the Plan, including the Employer, the Trustee and the Plan Administrator, will be relieved of any legal liability for any losses resulting from the default investments. The Plan Administrator has or will provide you with a separate notice which details these default investments and your right to switch out of the default investment if you so desire.

The Plan is intended to comply with Section 404(c) of ERISA (the Employee Retirement Income Security Act). If the Plan complies with this Section, then the fiduciaries of the Plan, including the Employer, the Trustee and the Plan Administrator, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. Procedures must be followed in giving investment directions. If you fail to do so, then your investment directions need not be followed. If you do not direct the investment of your applicable Plan accounts, your accounts will be invested in accordance with the default investment alternatives established under the Plan.

Earnings or losses. When you direct investments, your accounts are segregated for purposes of determining the earnings or losses on these investments. Your Participant-directed Account does not share in the investment performance of other participants who have directed their own investments. You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur and the Employer, the Plan Administrator, and the Trustee will not provide investment advice or guarantee the performance of any investment you choose.

Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. It is your responsibility to notify the Administrator of any errors you see on any statements within 30 days after the statement is provided or made available to you.

Will Plan expenses be deducted from my account balance?

The Plan will pay some or all Plan related expenses except for a limited category of expenses which the law requires the employer to pay. The category of expenses which the Employer must pay are known as "settlor expenses." Generally, settlor expenses relate to the design, establishment or termination of the Plan. See the Plan Administrator for more details. The expenses charged to the Plan may be charged pro rata to each Participant in relation to the size of each Participant's account balance or may be charged equally to each Participant. In addition, some types of expenses may be charged only to some Participants based upon their use of a Plan feature or receipt of a plan distribution. Finally, the Plan may charge expenses in a different manner as to Participants who have terminated employment with the Employer versus those Participants who remain employed with the Employer.

ARTICLE V VESTING

What is my vested interest in my account?

In order to reward employees who remain employed with the Employer for a long period of time, the law permits a "vesting schedule" to be applied to certain contributions that the Employer makes to the Plan. This means that you will not be entitled to ("vested in") all of the contributions until you have been employed with the Employer for a specified period of time.

100% vested contributions. You are always 100% vested (which means that you are entitled to all of the amounts) in your accounts attributable to the following contributions:

- elective deferrals including catch-up contributions
- rollover contributions

Vesting schedules. Your "vested percentage" for certain Employer contributions is based on vesting Years of Service. This means at the time you stop working, your account balance attributable to contributions subject to a vesting schedule is multiplied by your vested percentage. The result, when added to the amounts that are always 100% vested as shown above, is your vested interest in the Plan, which is what you will actually receive from the Plan.

Nonelective Contributions

Matching Contributions

Your "vested percentage" in your account attributable to matching contributions is determined under the following schedule. You will always, however, be 100% vested in your matching contributions if you are employed on or after your Normal Retirement Age or if you terminate employment on account of your death, or if you terminate employment as a result of becoming disabled.

Vesting Schedule Matching Contributions	
Years of Service	Percentage
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

How is my service determined for vesting purposes?

Year of Service. To earn a Year of Service, you must be credited with at least 1000 Hours of Service during a Plan Year. The Plan contains specific rules for crediting Hours of Service for vesting purposes. The Plan Administrator will track your service and will credit you with a Year of Service for each Plan Year in which you are credited with the required Hours of Service, in accordance with the terms of the Plan. If you have any questions regarding your vesting service, you should contact the Plan Administrator.

Hour of Service. You will be credited with your actual Hours of Service for:

- (a) each hour for which you are directly or indirectly compensated by the Employer for the performance of duties during the Plan Year;
- (b) each hour for which you are directly or indirectly compensated by the Employer for reasons other than the performance of duties (such as vacation, holidays, sickness, disability, lay-off, military duty, jury duty or leave of absence during the Plan Year) but credit will not exceed 501 hours of service for any single continuous period during which you perform no duties; and
- (c) each hour for back pay awarded or agreed to by the Employer.

You will not be credited for the same Hours of Service both under (a) or (b), as the case may be, and under (c).

What service is counted for vesting purposes?

Service with the Employer. In calculating your vested percentage, all service you perform for the Employer will generally be counted.

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. If you may be affected by this law, ask the Plan Administrator for further details.

What happens to my non-vested account balance if I'm rehired?

If you have no vested interest in the Plan when you leave, your account balance will be forfeited. However, if you are rehired before incurring five consecutive Breaks in Service, your account balance as of the date of your termination of employment will be restored, unadjusted for any gains or losses.

If you are partially vested in your account balance when you leave, the non-vested portion of your account balance will be forfeited on the earlier of the date:

- (a) of the distribution of your vested account balance, or
- (b) when you incur five consecutive Breaks in Service.

If you received a distribution of your vested account balance and are rehired, you may have the right to repay this distribution. If you repay the entire amount of the distribution, the Employer will restore your account balance with your forfeited amount. You must repay this distribution within five years from your date of rehire, or, if earlier, before you incur five consecutive Breaks in Service. If you were 100% vested when you left, you do not have the opportunity to repay your distribution.

What happens if the Plan becomes a "top-heavy plan"?

Top-heavy plan. A retirement plan that primarily benefits "key employees" is called a "top-heavy plan." Key employees are certain owners or officers of the Employer. A plan is generally a "top-heavy plan" when more than 60% of the plan assets are attributable to key employees. Each year, the Plan Administrator is responsible for determining whether the Plan is a "top-heavy plan."

Top-heavy rules. If the Plan becomes top-heavy in any Plan Year, then non-key employees may be entitled to certain "top-heavy minimum benefits," and other special rules will apply. These top-heavy rules include the following:

- The Employer may be required to make a contribution on your behalf in order to provide you with at least "top-heavy minimum benefits."
- If you are a participant in more than one Plan, you may not be entitled to "top-heavy minimum benefits" under both Plans.

ARTICLE VI DISTRIBUTIONS PRIOR TO TERMINATION OF EMPLOYMENT

Can I withdraw money from my account while working?

In-service distributions. You may be entitled to receive an in-service distribution. However, this distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive at retirement. This distribution is made at your election subject to possible administrative limitations on the frequency and actual timing of such distributions. You may withdraw amounts from accounts for rollover contributions at any time.

Conditions and Limitations. Generally you may receive a distribution from certain accounts prior to termination of employment provided you satisfy any of the following conditions:

- you have attained age 59 1/2. Satisfying this condition allows you to receive distributions from all contribution accounts.
- you have incurred a financial hardship as described below.
- you incur a disability (as defined in the Plan). Satisfying this condition allows you to receive distributions from all contribution accounts.

Qualified reservist distributions. If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

Can I withdraw money from my account in the event of financial hardship?

Hardship distributions. You may withdraw money on account of financial hardship if you satisfy certain conditions. This hardship distribution is not in addition to your other benefits and will therefore reduce the value of the benefits you will receive upon termination of employment or other event entitling you to distribution of your account balance. You may not receive a hardship distribution from your qualified nonelective or qualified matching contribution accounts, if any.

Qualifying expenses. A hardship distribution may be made to satisfy certain immediate and heavy financial needs that you have. A hardship distribution may only be made for payment of the following:

- Expenses for medical care (deductible under Section 213(d) of the Internal Revenue Code but without regard to the 7.5% AGI limit) for you, your spouse or your dependents.
- Costs directly related to the purchase of your principal residence (excluding mortgage payments).
- Tuition, related educational fees, and room and board expenses for the next twelve (12) months of post-secondary education for you, your spouse, your children or your dependents.
- Amounts necessary to prevent your eviction from your principal residence or foreclosure on the mortgage of your principal residence.
- Payments for burial or funeral expenses for your deceased parent, spouse, children or dependents.
- Expenses for the repair of damage to your principal residence (that would qualify for the casualty loss deduction under Internal Revenue Code Section 165).

Conditions. If you have any of the above expenses, a hardship distribution can only be made if you certify and agree that all of the following conditions are satisfied:

- (a) The distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution;
- (b) You have obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under all plans that the Employer maintains; and
- (c) That you will not make any elective deferrals for at least six (6) months after your receipt of the hardship distribution.

Account restrictions. You may request a hardship distribution only from the following accounts:

- elective deferral accounts

Elective Deferral account restrictions. In addition, there are restrictions placed on hardship distributions which are made from your elective deferral accounts. Generally, the earnings on your elective deferrals may not be distributed to you on account of a hardship as the amount of any hardship distribution from your deferral account is limited to the amount of your prior deferrals, less any deferrals previously distributed. Ask the Plan Administrator if you need further details.

Post-termination hardship distribution. If you have terminated employment and incur an event which would have entitled you to a hardship distribution if you had still been working (as described above), you may still receive a hardship distribution even though your account is not yet distributable to you based on your termination of employment. See "When can I get my money out of the Plan?" in the Article in this SPD entitled "Distributions upon Termination of Employment."

ARTICLE VII DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT

When can I get money out of the Plan?

You may receive a distribution of the vested portion of some or all of your accounts in the Plan when you terminate employment with the Employer. The rules regarding the payment of death benefits to your beneficiary are described in the Article in this SPD entitled "Distributions upon Death."

As to the possibility of receiving a distribution while you are still employed with the Employer, see the Article in this SPD entitled "Distributions Prior to Termination of Employment."

Military Service. If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. There may also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

Distributions for deemed severance of employment. If you are on active duty for more than 30 days, then the Plan generally treats you as having severed employment for distribution purposes. This means that you may request a distribution from the Plan. If you request a distribution on account of this deemed severance of employment, then you are not permitted to make any contributions to the Plan for 6 (six) months after the date of the distribution.

Termination and distribution before Normal Retirement Age (or age 62 if later)

If your vested account balance exceeds \$5,000, your consent is required to distribute your account before you reach Normal Retirement Age (or age 62 if later). You may elect to have your vested account balance distributed to you as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

If you terminate employment with a vested account balance exceeding \$5,000, you may elect to postpone your distribution until your "required beginning date" described below.

If your vested account balance does not exceed \$5,000, a distribution of your vested account balance will be made to you, regardless of whether you consent to receive it, as soon as administratively feasible following your termination of employment. (See the question entitled "In what method and form will my benefits be paid to me?" below for an explanation of the method of payment.)

If you incur a financial hardship (as defined in the Plan) after you terminate employment, you may elect an earlier distribution of your account.

If you terminate employment because of disability (as defined in the Plan), or you incur a disability after you terminate employment, you may elect an earlier distribution of your account.

Amounts in your rollover account will not be considered as part of your benefit in determining whether the \$5,000 threshold for timing of payments described above has been exceeded as well as for determining if the value of your vested account balance exceeds the \$5,000 threshold used to determine whether you must consent to a distribution.

Automatic Rollover of Certain Account Balances. If your vested account balance does not exceed \$5,000, the Plan will distribute your account without your consent. If the amount of the distribution exceeds \$1,000 (including any rollover contribution) and you do not elect to either receive or roll over the distribution, your distribution will be directly rolled over to an IRA. See "Automatic IRA Rollover of Certain Account Balances" in the Article in this SPD entitled "Tax Treatment of Distributions."

Distribution on or after Normal Retirement Age (or age 62 if later)

If you terminate employment with the Employer and will receive distribution on or after the later of age 62 or Normal Retirement Age, the Plan will distribute your account without your consent. The distribution will occur as soon as administratively feasible at the same time described above for other pre-62/Normal Retirement Age distributions not requiring your consent, but in any event distribution will be made no later than 60 days after the end of the Plan Year in which you terminate employment. Notwithstanding the foregoing, if your vested account balance exceeds \$5,000 (including rollover contributions), you may elect to postpone your distribution until your "required beginning date" described below.

What is Normal Retirement Age and what is the significance of reaching Normal Retirement Age?

You will attain your Normal Retirement Age when you reach age 65.

You will become 100% vested in all of your accounts under the Plan (assuming you are not already fully vested) if you are employed on or after your Normal Retirement Age.

What happens if I terminate employment due to disability?

Definition of disability. Under the Plan, disability is defined as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. The permanence and degree of such impairment must be supported by medical evidence. The Plan Administrator may require that your disability be determined by a licensed physician.

If you terminate employment on account of disability or incur a disability after you terminate, you may elect an earlier distribution of your account than the Plan otherwise would permit following a non-death related termination of employment.

In what method and form will my benefits be paid to me?

Termination and distribution before Normal Retirement Age (or age 62 if later)

If you terminate employment and will receive a distribution before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000, then your vested account balance may only be distributed to you in a single lump-sum payment in cash.

If you terminate employment and will receive a distribution before the later of age 62 and Normal Retirement Age and your vested account balance exceeds \$5,000, you may elect to receive a distribution of your vested account balance in:

- a single lump-sum payment in cash

In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will not be taken into account.

Distribution on or after Normal Retirement Age (or age 62 if later)

If you terminate employment and will receive distribution on or following the attainment of the later of age 62 or Normal Retirement Age, and your vested account balance, (including rollovers) does not exceed \$5,000, you will receive distribution in the form of a single lump-sum payment in cash. If your balance exceeds \$5,000, you may elect to receive distribution as described above relating to termination before the later of age 62 and Normal Retirement Age. In determining whether your vested account balance exceeds the \$5,000 dollar threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will be taken into account.

Required beginning date

If described above, you may delay the distribution of your vested account balance. However, if you elect to delay the distribution of your vested account balance, there are rules that require that certain minimum distributions be made from the Plan. If you are a 5% owner, distributions are required to begin not later than the April 1st following the end of the year in which you reach age 70 1/2. If you are not a 5% owner, distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 or terminate employment. You should see the Plan Administrator if you think you may be affected by these rules.

**ARTICLE VIII
DISTRIBUTIONS UPON DEATH**

What happens if I die while working for the Employer?

If you die while still employed by the Employer, then 100% of your account balance will be used to provide your beneficiary with a death benefit.

Who is the beneficiary of my death benefit?

You may designate a beneficiary of your Plan account on a form provided to you for this purpose by the Plan Administrator. If you do not designate a beneficiary, your account will be distributed as described below under "No beneficiary designation." If you are married, your spouse has certain rights to the death benefit. You should immediately report any change in your marital status to the Plan Administrator.

Married Participant. If you are married at the time of your death, your spouse will be the beneficiary of the entire death benefit unless you designate in writing a different beneficiary. IF YOU WISH TO DESIGNATE A BENEFICIARY OTHER THAN YOUR SPOUSE, YOUR SPOUSE MUST IRREVOCABLY CONSENT TO WAIVE ANY RIGHT TO THE DEATH BENEFIT. YOUR SPOUSE'S CONSENT MUST BE IN WRITING, BE WITNESSED BY A NOTARY OR A PLAN REPRESENTATIVE AND ACKNOWLEDGE THE SPECIFIC NON-SPOUSE BENEFICIARY.

Changes to designation.

If, with spousal consent as required, you have designated someone other than your spouse as beneficiary and now wish to change your designation, see the Plan Administrator for details. In addition, you may elect a beneficiary other than your spouse without your spouse's consent if your spouse cannot be located.

Divorce. A divorce decree or decree of legal separation automatically revokes your designation of your spouse or former spouse as your beneficiary under the Plan unless a Qualified Domestic Relations Order provides otherwise. You should complete a form to make a new beneficiary designation if a divorce decree or decree of legal separation is issued. See the Plan Administrator for details if you think you may be affected by this provision.

Unmarried Participant. If you are not married, you may designate a beneficiary of your choosing.

No beneficiary designation. At the time of your death, if you have not designated a beneficiary or your beneficiary is not alive, the death benefit will be paid in the following order of priority to:

- (a) your surviving spouse
- (b) your children, including adopted children in equal shares (and if a child is not living, that child's share will be distributed to that child's living descendants)
- (c) your surviving parents, in equal shares
- (d) your estate

How will the death benefit be paid to my beneficiary?

Method/form of distribution. The form of payment of the death benefit will be in cash. If the death benefit payable to a beneficiary does not exceed \$5,000, then the benefit may only be paid as a lump-sum. If the death benefit exceeds \$5,000, your beneficiary may elect to have the death benefit paid in:

- a single lump-sum payment in cash

When must the last payment be made to my beneficiary (required minimum distributions)?

The law generally restricts the ability of a retirement plan to be used as a method of deferring taxation for an unlimited period beyond the participant's life. Thus, there are rules that are designed to ensure that death benefits are distributable to beneficiaries within certain time periods. The application of these rules depends upon whether you die before or after your "required beginning date" as described above under "Required beginning date."

Death before required beginning date.

If you die before your required beginning date, regardless of the method of distribution a beneficiary might otherwise be able to elect, your entire account will be paid as soon as administratively feasible.

Death after required beginning date.

If you die on or after your required beginning date, regardless of the method of distribution a beneficiary might otherwise be able to elect, payment must be made over a period which does not exceed the greater of the beneficiary's life expectancy or your remaining

life expectancy (determined in accordance with applicable life expectancy tables and without regard to your actual death). If your beneficiary is not a person, your entire death benefit must be paid over a period not exceeding your remaining life expectancy (determined in accordance with applicable life expectancy tables and without regard to your actual death).

What happens if I terminate employment, commence payments and then die before receiving all of my benefits?

Your beneficiary will be entitled to your remaining vested interest in the Plan at the time of your death. See the Plan Administrator for more information regarding the timing and method of payments that apply to your beneficiary. The provision in the Plan providing for full vesting of your benefit upon death does not apply if you die after terminating employment.

Does the Plan provide life insurance?

The Employer may elect to purchase life insurance on your behalf. The amount of life insurance that may be purchased is limited by law. Any life insurance purchased will be used to provide a death benefit for your beneficiaries. If a life insurance policy is purchased on your behalf, your account will be reduced by the amount of the premiums and credited with any policy dividends.

**ARTICLE IX
TAX TREATMENT OF DISTRIBUTIONS**

What are my tax consequences when I receive a distribution from the Plan?

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution. Certain distributions made to you when you are under age 59 1/2 could be subject to an additional 10% tax.

Qualified reservist distributions. If you: (i) are a reservist or National Guardsman; (ii) were/are called to active duty after September 11, 2001; and (iii) were/are called to duty for at least 180 days or for an indefinite period, you may take a distribution of your elective deferrals under the Plan while you are on active duty, regardless of your age. The 10% premature distribution penalty tax, normally applicable to Plan distributions made before you reach age 59 1/2, will not apply to the distribution. You also may repay the distribution to an IRA, without limiting amounts you otherwise could contribute to the IRA, provided you make the repayment within 2 years following your completion of active duty.

Can I elect a rollover to reduce or defer tax on my distribution?

Rollover or Direct Transfer. You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) **60-day rollover.** You may roll over all or a portion of the distribution to an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the rollover. This will result in no tax being due until you begin withdrawing funds from the IRA or other qualified employer plan. The rollover of the distribution, however, **MUST** be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances, all or a portion of a distribution (such as a hardship distribution) may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, then the direct rollover option described in paragraph (b) below would be the better choice.

(b) **Direct rollover.** For most distributions, you may request that a direct transfer (sometimes referred to as a direct rollover) of all or a portion of a distribution be made to either an Individual Retirement Account or Annuity (IRA) or another employer retirement plan willing to accept the transfer. A direct transfer will result in no tax being due until you withdraw funds from the IRA or other employer plan. Like the rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct transfer. If you elect to actually receive the distribution rather than request a direct transfer, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

Automatic IRA Rollover of Certain Account Balances

If a mandatory distribution is being made to you before the later of age 62 or Normal Retirement Age and your vested account balance does not exceed \$5,000 (disregarding any rollover contribution), the Plan will distribute your vested portion in a single lump-sum payment in cash. However, you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). At the time of your termination of employment, the Plan Administrator will provide you with further information regarding your distribution rights. If the amount of the distribution exceeds \$1,000 (including any rollover contribution) and you do not elect either to receive or to roll over the distribution, the Plan automatically will roll over the distribution to an IRA. The IRA provider will invest the rollover funds in a type of investment designed to preserve principal and to provide a reasonable rate of return and liquidity (e.g., an interest-bearing account, a certificate of deposit or a money market fund). The IRA provider will charge your account for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. In addition, your beneficiary designation under the Plan, if any, will not apply to the rollover IRA. The IRA's terms will control in establishing a designated beneficiary under the IRA. You may transfer the IRA funds to any other IRA you choose. You may contact the Plan Administrator at the address and telephone number indicated in this SPD for further information regarding the Plan's automatic rollover provisions, the IRA provider and the fees and charges associated with the IRA.

Tax Notice. WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH QUALIFIED TAX COUNSEL BEFORE MAKING A CHOICE.

ARTICLE X LOANS

Is it possible to borrow money from the Plan?

Yes. Loans are permitted in accordance with the Plan Loan Policy attached to this SPD.

ARTICLE XI PROTECTED BENEFITS AND CLAIMS PROCEDURES

Are my benefits protected?

As a general rule, your interest in your account, including your "vested interest," may not be alienated. This means that your interest may not be sold, used as collateral for a loan (other than for a Plan loan), given away or otherwise transferred (except at death to your beneficiary). In addition, your creditors (other than the IRS) may not attach, garnish or otherwise interfere with your benefits under the Plan.

Are there any exceptions to the general rule?

There are three exceptions to this general rule. The Plan Administrator must honor a qualified domestic relations order (QDRO). A QDRO is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, children or other dependents. If a QDRO is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy that obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Administrator, without charge, a copy of the procedure used by the Administrator to determine whether a qualified domestic relations order is valid.

The second exception applies if you are involved with the Plan's operation. If you are found liable for any action that adversely affects the Plan, the Plan Administrator can offset your benefits by the amount that you are ordered or required by a court to pay the Plan. All or a portion of your benefits may be used to satisfy any such obligation to the Plan.

The last exception applies to Federal tax levies and judgments. The Federal government is able to use your interest in the Plan to enforce a Federal tax levy and to collect a judgment resulting from an unpaid tax assessment.

Can the Employer amend the Plan?

The Employer has the right to amend the Plan at any time. In no event, however, will any amendment authorize or permit any part of the Plan assets to be used for purposes other than the exclusive benefit of participants or their beneficiaries. Additionally, no amendment will cause any reduction in the amount credited to your account.

What happens if the Plan is discontinued or terminated?

Although the Employer intends to maintain the Plan indefinitely, the Employer reserves the right to terminate the Plan at any time. Upon termination, no further contributions will be made to the Plan and all amounts credited to your accounts will become 100% vested. The Employer will direct the distribution of your accounts in a manner permitted by the Plan as soon as practicable. You will be notified if the Plan is terminated.

How do I submit a claim for Plan benefits?

Benefits will generally be paid to you and your beneficiaries without the necessity for formal claims. Contact the Administrator if you are entitled to benefits or if you think an error has been made in determining your benefits. Any such request should be in writing.

If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

What if my benefits are denied?

Your request for Plan benefits will be considered a claim for Plan benefits, and it will be subject to a full and fair review. If your claim is wholly or partially denied, the Plan Administrator will provide you with a written or electronic notification of the Plan's adverse determination. This written or electronic notification must be provided to you within a reasonable period of time, but not later than 90 days after the receipt of your claim by the Plan Administrator, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 90-day period. In no event will such extension exceed a period of 90 days from the end of such initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination.

In the case of a claim for disability benefits, if disability is determined by a physician (rather than relying upon a determination of disability for Social Security purposes), then instead of the above, the Plan Administrator will provide you with written or electronic notification of the Plan's adverse benefit determination within a reasonable period of time, but not later than 45 days after receipt of the claim by the Plan. This period may be extended by the Plan for up to 30 days, provided that the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you, prior to the expiration of the initial 45-day period, of the circumstances requiring the extension of time and the date by which the Plan expects to render a decision. If, prior to the end of the first 30-day extension period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Plan Administrator notifies you, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision. In the case of any such extension, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information needed to resolve those issues, and you will be afforded at least 45 days within which to provide the specified information.

The Plan Administrator's written or electronic notification of any adverse benefit determination must contain the following information:

- (a) The specific reason or reasons for the adverse determination.
- (b) Reference to the specific Plan provisions on which the determination is based.
- (c) A description of any additional material or information necessary for you to perfect the claim and an explanation of why such material or information is necessary.
- (d) Appropriate information as to the steps to be taken if you or your beneficiary wants to submit your claim for review.
- (e) In the case of disability benefits where disability is determined by a physician:
 - (i) If an internal rule, guideline, protocol, or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.
 - (ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If your claim has been denied, and you want to submit your claim for review, you must follow the claims review procedure in the next question.

What is the claims review procedure?

Upon the denial of your claim for benefits, you may file your claim for review, in writing, with the Plan Administrator.

- (a) YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 60 DAYS AFTER YOU HAVE RECEIVED WRITTEN NOTIFICATION OF THE DENIAL OF YOUR CLAIM FOR BENEFITS.

HOWEVER, IF YOUR CLAIM IS FOR DISABILITY BENEFITS AND DISABILITY IS DETERMINED BY A PHYSICIAN, THEN INSTEAD OF THE ABOVE, YOU MUST FILE THE CLAIM FOR REVIEW NO LATER THAN 180 DAYS FOLLOWING RECEIPT OF NOTIFICATION OF AN ADVERSE BENEFIT DETERMINATION.

- (b) You may submit written comments, documents, records, and other information relating to your claim for benefits.
- (c) You may review all pertinent documents relating to the denial of your claim and submit any issues and comments, in writing, to the Plan Administrator.
- (d) You will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.
- (e) Your claim for review must be given a full and fair review. This review will take into account all comments, documents, records, and other information submitted by you relating to your claim, without regard to whether such information was submitted or considered in the initial benefit determination.

In addition to the claims review procedure above, if your claim is for disability benefits and disability is determined by a physician, then:

- (a) Your claim will be reviewed without deference to the initial adverse benefit determination and the review will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor the subordinate of such individual.

(b) In deciding an appeal of any adverse benefit determination that is based in whole or part on medical judgment, the appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment.

(c) Any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with your adverse benefit determination will be identified, without regard to whether the advice was relied upon in making the benefit determination.

(d) The health care professional engaged for purposes of a consultation under (b) above will be an individual who is neither an individual who was consulted in connection with the adverse benefit determination that is the subject of the appeal, nor the subordinate of any such individual.

The Plan Administrator will provide you with written or electronic notification of the Plan's benefit determination on review. The Plan Administrator must provide you with notification of this denial within 60 days after the Administrator's receipt of your written claim for review, unless the Plan Administrator determines that special circumstances require an extension of time for processing your claim. If the Plan Administrator determines that an extension of time for processing is required, written notice of the extension will be furnished to you prior to the termination of the initial 60-day period. In no event will such extension exceed a period of 60 days from the end of the initial period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. However, if the claim relates to disability benefits and disability is determined by a physician, then 45 days will apply instead of 60 days in the preceding sentences. In the case of an adverse benefit determination, the notification will set forth:

(a) The specific reason or reasons for the adverse determination.

(b) Reference to the specific Plan provisions on which the benefit determination is based.

(c) A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

(d) In the case of disability benefits where disability is determined by a physician:

(i) If an internal rule, guideline, protocol, or other similar criterion (collectively "rule") was relied upon in making the adverse determination, either the specific rule or a statement that such rule was relied upon in making the adverse determination and that a copy of that rule will be provided to you free of charge upon request.

(ii) If the adverse benefit determination is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances, or a statement that such explanation will be provided to you free of charge upon request.

If you have a claim for benefits which is denied, then you may file suit in a state or Federal court. However, in order to do so, you must file the suit no later than 180 days after the date of the Plan Administrator's final determination denying your claim.

What are my rights as a Plan participant?

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

(a) Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including collective bargaining agreements and insurance contracts, if any, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

(b) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including collective bargaining agreements and insurance contracts, if any, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

(c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including the Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110.00 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. You and your beneficiaries can obtain, without charge, a copy of the Plan's QDRO procedures from the Plan Administrator.

If it should happen that the Plan's fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

What can I do if I have questions or my rights are violated?

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

**ARTICLE XII
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information which you may need to know about the Plan. This information has been summarized for you in this Article.

Plan Name

The full name of the Plan is Naugatuck Defined Contribution Union Plan.

Plan Number

The Employer has assigned Plan Number 002 to your Plan.

Plan Effective Dates

The provisions of the Plan become effective on 1/1/2010.

Other Plan Information

Valuations of the Plan assets are made annually on the last day of the Plan Year. In addition, valuations of all contributions are made every business day. The Plan Administrator also may require more frequent valuations.

The Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year ends on December 31st.

The Plan and Trust will be governed by the laws of the state of the Employer's principal place of business to the extent not governed by federal law.

Benefits provided by the Plan are NOT insured by the Pension Benefit Guaranty Corporation (PBGC) under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to this type of Plan.

Service of legal process may be made upon the Employer. Service of legal process may also be made upon the Trustee or Plan Administrator.

Employer Information

The Employer's name, address, business telephone number and identification number are:

Borough of Naugatuck
229 Church Street
Naugatuck, Connecticut 06770
203-720-7000
06-6002041

Plan Administrator Information

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation, and directs the payment of your account at the appropriate time. The Administrator will also allow you to review the formal Plan document and certain other materials related to the Plan. If you have any questions about the Plan or your participation, you should contact the Administrator. The Plan Administrator is the Employer. See "Employer Information" above for the Plan Administrator's (Employer's) name, address, and business telephone number. The Plan Administrator may designate other parties to perform some duties of the Administrator.

The Plan Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Plan Administrator is conclusive and binding upon all persons.

Plan Trustee Information and Plan Funding Medium

All money that is contributed to the Plan is held in a trust fund. The Trustee is responsible for the safekeeping of the trust fund and must hold and invest Plan assets (unless the investment of assets is subject to Participant or other direction) in a prudent manner and in the best interest of you and your beneficiaries. The trust fund established by the Plan's Trustee(s) will be the funding medium used for the accumulation of assets from which benefits will be distributed. While all the Plan assets are held in a trust fund, the Administrator separately accounts for each Participant's interest in the Plan. If there is more than one Trustee, they will collectively be referred to as Trustee throughout this Summary Plan Description.

The Plan's Trustee is:

Wayne McAllister

229 Church Street
Naugatuck, Connecticut 06770

The business telephone number for the Plan's Trustee is:

203-720-7000

**APPENDIX
PLAN LOAN POLICY**

Naugatuck Defined Contribution Union Plan permits loans to be made to Participants, their beneficiaries, and alternate payees pursuant to a written loan policy. All references to Participants in this loan policy include Participants and their Beneficiaries or any alternate payee with respect to the Plan provided that the borrower must qualify as a "party in interest" as defined by ERISA Section 3(14). All current employees of the Employer and certain former Employees qualify as parties in interest.

The Plan Administrator is authorized to administer the Participant loan policy. All applications for loans will be made by a Participant to the Plan Administrator on forms which the Plan Administrator will make available for such purpose.

1. **LOAN APPLICATION/BORROWER QUALIFICATION.** Any Participant may apply for a loan from the Plan. A Participant must apply for each loan with an application which specifies the amount of the loan desired, the requested duration for the loan and the source of security for the loan.

All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant makes formal application.

The Plan Administrator will not investigate the Participant's creditworthiness before making the loan as the loan will be treated as a directed investment of the borrower's Account.

2. **LOAN LIMITATIONS.** The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan. With regard to any loan made pursuant to this program, the following rule(s) and limitation(s) will apply, in addition to such other requirements set forth in the Plan:

- No loan in an amount less than \$1,000 will be granted to any Participant.
- A Participant can have 2 loan(s) currently outstanding from the Plan.
- Loan refinancing is permitted. In this case, the refinanced loan, for purposes of applying the Plan's limit on the number of loans, is treated as the same loan as the loan being refinanced.
- Loans will be permitted for any reasonable purpose.

3. **EVIDENCE AND TERMS OF LOAN.** The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, together with a commercially reasonable rate of interest.

Any loan granted or renewed under this policy will bear an interest rate equal to Prime plus 1%.

The loan must provide at least quarterly payments under a level amortization schedule. If the Participant is currently employed by the Employer, the Plan Administrator will require the Participant receiving a loan from the Plan to enter into either a payroll deduction or an ACH agreement to repay the loan.

The Plan Administrator will fix the term for repayment of any loan, however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as a principal residence. The term for a home loan will be 20 years.

All loans will be considered a directed investment from the account(s) of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the account(s) of such Participant.

The Plan will charge that portion of the Participant's account balances with expenses directly related to the loan set-up, annual maintenance, administrative charges, and collection of the note.

A loan, if not otherwise due and payable, is due and payable on the date of the Participant's termination of employment with the Employer unless the Participant is a "party in interest" as described above.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

Participants should note the law treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five year period or, if sooner, at the time the loan is in default. If a Participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

4. **SECURITY FOR LOAN.** The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan (account balance) to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of

the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than the Participant's vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Plan Administrator will require that such security be provided before the loan will be granted.

5. **FORM OF PLEDGE.** The pledge and assignment of a Participant's account balances will be in the form prescribed by the Plan Administrator.

6. **MILITARY SERVICE.** If a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his or her account balances, the Plan will suspend loan repayments until the Participant's completion of military service. The Employer will provide the Participant with a written explanation of the effect of the Participant's military service upon his or her Plan loan. While the Participant is on active duty in the United States military, the interest rate on the loan will not exceed six percent (6%), compounded annually.

7. **PAYMENTS AFTER LEAVE OF ABSENCE.** When payments resume following a payment suspension in connection with a leave of absence authorized above, the Participant will select one of the following methods to repay the loan, plus accumulated interest:

- The Participant will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
- The Participant will pay a balloon payment of the remaining unpaid principal and interest, at the conclusion of the term of the loan as determined in the promissory note.
- The Participant may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. In the case of a non-military leave of absence, the revised term of the loan will not exceed the maximum term permitted under item 3 above. In the case of a military leave of absence, the revised term of the loan will not exceed the maximum term permitted under item 3 above, augmented by the time the Participant was actually in United States military service.

8. **DEFAULT.** The Plan Administrator will treat a loan as in default if:

Upon default, the Participant will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment plus interest or, if distribution is available under the Plan, request distribution of the note. If the loan remains in default, the Plan Administrator will offset the Participant's vested account balances by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

