
SUMMARY PLAN DESCRIPTION
FOR THE
MONEY PURCHASE PENSION PLAN OF THE
POLICE DEPARTMENT OF THE CITY OF AURORA

October 2011

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**SUMMARY PLAN DESCRIPTION
FOR THE
MONEY PURCHASE PENSION PLAN FOR THE POLICE DEPARTMENT OF THE CITY OF AURORA**

INTRODUCTION

The Money Purchase Pension Plan for the Police Department of the City of Aurora (the “Plan”) is designed to help you build financial security by requiring you to save a portion of your earnings for your retirement and requiring the Police Department for the City of Aurora (the “Employer”) to contribute toward your retirement. The Plan is sponsored by the City of Aurora as required by Section 31-31-601 of the Colorado Revised Statutes (“C.R.S.”), as amended. The Plan is a type of defined contribution plan, commonly known as a money purchase pension plan that is intended to be qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”). Under this Plan, there is no fixed dollar amount of retirement benefits. Your actual retirement benefit will depend on the amount of your account balance at the time of your retirement.

This document serves as a summary of your Plan benefits (this “Summary”). You are encouraged to read this Summary carefully in order to become familiar with the general provisions of the Plan, the way in which it is administered, and your rights under the Plan. If you have any questions after reading this Summary or would like a copy of the Plan document, please contact the Plan Administration Committee at any time during regular business hours. You can obtain information about how to contact the Plan Administration Committee by referring to the “Administrative Information” section of this Summary on page 15.

The Plan was originally effective January 1, 1988, and was most recently amended effective January 1, 2010. This Summary reflects all of the amendments to the Plan that have been adopted through that date. If you are a Participant on or after January 1, 2010, this Summary supersedes and replaces, in its entirety, any other summary plan description describing Plan benefits that you currently may possess.

This Summary is not the Plan document itself but is designed to give you a general description of the benefits provided by the Plan without describing all of the details set forth in the Plan document. The official text of the Plan includes many rules that are not covered in this Summary. **The legal rights and obligations of any person having any interest in the Plan are determined solely by the provisions of the Plan document. If there is any conflict between this Summary and the Plan document, the Plan document will govern.**

You should keep this Summary in a safe place so that you can refer to it as needed from time to time.

The Plan Administration Committee has the right and discretion to determine all matters of fact or interpretation relative to the administration of the Plan -- including questions of eligibility, interpretation of Plan provisions and any other matter. The decisions of the Plan Administration Committee and any other person or group to whom such discretion is delegated shall be conclusive and binding on all persons.

WHO IS ELIGIBLE TO PARTICIPATE

You are eligible to participate in the Plan and become a “Participant” on the first day you are an Employee (as defined in the Glossary on page 19). Pursuant to Colorado law, all Employees must participate in the Plan as a condition of their employment with the Employer. Participant’s who are active Employees may not elect to discontinue participation in the Plan.

The Plan document describes classes of individuals who are not eligible to participate in the Plan or may elect not to participate in the Plan.

WHEN PARTICIPATION COMMENCES & HOW TO ENROLL

You will participate in the Plan as of your first day that:

- ◆ you are an Employee; and
- ◆ you perform one Hour of Service.

You will not be required to complete any forms to become a Participant. As a Participant, you will have an account established for you under the Plan (your “Plan Account”).

At the time you are first eligible to participate in the Plan, you will receive enrollment materials. These enrollment materials include forms on which you will be asked to choose the investment funds, from among those currently offered under the Plan, in which you wish to have your contributions invested under the Plan. You also will be asked to designate one or more beneficiaries to receive your vested Plan Account balance, if any, if you die before your vested Plan Account balance has been paid to you.

If you incur a Separation from Service and then return, you will once again participate in the Plan on the first day you meet the Requirements to be an Employee and perform one Hour of Service.

ACCESSING YOUR ACCOUNT

Online: www.apmppp.org (Click “Participant Login” – Enter your Username and Password)

Local Office: (303) 221-5900 **Customer Service:** (877) 845-0640

CONTRIBUTIONS

How Much You Can Save

As a Participant, you are required to make a contribution amount equal to 10.5% of your compensation per payroll period to the Plan, subject to certain limitations imposed by the Internal Revenue Service (“IRS”) (see page 4, “Limitations on Contributions to the Plan”).

Compensation

The Plan defines Compensation as the total base salary set forth in the Employer’s Compensation Ordinance, in effect at the time, for the rank and grade held by you at the time it is earned. This definition includes longevity pay (if you are eligible for such pay) but excludes bonuses, commissions, overtime pay, holiday pay, other taxable income and type of pay derived from your employment with the Employer. Compensation shall not be reduced by your mandatory contributions to the Plan nor will it be reduced by any Elective Contributions to the Plan.

Employer Contributions

Under the Plan's current contribution formula, you will receive an amount equal to 10.5% of your Compensation each pay period. This "Employer Contribution" is derived from the Employer's contribution and from forfeitures to be reallocated during each pay period.

However, the Employer's obligation for any Plan Year to contribute to the trust fund on your behalf any amount in excess of 9% of your Compensation is contingent the Employer's compliance with the taxation provisions of the TABOR Amendment to the Colorado Constitution. In the event the determination of the Employer is that it is not legally permitted to make an annual contribution to the Trust in excess of 9% of your Compensation, then the Employer Contribution percentage for such Plan Year shall be reduced to 9% of your Compensation for such Plan Year.

The Plan Administration Committee allocates and credits principal from the Employer Payment Account, as an Employer Contribution, to your Plan Account. In the event that at any time the amount of principal in the Employer Payment Account is insufficient to fully fund the Employer Contribution obligation for a current payroll period, the Employer shall contribute to the Plan such amount as is required to meet the Employer's Contribution obligation for such payroll period. Any net income, gain or loss incurred by the Employer Payment Account shall be used to pay fees and expenses of the Plan.

Each Employer Contribution will be made to the Trust that coincides with your current payroll period.

Employee Contributions

You are required to contribute to the Plan of an amount equal to 10% of your Compensation for each payroll period. These are called "Employee Contributions."

Employee Contribution shall be paid by the Employer to the Plan in lieu of the contribution being paid directly by you. You will not have the option of choosing to have the Employer pay you directly your Employee Contribution. Although the Employee Contribution is designated as your contribution, the Employee Contributions are "picked up" for Federal income tax purposes, which means that the Employee Contributions are treated as an Employer contribution under Section 414(h)(2) of the Code, and therefore will not be included in your income or be subject to income tax withholding.

You are always 100% vested in Employee Contributions.

Rollover Contributions

If you receive a distribution from a former employer's tax-qualified plan, you may be able to deposit all or a portion of such funds into the Plan as a "rollover contribution." The rollover contribution must satisfy certain requirements imposed by Federal law and, before the Plan can accept the rollover contribution, the Plan Administration Committee must accept in writing your rollover contribution request.

To make a rollover contribution, you must complete the appropriate rollover contribution application form and forward it and your distribution check so that it is received by the Trustees within 60 days of the date you received the check from your prior employer's tax-qualified plan or conduit IRA. Contact the Plan Administration Committee for additional information.

You can obtain the rollover form from the Plan Administration Committee.

Limitations on Contributions to the Plan

The IRS limits the Employee Contributions and Employer Contributions that can be made to the Plan on your behalf. If it becomes necessary for the Employer to reduce, refund or stop your Employee Contributions or Employer Contributions to comply with any of the IRS restrictions described in this section, you will be notified of the action taken by the Plan Administration Committee.

Maximum Annual Compensation Limit. Contributions may not be made to the Plan if the contributions on your Compensation exceeds a maximum dollar amount which is established by the IRS (the "maximum annual compensation limit"). The maximum annual compensation limit may be revised by the IRS each year to reflect cost of living adjustments. The maximum annual compensation limit for 2012 is \$250,000.

INVESTMENT OF YOUR PLAN ACCOUNT

At the current time, the Plan Administration Committee allows you to direct the investment of your Plan Account. Therefore, you are responsible for investing your Plan Account and for any losses resulting from your choice of investments. The Plan, the Plan Administration Committee or the Employer or any of their agents cannot advise you as to how you should invest your Plan Account.

The Plan Administration Committee decides which investment funds will be made available under the Plan. The investment fund options that are made available under the Plan are intended to offer varying levels of risk and return. As with any investment, past performance is not an indication of future performance nor are any particular rates of return guaranteed. Also, your Plan Account's investment performance may vary from other accounts due to the timing of contributions, transfers, withdrawals and other fund transactions.

Available Investment Fund Options

Your Plan Account may be invested in whole one percent (1%) increments in one or more of the currently available investment fund options. If you decide to invest in more than one investment fund, your election must be made in whole percentages adding up to 100%.

Generally, each of the investment fund choices has its own characteristics and its own element of risk. The performance of each fund depends entirely on the performance of the underlying investments (such as stocks, bonds, money market instruments, debt instruments, etc.) held in the various funds. The value of the stocks and bonds fluctuate and the value of your investment in the funds will increase or decrease depending upon the performance of the stocks and bonds held in the various funds in which you have invested. For more complete information on each of the funds currently available under the Plan, see "Sources of Information about the Plan's Investment Options" below.

Before investing in any investment fund options available under the Plan, please carefully consider the investment objectives, risk characteristics, investment performance and fund charges and expenses. While the Plan Administration Committee makes efforts to keep you generally informed regarding the nature of the investment fund options offered under the Plan, the Plan Administration Committee cannot advise you of all the developments in the investment markets that may be significant to you. Since you are responsible for your investment choices under the Plan, you also are responsible for gathering information you need in order to make the investment choices that are right for you.

Sources of Information about the Plan's Investment Options

Before selecting any investment option, you always should read the most current fund prospectus as this provides general information about the fund's investment objectives, risk characteristics, investment performance and fund charges and expenses. For a copy of the prospectus for any investment fund option and other information, call (303) 221-5900.

Please be aware that reading a prospectus may not give you enough information to make your investment decisions. You should consider what other information may be important to you. You also may wish to consult with your personal financial advisor.

Investment Income

Income earned on your Plan Account will be reinvested in the investment fund that produced the income. If the income was produced by an asset that is not a current investment option, the income will be reinvested in the currently available investment options in accordance with your latest investment direction.

Default Investment

If you fail to direct the investment of your Plan Account, you will be deemed to have elected to invest your Plan Account in the **Target Date Portfolio** with the target date that is closest to the date which you will attain age 55.

Changes in Available Investment Options

From time to time the Plan Administration Committee may change the investment options made available to you for the investment of your Plan Account. You will be notified in advance of any such changes and you will be given an opportunity to redirect your investment selections at that time. If a change is being made to an investment in which your Plan Account is invested but you take no action, you will be deemed to have directed that any amounts you have invested in the fund that is being terminated should be automatically transferred to the new fund being offered.

Changing Your Investments

You may direct the Trustees to change the investment options for your entire Plan Account or only for specific portions of your Plan Account and to reinvest the proceeds in any of the investment fund options then currently available under the Plan. For example, you may change at any time the investment direction for future contributions allocated to your Plan Account or you may separately make an investment change for your existing Plan Account balance. Please consider how you wish to change your investment options and then carefully follow the process below to instruct the Plan Administration Committee to make the changes you desire.

How to Change Your Investments

You may direct the Trustees to change the investment options for your entire Plan Account or only for specific portions of your Plan Account by; (1) completing a "Self-Direction of Investments Change" form and returning the form to the Plan's local office (2) you may execute your own request online by logging in to the Plan's web site (www.apmppp.org); or, (3) by telephone through the Plan's record-keeper (877) 845-0640.

Confirmation of Your Instructions. A confirmation of your investment transactions will be mailed to the address listed as your mailing address in the Plan's records. It is therefore important to keep the Plan Administration Committee informed as to any changes in your address.

You should review each confirmation immediately upon receipt and take steps to correct any errors.

Failure to Provide Investment Direction. If you do not provide any directions for the investment of your Plan Account, you will be deemed to have directed that your contributions and earnings are to be invested in default investment (see above). You can redirect such investment at any time in accordance with the investment change rules summarized above.

VESTING

To be "vested" is to have a nonforfeitable right to the contributions allocated to your Plan Account. Your Employee Contributions to the Plan are always 100% vested as soon as they are received by the Plan. Your rollover contributions are always 100% vested as well. This means that no matter how long you have worked for the Employer, you have the right to receive your Plan Account balance derived from these types of contributions when you terminate employment.

Vesting of Employer Contributions

You will earn a vested percentage of the Employer Contributions allocated to your Plan Account based on your "Years of Service" according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5 or more	100%

However, if while an active Employee you die, you automatically will become 100% vested and entitled to the entire balance credited to your Plan Account, including Employer Contributions, regardless of your age or number of Years of Service.

If you terminate your employment for any reason other than death, you will "forfeit" or lose the portion of Employer Contributions allocated to your Plan Account in which you are not vested at the time your employment terminates.

Years of Service

To measure your Years of Service with the Employer for vesting purposes, the Plan uses a service crediting method that measures the actual amount of services you give to the Employer. This is known as the "actual time method" of crediting service.

Under the actual time method of crediting service, your service with the Employer is measured from the date that you first were credited with one Hour of Service for the performance of duties to the Employer. You will be credited with a Year of Service for each computation period in which you complete at least 1,000 Hours of Service for the Employer within your "computation period." Your computation period is the twelve-consecutive-month period beginning on the first day you are a Participant under the Plan or the anniversary of such date.

If you incur a Separation from Service and then return to the employment of the Employer, special service crediting rules may apply. If you are rehired by the Employer, contact the Plan Administration Committee for more information.

IN-SERVICE WITHDRAWAL

In-Service Distribution At and After Age 50

If you have attained Normal Retirement Age while an active Employee, you may elect to receive a distribution from the Plan of all or any portion of your vested Plan Account. This is referred to as an "In-Service Distribution."

To receive an In-Service Distribution, you must make an election on the form prescribed by the Plan Administration Committee specifying the percentage or dollar amount of your vested Plan Account that you wish to have distributed to you. You may make an In-Service Distribution election at any time at or after attaining age 50. If you are married, your legal spouse must consent to the In-Service Distribution. Your spouse's consent must be witnessed by a notary public and shall be irrevocable when made. This spousal consent will not be required if it is established to the satisfaction of the Plan Administration Committee that consent cannot be obtained because your spouse cannot be located, or your spouse is incapacitated.

An In-Service Distribution will be distributed in a single lump sum cash payment as soon as administratively practicable after the Plan Administration Committee approves your In-Service Distribution Election.

In-Service Withdrawals from Rollover Contribution Account

Once during each Plan Year, you may request and receive a return of all or part of any rollover contributions or voluntary contributions (allowed by the Plan prior to January 1, 1992) held in your Plan Account regardless of your age and even if you are still employed by the Employer.

Investment Fund Liquidation of Partial In-Service Withdrawals or Distributions

If you request an in-service withdrawal of less than the total balance of your vested Plan Account, all investments will be liquidated simultaneously on a pro-rata basis to the extent required to satisfy the withdrawal request. However, you may instruct the Plan Administration Committee to liquidate your investments in a particular manner.

Tax Implications of In-Service Withdrawals or Distributions

If you are under age 59½ and you do not rollover your in-service withdrawal to another tax qualified plan or an IRA, your withdrawal may be subject to both mandatory Federal income tax withholding and a 10% tax penalty for early withdrawal. For tax information on in-service withdrawals, please refer to the section on "Federal Tax Information" on page 11.

DISTRIBUTIONS

When your employment with the Employer ends due to your death, disability, retirement or other termination of employment, you (or in the case of your death, your beneficiaries) are entitled to a distribution of your entire vested Plan Account balance.

Distribution Notice and Election

Not earlier than 90 days, but not later than 30 days, before your distribution date, the Plan Administration Committee will provide you a written benefit notice explaining your right to elect distribution from the Plan and the forms necessary to make your election. If your termination of employment is for any reason other than your death, the Plan Administration Committee shall direct the Trustees to commence distribution of your vested account balance in a form and at the time elected by you. If you fail to make such an election within six (6) months after your receipt of the written benefit notice referenced above, then the Plan Administration Committee may direct the Trustees to distribute your vested account balance in a lump sum on any distribution date the Plan Administration Committee, in its discretion, may select.

Distribution Rules For Plan Account Balances of Less Than \$1,000

After you terminate employment with the Employer and if you have a vested Plan Account balance not then exceeding \$1,000, the Plan Administration Committee will mail to you a notice regarding the Plan's intention to automatically distribute your balance unless specific distribution instructions are received from you within the timeframe stated in the notice. If during the applicable election period you do not elect to have the eligible portion of your vested Plan Account directly rolled over, that balance will be paid to you in a single, lump sum cash payment as soon as administratively practicable following the end of the election period. If, at the time of your termination, you are eligible to receive the Employer Contribution (see page 3), the automatic distribution of your vested Plan Account will be delayed until after the additional Employer Contribution has been allocated to your Plan Account.

Where an alternate payee under a QDRO becomes eligible for a distribution from your Plan Account, the Plan Account will not be distributed automatically, regardless whether it is less than \$1,000, rather, it will be distributed in accordance with the terms of the QDRO.

Distribution Rules for Plan Account Balances of \$1,000 or More

If your vested Plan Account balance is \$1,000 or more on the date of your termination and thereafter, and you, your authorized representative or your beneficiary fail to make a distribution election within the six (6) month period after your receipt of the written benefit notice, then the Plan Administration Committee shall direct the Trustees to distribute your vested Plan Account in the form of a direct rollover distribution to an IRA as may be designated by the Plan Administration Committee in your name or your beneficiaries name, as appropriate.

If you are a terminated employee, payment of your vested Plan Account balance must begin no later than April 1 of the calendar year following the calendar year in which you attain age 70½ or terminate employment, if later.

Forms of Benefit Payment. The Plan permits you to elect distribution under any one of the following methods:

- Lump sum;
- Installments payments (annually, quarterly or monthly) over a specified period of time, not exceeding your life expectancy or the joint life expectancy of you and your designated beneficiary;

- A straight life annuity, payable no less frequently than annually, with payment ending on your death;
- A life annuity, payable no less frequently than annually, with a term certain guaranteed, which term certain can not exceed your life expectancy or the joint life expectancy of you and your designated beneficiary; or
- Any other form of payment which the Plan Administration Committee may approve, which form of payment cannot extend beyond your life and your designated beneficiary's life, your life expectancy or the joint life expectancy of you and your designated beneficiary.

Disability Distributions

Distribution Upon FPPA On-Duty Total Disability or On-Duty Permanent Occupational Disability.

If you are deemed to have incurred an "on duty" Disability, which is either a total disability or a permanent occupational disability, pursuant to the provisions of C.R.S. Section 31-31-806.5 and at the sole determination of FPPA, then you may receive a distribution of your vested Plan Account, regardless of whether you have incurred a Separation from Service.

Distribution of Participant's Lump Sum Plan Offset Amount. In very specific circumstances, you may be eligible to receive a distribution of the portion of your vested Plan Account equal to your Lump Sum Plan Offset Amount (or all of your vested Plan Account if it is equal to or less than such Participant's Lump Sum Plan Offset Amount) in the form of a single lump sum, cash distribution as soon as administratively practicable coincident with or following the date of the determination by FPPA.

You will be eligible to receive this special distribution if you are determined by FPPA to have an on-duty Disability, which is either a total disability or a permanent occupational disability, pursuant to the provisions of C.R.S. Section 31-31-806.5;

Once you will be eligible the following circumstances apply:

- ◆ Your FPPA On Duty Disability Benefit is excludible from your gross income for Federal income tax purposes under the provisions of Section 104(a)(1) of the Code, which covers on-duty workmen's compensation type benefits.
- ◆ Your On-Duty Disability Benefit amount is the actuarial equivalent of the lump sum value of your Plan Account as of a valuation date set by the FPPA. This is referred to as a Lump Sum Plan Offset Amount.
- ◆ The Plan Administration Committee and the Trustees will make a good faith determination that pursuant to applicable Federal tax law, regulations and rulings that your Lump Sum Plan Offset Amount is also exempt from Federal income taxation under the provisions of Section 104(a)(1) of the Code.

Distribution of Participant's Remaining Balance. If you elect to receive your Lump Sum Plan Offset Amount, you will also receive any remaining balance in your vested Plan Account, which is referred to as your "Remaining Balance."

Your Remaining Balance will be distributed in the form of a single lump sum, cash distribution, subject to the Plan's rules for distributions in excess of \$1,000 (see above). A distribution of your Remaining

Balance is subject to the rules of Federal income taxation under the provisions of Sections 402(a) and 72 of the Code and the normal distribution rules of the Plan.

Distributions on Account of Other Disability. If you terminate employment with the Employer due to a Disability, which is determined by FPPA to be neither an “on duty total disability” nor an “on duty permanent occupational disability,” the Plan Administration Committee will direct the Trustees to distribute to your entire vested Plan Account in the form of a single lump sum, cash distribution regardless of whether you have incurred a Separation from Service, after the date of the determination by FPPA that you have such a Disability.

Retired Public Safety Officer Insurance Premium Payment Distribution

Eligible retired Public Safety Officers (PSO) may use up to \$3,000 from this Plan, on a pre-tax basis, to pay for health insurance or long-term care insurance premiums for the retired PSO, and/or their spouse, and/or their dependent(s). In order for you to get the pre-tax benefit, the money must be paid directly from the Plan to a health or long-term care insurance provider.

Eligible retired public safety officers include those who have separated from service with their Plan-covered employer due to disability or after reaching normal retirement age (age 50). A public safety officer who retires before reaching normal retirement age is not an eligible retired public safety officer, unless the public safety officer retires by reason of disability. In addition, survivors are not eligible to make this election. Eligible participants must complete the “Retired Public Safety Officer Insurance Premium Authorization” form and the insurance provider must complete the “Retired Public Safety Officers Insurance Carrier Agreement” form. Both forms are available through the Plan Administration Committee. Contact the Plan Administrator (303-221-5900) for the necessary forms and to obtain more information concerning the \$3,000 pre-tax benefit for purchasing health insurance or long-term care insurance under the Plan. The election forms are also available online. You must submit your election form to the Plan by Dec. 1 of each year.

Processing Distributions

Termination distribution requests generally are processed by the Plan Administration Committee as soon as administratively practicable following the Plan Administration Committee’s receipt of a properly completed distribution request.

The Distribution Process. In processing termination distributions, the total balance of your vested Plan Account is liquidated and the proceeds are transferred by the Plan Administration Committee into a commonly pooled “distribution account” where it remains until the distribution check is cashed. During the “float period” (which occurs when the Trustee liquidates your total vested Plan account balance and while waiting for you to cash the check representing your vested Plan Account balance), the proceeds are held in a “distribution account,” where it does not earn interest. Any earnings that may be generated by the “distribution account” are used by the Trust to offset the administrative expenses incurred for maintaining the “distribution account” and the fees imposed to maintain the mutual funds which are available under the Plan for your investment direction.

The Plan will issue a Form 1099-R for the calendar year in which it issues a distribution check. A copy of the Form 1099-R will be sent to you in January of the year following the year in which the distribution was made. A copy of the Form 1099-R also will be sent to the IRS. This reporting will occur whether or not you cash the distribution check that has been issued to you.

DESIGNATED BENEFICIARY

If you die before you have received a total distribution of your vested Plan account balance, your beneficiary will receive a distribution of your vested Plan Account balance.

If you are married, your spouse is the primary beneficiary of your vested Plan Account unless your spouse agrees in writing to waive such right as primary beneficiary. If you want to include or to designate someone other than your spouse as your primary beneficiary, your spouse must give written, notarized consent on the Plan's Beneficiary Designation Form. You may designate, without spousal consent, contingent beneficiaries to receive the proceeds in the event a primary beneficiary dies before you do.

If you are not married, you may name any person(s) you want as your primary beneficiary(ies) of your vested Plan account. You also may designate one or more contingent beneficiaries to receive the proceeds in the event a primary beneficiary dies before you do.

You may change beneficiaries at any time by completing a new Beneficiary Designation Form, which can be obtained by contacting the Plan Administration Committee.

If you die before you have designated any beneficiary, and you are married, the total balance of your vested Plan account will be paid to your spouse. If you die before you have designated any beneficiary, but you are unmarried or your spouse does not survive you, the total balance of your vested Plan Account will be paid in the following order:

- ◆ To your surviving children, including adopted children, in equal shares,
- ◆ To your surviving parents, in equal shares, or
- ◆ To your Estate.

Reminder

Many important Plan communications are sent to your mailing address on record. Thus, it is very important for you keep your mailing address information up-to-date. Please notify the Plan Administration Committee of any address changes as soon as possible.

FEDERAL TAX INFORMATION

You do not pay taxes on your Employee Contributions or the Employer Contributions allocated to your Plan Account until you withdraw or receive a distribution of that money from your Plan Account. Additionally, you pay no taxes on the earnings credited to your Plan Account until you withdraw or receive a distribution of those earnings.

The Plan is required to withhold 20% of the taxable portion of your distribution or in-service withdrawal unless you elect to roll over your distribution or withdrawal directly into another tax-qualified plan. If you elect to directly roll over your distribution into an IRA or another tax-qualified plan, the distribution check will be made payable to the name of the IRA or qualified plan and mailed to you for delivery to the financial institution or trustee of the plan or mailed directly to the designated rollover institution, per your instructions.

Also, a 10% excise tax will be imposed on any taxable amounts distributed from the Plan before you have attained age 59½. However, this excise tax generally is not imposed if the distribution resulted from death, disability within the meaning of Section 72(m)(3) of the Code, separation from service after attainment of age 55, or if the distribution was used for certain uninsured medical expenses, was paid to an alternate payee in accordance with a QDRO, or was placed in an IRA or in another tax-qualified plan within the Federally prescribed time frame.

You will be provided with additional information regarding your Federal income tax liability if you request an in-service withdrawal or a post-termination distribution and when you receive your distribution from the Plan.

If you are considering requesting an in-service withdrawal or a post-termination distribution, you can obtain a copy of the most recent IRS “special tax notice regarding plan payments” from the Plan Administration Committee. This special tax notice explains, in summary fashion, how you can continue to defer Federal income tax on your retirement savings and contains important information you will need before you decide how to receive your vested Account balance from the Plan.

The Plan, the Plan Administration Committee, or the Employer or any of their agents cannot advise you about the tax consequences of any particular situation and, because the tax laws change frequently, you are urged to seek the advice of your personal tax counselor with regard to your unique circumstances.

Contributions made by the Employer to the Plan are tax deductible to the Employer.

MANDATORY BENEFIT CLAIMS AND APPEALS PROCEDURE

How to Make a Claim for a Plan Benefit

If you disagree with the Plan Administration Committee's determination of your benefit upon distribution from the Plan, you, your authorized representative or your beneficiary can file a claim for Plan benefits with the Plan Administration Committee. The claim must be in writing and delivered by first-class U.S. mail, postage pre-paid; electronically; or by facsimile or by hand-delivery to the Plan Administration Committee.

The Plan Administration Committee can be reached at:

Money Purchase Pension Plan of the Police Department of the City of Aurora
Plan Administration Committee
4643 South Ulster Street, Suite 800
Denver, CO 80237

Telephone: (303) 221-5900
Facsimile: (720) 228-4158

Review of Your Claim

The Plan Administration Committee will review your written claim within a reasonable period of time, but in no event later than 60 days after its receipt of the claim. The Plan Administration Committee has full discretion to grant or deny your claim in whole or in part. Any denial of your claim in whole or in part may be referred to as an “adverse benefit determination.”

The Plan Administration Committee may appoint a hearing officer to conduct any necessary evidentiary hearing into the facts of the appeal and to make recommendations to the Plan Administration Committee concerning the claim.

Notice of Adverse Benefit Determination

If the Plan Administration Committee denies your claim, you will receive a written notice explaining the denial in detail. This will include:

- ◆ The specific reason(s) for the claim denial;
- ◆ The reference(s) to the specific Plan provision(s) on which the claim denial is based;
- ◆ A description of any additional material or information you will need to provide to the Plan Administration Committee for it to reconsider your claim and an explanation of why such material or information is necessary; and
- ◆ An explanation of how you can appeal the claim denial and the applicable time limits; and your right, upon request, to have reasonable access to and to obtain copies of all relevant documents.

How to Appeal an Adverse Benefit Determination

You have the right to request a full and fair review of an adverse benefit determination.

To make an appeal, you or your authorized representative must file a written request for review of the adverse benefit determination with the Plan Administration Committee within 75 days after you are notified of the determination. Your request must be in writing and delivered by first class U.S. mail, postage prepaid; electronically; or by facsimile or by hand-delivery. Failure to file an appeal within 75 days renders the Plan Administration Committee's determination final, binding and conclusive

Your Rights During the Plan Administration Committee's Review of Your Appeal

As a part of your request for review, you have the right, upon request, to have reasonable access to and to obtain copies of all relevant documents. You also have the right to submit in writing documents, records and other information relating to the claim, for consideration by the Plan Administration Committee during its review of the adverse benefit determination.

The Plan Administration Committee will review your written request for review of the adverse benefit determination within a reasonable period of time.

The Plan Administration Committee has full discretion to grant or deny your claim in full or in part upon its review of the adverse benefit determination. The Plan Administration Committee will take into account all comments, documents, records, and other information submitted by you or your authorized representative without regard to whether such information was previously submitted or considered in the initial benefit determination.

Notice of the Plan Administration Committee's Decision About Your Appeal

The Plan Administration Committee will notify you of its decision on review. If the Plan Administration Committee has denied your appeal of the benefit claim denial, you will receive a written notice explaining its decision in detail. This notice will include:

- ◆ The specific reason(s) for the decision;
- ◆ The reference(s) to the specific Plan provision(s) on which the decision is based.

The determination of the Plan Administration Committee of an appeal of an adverse benefits determination is final, binding and conclusive.

ADDITIONAL INFORMATION

Assignment of Plan Benefits

The Plan is designed to provide benefits solely for you (and your designated beneficiary(ies) in the event of your death). Therefore, you cannot assign or pledge your Plan benefit to anyone else nor can any portion of your Plan Account balance be made subject to the claim of any creditor. However, in connection with a divorce or support claim, a court may order that some or all of your Plan benefit must be payable to your spouse, ex-spouse, child or other dependent. The Plan will comply with the terms of such an order if the order is determined by the Plan Administration Committee to be a QDRO.

The Plan has procedures which reflect applicable Federal pension law and which must be satisfied before the Plan Administration Committee will determine that an order is a QDRO. You may obtain, without charge, a copy of the Plan's QDRO procedures from the Plan Administration Committee.

The Plan Administration Committee will notify you of its receipt of any court order and that the order is being examined to determine whether it is a QDRO. Then, within a reasonable period of time, the Plan Administration Committee will notify you and the other involved parties of its determination.

IRS Approval

The Plan is subject to the continuing approval of the IRS. If Federal income tax laws or IRS regulations change, Plan provisions may also change. Plan provisions may be changed to continue the Plan's tax qualification with the approval of the Employer and the Plan Administration Committee.

Plan is Not Subject to ERISA

Unlike certain Employer offered tax qualified plans, the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

CIRCUMSTANCES THAT MAY AFFECT YOUR PLAN ACCOUNT

Under certain circumstances, your benefits under the Plan may be denied, reduced, suspended or otherwise affected. Many of these circumstances have been addressed elsewhere in this Summary. Additional circumstances include the following:

- ◆ The investment results of the funds in which you have invested your Plan Account balance may decrease the value of your Plan Account balance.

- ◆ Currently, IRS rules state that the portion, if any, of your compensation above the maximum annual compensation limit (see page 4) may not be used to determine how much you may save in the Plan.
- ◆ Under Federal law, there are certain limits on the amount of benefits you may receive from the Plan. These limits generally apply only to a small number of the most highly compensated employees. You will be notified if you are affected.
- ◆ Within the limits set by law, the Employer has the right to recoup any contributions made to your Plan Account due to miscalculation or any other administrative mistake.
- ◆ If you have been overpaid a benefit, or a benefit has been paid by you by mistake, the Plan has the right by restitution or by other equitable means to obtain full repayment of the benefits paid by the Plan to you.

ADMINISTRATION INFORMATION

Information about the Plan

The formal name of the Plan is the Money Purchase Pension Plan of the Police City of the Employer of Aurora.

The Plan's identification number is 006.

The Plan is a defined contribution plan intended to qualify under Sections 401(a) of the Code.

The Plan Year is January 1 through December 31.

Information About the Plan Sponsor

The Plan Sponsor is City of Aurora. The City's address is:

City of Aurora
Attn: City Attorney's Office
15151 East Alameda Parkway, 5th Floor
Aurora, Colorado 80012

Information About the Plan Administration Committee

The Plan Administrator for the Plan is the Plan Administration Committee. The Plan Administration Committee is a board made up of five (5) members. Four members are current Participants and are elected by plurality vote of the current Participants, and the other member is elected by majority vote of the four Participant members of the Plan Administration Committee. The four members who are current Participants shall serve for staggered three year terms. The current Participants may remove their four elected members, with or without cause, and elect successors by majority vote of the current Participants. The member who is appointed by the majority vote of the other members of the Plan Administration Committee shall serve for a term designated by the Plan Administration Committee, and may be removed, with or without cause, by the majority vote of other members of the Plan Administration

Committee. Decisions made by the Plan Administration Committee must be by majority vote of its five members (i.e., at least three members must approve an action or the action will fail).

The Plan Administration Committee is responsible for providing you and other participants information regarding your rights and benefits under the Plan. The Plan Administration Committee also has the primary authority for filing the various reports, forms and returns with the Internal Revenue Service.

The Plan Administration Committee also is primarily responsible for the administration of the Plan. The Plan Administration Committee has the responsibility for making all discretionary determinations under the Plan and for giving distribution directions to the Trustees. The members of the Plan Administration Committee may change from time to time.

You may obtain the names of the members of the Plan Administration Committee from the Plan Administration Committee.

For purposes of this Summary, references to the Plan Administration Committee include references to its authorized delegate(s).

The Plan Administration Committee can be contacted at:

City of Aurora-Police Money Purchase Pension Plan
Plan Administration Committee
4643 South Ulster Street, Suite 800
Denver, CO 80237

Telephone: (303) 221-5900
Facsimile: (303) 694-4707

Information About the Plan Trustees

The Plan Administration Committee shall also act as Trustees under this Plan.

The Trustees will hold all amounts the Employer contributes to the Plan in a trust fund. The Trustees are responsible for the administration, management and investment of this trust fund. In addition to its investment responsibilities, the Trustees will make or direct all distribution and benefit payments from the trust fund to Participants and beneficiaries. The Trustees will maintain trust fund records on a Plan Year basis.

The Plan authorizes the Plan Administration Committee and the Trustees, in their discretion, to delegate their duties from time to time to service providers, including, investment advisors, plan administrators, attorneys, accountants and other similar professionals.

The Plan also authorizes the Plan Administration Committee and the Trustees, in their discretion, to permit, and/or to not permit, Participants to self-direct the investment of their respective accounts within the Plan trust fund, subject to terms, conditions and limitations deemed appropriate from time to time by the Plan Administration Committee and the Trustees. Currently, the Plan Administration Committee and the Trustees have permitted Participants to self-direct the investment of their respective accounts within the Plan trust fund, subject to terms, conditions and limitations deemed appropriate by the Plan Administration Committee and the Trustees. The Plan also allows the Plan Administration Committee and the Trustees, in their discretion, to modify and/or to disallow such self-directed investments, and the terms, conditions and limitations related thereto.

Legal Contact

In the event you should ever feel it necessary to take legal action against the Plan, legal process may be served on:

Holland & Hart
555 Seventeenth Street, Suite 3200
Denver, CO 80202-3921

Legal process may also be served on the Plan Administration Committee or the Plan Trustees.

FUTURE OF THE PLAN

The City intends to continue the Plan indefinitely, but specifically reserves the right to change, amend and/or terminate the Plan from time to time, in whole or in part, as determined and permitted by the Plan document and governing law with respect to all or any group of active employees and retired employees.

If the Plan is terminated, you will not earn any further benefits under the Plan and all contributions to the Plan will end. However, you will become 100% vested in and entitled to receive your vested Plan Account, as adjusted to reflect any subsequent gains or losses.

DISCRETIONARY AUTHORITY

The Plan Administration Committee has the power to delegate its authority to amend or otherwise act with respect to the Plan. If you would like to know whether the Plan Administration Committee has delegated some or all of this authority, please contact the Plan Administration Committee.

The Plan Administration Committee has the right and discretion to determine all matters of fact or interpretation relative to the administration of the Plan – including questions of eligibility, interpretation of the Plan's provisions and all other matters. The decisions of the Plan Administration Committee, and any other person or group to whom such discretion is delegated, shall be conclusive and binding on all persons.

NO GUARANTEE OF EMPLOYMENT

Nothing contained in this document shall be construed as a contract of employment between the Employer and any individual, nor as a limitation of the right of the Employer to discipline, discharge or take action with respect to any of its employees, with or without cause, at any time.

LEGALLY ENFORCEABLE

The terms of the Plan are legally enforceable in accordance with State law, where applicable, by individuals who are eligible to participate in the Plan, subject to the Employer's retention of rights to change, amend or terminate the Plan to the extent permitted by Plan document and by the C.R.S. The City has reserved such rights (see "Future of the Plan" on page 17).

The Plan Administration Committee has the authority and sole discretion to interpret the Plan (see "Discretionary Authority" on page 17).

INVALID PROVISIONS

In the event any provisions of the Plan may be held illegal or invalid for any reason, such illegality or invalidity will not affect remaining sections of the Plan and the Plan will be construed and enforced as if said illegal or invalid provisions had never been inserted therein.

GLOSSARY

Terms that appear capitalized throughout this Summary are explained below. If you are uncertain about the meaning of a term, contact the **Plan Administration Committee** for further clarification. In the event of any discrepancies or conflicts between these definitions and the Plan document, the terms of the Plan document shall govern.

Beneficiary / Beneficiaries means the individual(s) or entity(ies) you designate to receive your vested Plan Account balance if you die before your total vested Plan Account balance has been distributed to you.

City means the City of Aurora, Colorado.

Code means the Internal Revenue Code of 1986, as amended.

Compensation is defined on page 2.

Conduit IRA means an individual retirement account, as described under Section 408 of the Code, which is established and maintained separate and apart from the owner's contributing individual retirement account to hold distributions from a qualified plan exclusively.

C.R.S. means the Colorado Revised Statutes, as amended.

Disability means when a Participant is determined by the Board of Directors of FPPA to be eligible for disability benefits as a result of such Participant's becoming disabled, whether occupational or total, and whether on-duty or whether not on-duty, as provided under and defined in C.R.S., Title 31, Article 31, Part 8, and specifically in Sections 31-31-801, 31-31-803 and 31-31-806.5 of the C.R.S., or any successor provisions thereto.

Elective Contribution means amounts excludible from your gross income under Sections 125, 132(f)(4), 402(e)(3), 402(h)(2), 403(b), 408(p), or 457 of the Code, and contributed by the Employer, at your election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code Section 457 plan. Notwithstanding the preceding sentence, amounts described in Code Section 132(f)(4) are not Elective Contributions until Plan Years beginning on or after January 1, 2001, unless the Trustees operationally have included such amounts effective as of an earlier Plan Year beginning no earlier than January 1, 1998.

Employee means any individual:

- who is employed by the Employer in the Civil Service;
- whose most recent employment with the Employer commenced on or after April 8, 1974, or whose employment commenced prior to that date and who subsequently elected to be covered by the employee retirement plan maintained by the Colorado Fire and Police Pension Association under Title 31, Article 31 of the C.R.S., for the benefit of those employees of the Employer who were participating prior to the original effective date of the Plan;
- who is paid by the Employer on a full-time salaried basis;
- whose duties are directly involved with the provision of police protection; and

- who can normally be expected to be credited with at least sixteen hundred (1,600) Hours of Service each Plan Year.

Employee shall not mean or include clerical or other personnel whose services for the Employer are auxiliary to actual police protective services.

The City, in its sole discretion, shall determine if an individual is an Employee under the terms of its current employment policy.

Employer is defined on page 1.

Employer Contribution is defined on page 3.

Employer Payment Account means a reserve account under the Plan designed to hold the Employer's contribution prior to allocation to Participant Plan Accounts.

FPPA means the Fire and Police Pension Association of Colorado.

Hour of Service means each hour for which the Employer pays an Employee, or for which the Employee is entitled to payment, for:

- the performance of duties;
- back pay, irrespective of mitigation of damages, to which the Employer has agreed or for which the Employee has received an award;
- which the Employer pays an Employee, or for which the Employee is entitled to payment, pursuant to the terms of the labor agreement between the Employer and the Aurora Police Association from time to time in effect, (irrespective of whether the employment relationship is terminated), for reasons other than for the performance of duties during a computation period, such as Authorized Leave of Absence, vacation, holiday, sick leave, jury duty or military duty. An hour for which an Employee is paid, or entitled to payment, on account of a period during which no duties are performed is not required to be credited to the Employee if such payment is made or due under a plan maintained solely for the purpose of complying with applicable workmen's compensation, or unemployment compensation or disability insurance laws.
- Hour of Service shall also include any Service which the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code Section 414(u).

The Plan Administration Committee shall not credit an Hour of Service under more than one of the above paragraphs. For example, an Employee who receives a back pay award following a determination that such Employee was paid at an unlawful rate for Hours of Service previously credited will not be entitled to additional credit for the same Hours of Service. Crediting of Hours of Service for back pay awarded or agreed to shall be subject to the limitations set forth in the Plan. For example, no more than 501 Hours of Service are required to be credited for payments of back pay, to the extent that such back pay is agreed to or awarded for a period of time during which an Employee did not or would not have performed duties.

In-Service Distribution has the meaning assigned to it on page 7.

IRA means Individual Retirement Account.

IRS means the Internal Revenue Service.

Participant means an Employee who has met the Plan's eligibility criteria and has enrolled in the Plan (see page 2 of this Summary).

Plan Account is defined on page 2.

Plan Administration Committee means the Plan Administration Committee. For more information about the Plan Administration Committee, please refer to the "Administration Information" section beginning on page 15.

Plan Year means each January 1 through December 31.

Prospectus means a document whose contents are governed by the U.S. Securities and Exchange Commission ("SEC") and that is intended to provide detailed information regarding an investment fund.

QDRO means a qualified domestic relations order, which is described on page 14 of this Summary.

Relevant document means, with respect to a claimant's claim filed under the Plan's claims and appeals procedure, a document, record or other information that (a) was relied upon in making the benefit determination, (b) was submitted, considered or generated in the course of making the benefit determination, without regard to whether such document, record or other information was relied upon in making the benefit determination, or (c) demonstrates compliance with the administrative processes and safeguards required to assure consistent application of Plan provisions with respect to similarly-situated claimants.

Separation from Service means the termination of the employment relationship between the Employer and the Employee. After a *Separation from Service*, the individual is no longer considered an Employee under the Plan.

Trustees means the institution or individuals designated to hold the funds of the Plan.

For more information about the **Trustees**, please refer to the "Administrative Information" section beginning on page 15.

Year of Service is defined on page 6.