

THE CITY OF SOUTHFIELD

AND

THE SOUTHFIELD DEPUTY CHIEFS ASSOCIATION

EFFECTIVE: July 1, 2022 - June 30, 2025

THE SOUTHFIELD DEPUTY CHIEFS ASSOCIATION
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07/01/2022 - 06/30/2025

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ARTICLE 1
AGREEMENT

1.1 THIS AGREEMENT is entered into the 1st day of July 2022 by and between THE CITY OF SOUTHFIELD, a Michigan Municipal Corporation, hereinafter referred to as the "City", and THE SOUTHFIELD DEPUTY CHIEFS ASSOCIATION.

ARTICLE 2
PURPOSE AND INTENT

2.1 The City of Southfield hereby recognizes the Southfield Deputy Chiefs Association as the sole and exclusive bargaining agent with respect to wages, hours, and conditions of employment for employees in the current rank of deputy chief in the Southfield Police Department.

ARTICLE 3
GRIEVANCE AND ARBITRATION PROCEDURE

3.1 Definition. A grievance is a dispute between the City and one (1) or more employees covered by this Agreement regarding the interpretation or application of the provisions of this Agreement.

3.2 Defenses to Grievance Procedure by City. The following items shall be defenses to the grievance procedure and may be interposed by the City:

- A. Items coming within the jurisdiction of the Fire and Police Civil Service Commission established under Act 78 of the Public Acts of 1935, as amended; provided however, that disciplinary matters may proceed either through the Grievance and Arbitration Procedure set forth herein or through procedures established according to said Act 78, at the option of the employee; provided further, that the employee shall, within ten (10) days of the discipline make an election as to which procedure shall be used and thereby shall forfeit the right to revoke said election and proceed according to any other manner of review.
- B. Collective items which would normally be considered a matter for the collective bargaining process. The intent of this provision is to prevent and stop those items which have been negotiated out, or set forth herewith, from being collaterally attacked either by way of the grievance procedure or otherwise.
- C. An incident or other alleged infraction occurring prior to the date of the adoption of this Agreement.
- D. A grievance not meeting the time limits as set forth in the procedure below.

E. Multiple grievances submitted at a single time or step. The intent of this provision is to prevent more than one (1) grievance being submitted to the same arbitrator at the same time unless mutually agreed upon by the parties. A class grievance (not excluded herein) is a grievance involving more than one (1) employee where the facts involved are identical to all those affected and one in which only one (1) employee shall act as grievant for all concerned.

3.3 General Rules. If a grievance is not submitted within fifteen (15) calendar days of its occurrence or of the date on which the aggrieved party should reasonably have learned of its occurrence, whichever is later, it shall be automatically closed and forever held for naught.

3.4 Any grievance not submitted in one of the steps of the procedure to the next step within the time limit prescribed shall be considered withdrawn.

3.5 Failure to render a decision at any step of the grievance procedure within the specified time limits shall permit the grievance to proceed to the next step.

3.6 The time limits herein may be extended by mutual agreement of the parties in writing.

3.7 The employee may elect to have a representative of the Association present at any stage of the grievance procedure.

3.8 Grievance Procedure. Any grievance shall be presented through the following procedure:

Step 1-Chief. Within fifteen (15) calendar days after the event or occurrence or of the date on which the aggrieved party should reasonably have learned of its occurrence, whichever is later, the aggrieved party shall present the grievance in writing to the Chief of Police or designate.

3.9 The statement of grievance shall include:

- A. The name of the aggrieved party or parties.
- B. A statement of the facts giving rise to the grievance.
- C. Identification of all provisions of this Agreement alleged to be violated.
- D. The date on which the event or occurrence first occurred.
- E. The date of the initial submission of the grievance in writing.
- F. Remedy or correction requested.

The Chief of Police or designate shall render a decision to the aggrieved party in writing within ten (10) calendar days after receipt of the grievance. A copy shall be supplied to the President of the Association.

3.10 Step 2-City Administrator. In the event the aggrieved party is not satisfied with the decision at Step 1, he or she may, within ten (10) calendar days of receiving the decision, present an appeal in writing to the City Administrator, or designate. With this appeal he or she shall present a copy of the original grievance and the reply received at Step 1. The City Administrator, or designate, shall render a decision in writing to the aggrieved party within ten (10) calendar days after receipt of the appeal. A copy shall be supplied to the President of the Association.

3.11 Step 3-Arbitration-Notice of Intent. In the event the aggrieved party is not satisfied with the decision at Step 2, he or she may, with the approval of the Association, take an appeal of the matter to an impartial arbitrator selected from the Federal Mediation and Conciliation Service (FMCS) under, and in accordance with, the rules of the American Arbitration Association. Such an appeal and request must be made to the American Arbitration Association within fifteen (15) days after receipt of the decision in Step 2. Written notice of intent to submit the matter to arbitration must be simultaneously filed with the City Administrator.

3.12 Powers of the Arbitrator. It shall be the function of the arbitrator, and he or she shall be empowered, except as limited herein, after due investigation to make a decision in cases of alleged violation of specific articles and sections of this Agreement. The arbitrator shall have no power to add to, subtract from, disregard, alter or modify any of the terms of this Agreement.

3.13 Arbitrability. Should either party dispute the arbitrability of any grievance under the terms of this Agreement, the arbitrator shall first rule on the question of arbitrability. Should he or she determine that the grievance is not arbitrable, it shall be referred back to the parties without decision or recommendation as to its merits.

3.14 Fees and Expenses at Arbitration. The fees and expenses of the arbitrator, including all filing fees, shall be borne fully by the losing party. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expenses of the witness called by the other.

3.15 No Restraining. No restraining, coercive, discriminatory or retaliatory action of any type shall be taken against an employee by any supervisor because of the employee's desire to file, the institution of, or participation in a grievance.

ARTICLE 4 ACT 78

The provisions of Act 78, Public Acts of 1935, as amended and the regulations adopted thereunder, shall not apply to the filling of the Police Chief position, it being understood that the City may fill the position of police chief from within, or from outside of, the bargaining unit.

The provisions of Act 78, Public Acts of 1935, as amended, shall not apply to the position of Police Chief.

ARTICLE 5
JOINT RESPONSIBILITIES

5.1 There shall be no strikes, concerted failure to report to work, by either feigned or pretensive illness, slow-downs, sit-downs, stay-ins, or stoppage of work, or any lock-outs, during the term of this Agreement. While this Agreement is in effect, there shall be no interruption of police protection service to the public or any curtailment thereof. In the event of such interruption or curtailment, the Association shall immediately instruct the involved employees in writing that their conduct is in violation of this Agreement and that they may be disciplined up to and including discharge for dereliction of duty and instruct all persons to immediately cease said offending conduct. (The City reserves the right to utilize all legal remedies available under law against the "Association" for any illegal activity under the terms and conditions of this contract and/or the laws of the State of Michigan.)

ARTICLE 6
REGULAR SICK LEAVE

6.1 Sick Leave-Accumulation and Usage. Sick leave shall not be considered a privilege which an employee may use at his or her discretion, but shall be allowed only in cases of actual illness or disability. Sick leave shall accrue at the rate of eight hours per month with unlimited accumulation. For a half day or less of actual illness or disability (4 or 5 hours depending on the employee's schedule), there shall be no charge to sick leave; for more than a half day, a full day shall be charged (8 or 10 hours).

6.2 Sick leave benefits shall not accrue while an employee is on leave of absence; or sick leave beyond the balance of the calendar month ending thirty (30) days after the date on which the illness occurred. Sick leave for employees shall be computed from the first working day of the employee. No employee shall be entitled to sick leave unless earned. Employees off duty who become ill and unable to report for duty must notify the officer in charge at least one-half hour before roll call to his or her platoon on each day of illness. Failure to do so may be cause for denial of sick leave with pay. An examination certificate and release from the City Physician or other acceptable physician may be required as evidence of illness and inability to return to work before compensation is allowed. The City reserves the right to request such examination of a member of the department in order to determine validity of absence due to illness, with sick leave compensation provided in accordance with the physician's report. Should the physician's report indicate that the request for sick leave is (was) not justified such information may be grounds for disciplinary action up to and including dismissal.

6.3 Payment. Payment for accumulation unused sick leave shall be as follows:

6.4 Sick Leave Cap. A cap of 1200 hours shall be placed on accumulated regular sick leave.

6.5 Payment of Sick Leave Excess. A bargaining unit member shall receive payment for all accumulated regular sick leave in excess of 1200 hours as follows:

- A. If the employee has used two (2) days or less regular sick leave in the preceding fiscal year, the employee shall be paid seventy-five percent (75%) of the employee's current hourly rate (based on a forty-hour week) multiplied by the number of hours over 1200).
- B. If the employee has used more than two (2) regular sick leave days in the preceding fiscal year, the employee shall be paid fifty percent (50%) of the employee's current hourly rate (based on a forty-hour week) multiplied by the number of hours over 1200.

6.6 When Paid. This payment shall be made annually on the second pay period in July, except in the event of retirement, death or voluntary resignation, in which case payment shall be made at the time of retirement, death or resignation.

6.7 Payment Upon Separation From Employment. Upon death or retirement, employees shall receive payment at current rate of pay for one hundred (100%) percent of accumulated sick leave to a maximum of 1200 hours. After a minimum of ten (10) years service, upon voluntary resignation, employees shall receive payment, at current rate of pay, for fifty (50%) percent of accumulated sick leave to a maximum of 1200 hours, subject to the approval of the Chief. Personnel with less than ten (10) years service shall not receive payment for accumulated sick leave upon resignation. Payment may be denied for reasonable cause and such denial may be subject to the Grievance procedure. However, denial shall not be grievable when an employee is discharged or resigns, pending charges, irrespective of final disposition.

6.8 Payments pursuant to Section 6.7 shall be in addition to payment set forth in Section 6.5 and 6.6 of this Article.

6.9 Employees who retire from employment in the 4th quarter of a calendar year (Oct.-Dec.) shall receive payment for accumulated sick leave on the first pay in January following their date of retirement. [Employees wishing to defer these payments to a 457 account should note the IRS regulations regarding the date of severance from employment in relation to the payment date.]

ARTICLE 7 SICK LEAVE (RESERVE)

7.1 The reserve sick leave bank is established under the same provisions as the regular sick leave program with the following exceptions:

7.2 Accumulation. Accumulation rate of one-half (1/2) day per month, maximum accumulation of sixty (60) days.

7.3 Non-Duty Use. For non-duty related injury, illness or disability to be used only after expiration of all regular sick leave accumulated.

7.4 Duty Related Use. For duty-related injury, illness or disability, there shall be no charge to sick leave.

7.5 Restrictions. Not subject to pay provisions on death, retirement or voluntary resignation.

ARTICLE 8
FURLOUGH AND ANNUAL LEAVE

8.1 Accumulation and Usage. Vacation leave credits are earned at the rate of 13.33 hours per month for a total of 160 hours per year and scheduled for use in summer and winter (10 days each). No employee will be granted vacation leave days until credits are earned. The Department will require minimum schedules and may limit the number of personnel granted vacation leave at any given time.

8.2 Accumulation Cap. Maximum accumulation of furlough time shall be twice the annual accumulation. Whenever an employee has accumulated the maximum allowable amount of furlough time, the City shall have the right to require the employee to accept one furlough period of 2 weeks duration.

8.3 Vacation time shall be awarded in accordance with the following Chart:

<u>Length of Service With the City</u>	<u>Vacation</u>	<u>Additional Bonus Vacation Leave</u>
0 - 10 years	13.33 hours per month to a maximum of 160 hrs. per year	None
11 years	13.33 hours per month to a maximum of 160 hrs. per year	8 hours
12 years	13.33 hours per month to a maximum of 160 hrs. per year	16 hours
13 years	13.33 hours per month to a maximum of 160 hrs. per year	24 hours
14 years	13.33 hours per month to a maximum of 160 hrs. per year	32 hours
15 years	13.33 hours per month to a maximum of 160 hrs. per year	40 hours
16 years and over	16.76 hours per month to a maximum of 200 hrs. per year	None

8.4 Effective 7/1/02, employees who take off two weeks vacation per year may convert to pay up to three weeks vacation. The weeks converted to pay shall be included in final average compensation and shall be in addition to the maximum of 900 hours paid as a result of retirement.

8.5 Employees who retire from employment in the 4th quarter of a calendar year (Oct.-Dec.) shall receive payment for accumulated vacation time on the first pay in January following their date of retirement. [Employees wishing to defer these payments to a 457 account should note the IRS regulations regarding the date of severance from employment in relation to the payment date.]

ARTICLE 9 FUNERAL LEAVE

9.1 Length of Time. In case of death in the "immediate family", an employee may be granted a leave of absence with pay not to exceed three (3) calendar days for each occurrence.

9.2 Immediate Family Definition. "Immediate family" is defined as spouse, child, brother, sister, parent or parent-in-law, grandparent and grandparent-in-law, brother-in-law, sister-in-law and grandchild.

9.3 Outside Of Immediate Family. Bereavement leave may be granted with pay due to extenuating circumstances, for the death of someone other than "immediate family" with approval of the Chief of Police.

ARTICLE 10 PERSONAL BUSINESS LEAVE

10.1 Each employee is permitted personal business leave: Three (3) days not chargeable to other leave time and one (1) day chargeable to reserve sick leave per fiscal year. Employees shall be allowed to accumulate a maximum of three (3) personal days a year or six (6) total.

10.2 Notice Of. Except in emergency situations, personal business leave must be requested at least twenty-four (24) hours in advance.

10.3 Restrictions. An employee's request for use of personal business leave shall be granted except in those situations where the absence would cause a staffing shortage in the employee's rank in the employee's work unit and/or that particular employee's presence is required.

ARTICLE 11 SUSPENSION OF LEAVES

11.1 Emergency. All leaves provided for in this Agreement may be temporarily suspended during any period of emergency declared by the City Administrator and/or the Chief of Police.

ARTICLE 12 PHYSICAL EXAMINATION

12.1 The employee shall, on an annual basis, submit to a physical examination and the City agrees to provide said physical examination for all employees of the unit. Such examination shall be conducted by a medical doctor or clinical facility licensed to practice in the State of Michigan. The City shall select the location and determine the extent of the examination. Results of the examination shall be furnished to the City and to the employee. The employee

may choose to take such physical examination from a medical doctor or clinical facility licensed to practice in the State of Michigan other than as designated by the City for which the employee shall be reimbursed a maximum amount of \$225 for male and \$243.50 for female examinations. Said reimbursement will be paid upon submission to the City of complete results of said examination and statement of charges.

12.2 The physical examination may consist of the following tests and procedures:

- History and Physical
- Visual Acuity (eye chart)
- Tonometry
- Audiogram
- Complete Blood Count and Differential
- Fasting Blood Sugar
- Urinalysis
- Pap Smear (women)
- T.B. Skin Test
- Hemoccult Slides
- Masters Electrocardiogram (over age 40)
- Electrocardiogram (every fifth year if under age 40)
- Pulmonary Function Screening (every other year)
- Multiphasic Biochemical Screening (every third year)
- Chest x-ray (every fourth year)
- PSA (males over age 45)

The physical examination shall not include screening for controlled substances until such screening is bargained between the parties.

12.3 Any employee who elects to take a physical examination from a medical doctor or clinical facility, other than that selected by the City shall be required to undergo the same tests and procedures as set forth above.

12.4 That in the event the tests and procedures set forth herein shall be modified, eliminated, added to or changed, the City, the Union, and a representative of the medical facility selected by the City to perform the physical examinations shall first meet and discuss such modification, changes, eliminations or additions.

ARTICLE 13 DISCIPLINE

13.1 Discipline. Employees shall have the right to representation in cases of interviews with supervisors which will or are likely to result in disciplinary action.

No record of discipline shall be retained in any employee's personnel file for a period longer than two (2) years from the date of discipline. Notwithstanding the foregoing, it is understood that a disciplinary record may be retained during the period of any appeal until the final disposition thereof.

ARTICLE 14
PERSONNEL FILES

14.1 It shall be the policy of the Southfield Police Department to include in an employee's personnel file personnel records which identify the employee and which may affect or be used relative to that employee's qualifications for employment, promotion, transfer, additional compensation, or disciplinary action.

14.2 Upon written request which describes the personnel record, the City shall provide the employee with an opportunity to periodically review at reasonable intervals, during regular business hours, the employee's personnel record if the City has a personnel record for that employee. If a review during normal office hours would require an employee to take time off, then the City shall provide some other reasonable time for the review.

14.3 Copies. After the review as provided above, an employee may obtain a copy of the information or part of the information contained in the employee's personnel record. The City may charge a reasonable fee for providing a copy of information contained in the personnel record.

ARTICLE 15
LONGEVITY

15.1 Longevity shall be paid annually the first pay period in December, if possible, based upon the formula indicated below. Percentages shall be computed on base rate of pay December 1 immediately preceding payment. Years of service shall be continuous years of service through December 31 of the payment year. Employees must be actually in the employ of the City on date of payment to be eligible for longevity. Employees on disability leave shall continue to accrue and be paid longevity.

15.2 Longevity Scale.

<u>Years Service</u>	<u>Percentage</u>
3 years	1%
5 years	2%
10 years	4%
15 years	6%
20 years	8%

15.3 Any new command officer who was not previously entitled to longevity shall not receive longevity.

15.4 Longevity at retirement shall be paid on the basis of the full quarter from the date of actual retirement (January 1 through March 31 - one quarter [1/4]; April 1 through June 30 - one half [1/2]; July 1 through September 30 - three quarters [3/4]; October 1 through December 31 - full).

Longevity at DROP commencement shall be calculated on the basis of the full quarter from the date of DROP commencement (January 1 through March 31 - one quarter [1/4]; April 1 through June 30 - one half [1/2]; July 1 through September 30 - three quarters [3/4]; October 1 through December 31 - full).

ARTICLE 16
OVERTIME

16.1 All hours worked in excess of forty (40) hours per week shall be entered into a compensation bank at a rate of hour for hour. The compensation bank is not to exceed eighty (80) hours and the balance of the bank shall roll over from year to year. Members are limited to a total of 120 hours of pay/leave time from the compensation bank per calendar year.

16.2 Deputy Chiefs shall participate in the management employee bonus pool at such times that this pool is authorized by the City Council.

ARTICLE 17
HOLIDAYS

17.1 Deputy Chiefs shall be paid at their regular rate without deduction from banked hours for holidays not worked by other management employees. Deputy Chiefs may have to work on such holidays if required by the responsibilities of their position without any additional compensation. Deputy Chiefs shall continue to be paid in December for the same number of holidays as are paid under the SPCOA contract.

Veteran's Day	Day before Christmas Day
Memorial Day	
Juneteenth Day	Christmas Day
Independence Day	New Year's Day
Labor Day	Employee's Birthday
Columbus Day	Thanksgiving Day
September 11	Martin Luther King Day
Presidents Day	Employee's Anniversary Hire Date

17.2 Payment for holidays shall be made as soon as possible annually during the first pay period in December of each year. Employees on disability leave on the date of the holiday shall accrue and be paid holiday pay.

ARTICLE 18
HOSPITALIZATION INSURANCE

18.1 The City of Southfield and the SDCA agree that, at the time of an open enrollment, employees may elect Community Blue Preferred Provider Organization in place of the health insurance set forth section 18.1 as long as Community Blue Preferred Provider Organization is offered by the City as one of the health insurance options. The Community Blue PPO which is offered is summarized in the attached Benefits-at-a-Glance, Plan 1, City of Southfield #67890. As noted on Page 2 of the Benefits-at-a-Glance, the prescription drug coverage has a \$5 co-pay.

Effective upon the ratification of the agreement by both parties [3/30/09]: The Prescription Drug Co-Pay for all plans for active employees and individuals who retire after the ratification of the agreement by both parties shall be \$5 generic and \$10 brand (whether or not there is a generic equivalent).

For participants in an HMO, members will pay the Brand Drug Co-payment when a physician requests a Brand Drug as "Dispensed as Written" and a Generic equivalent is available. Members who request a Brand Drug when a Generic Drug is available will be responsible to pay the Generic Co-payment plus the difference between the cost of the Generic equivalent and the Brand Drug where this is required by HMO rules. After the ratification of the agreement by both parties, there will be a 30-day open enrollment for health insurance.

18.2 Regular or Non-Duty Disability Retirement. An employee retired not under the duty disability provision of Act 345 may retain his or her hospitalization insurance through the City at his or her own expense; provided, however, that the carrier of such hospitalization insurance allows same.

18.3 Normal Age and Service Retirement. The Employer will make available the following retiree health insurance benefit to the retiree for all Command Officers and their spouses:

Community Blue PPO, or equal to Community Blue PPO, for employee and spouse -

Effective as soon as practical after the ratification of the contract by both parties, the prescription rider shall be Preferred Rx with PD MAC with a \$2.00 deductible, riders RM, Routine Mammograms, and RPS, Routine Pap Smear shall be added.

Effective upon the ratification of the agreement by both parties: The Prescription Drug Co-Pay for all plans for active employees and individuals who retire after the ratification of the agreement by both parties shall be \$5 generic, \$30 for preferred brand name, and \$60 for nonpreferred brand name (whether or not there is a generic equivalent).

For participants in an HMO, members will pay the Brand Drug Co-payment when a physician requests a Brand Drug as "Dispensed as Written" and a Generic equivalent is available.

Members who request a Brand Drug when a Generic Drug is available will be responsible to pay the Generic Co-payment plus the difference between the cost of the Generic equivalent and the Brand Drug where this is required by HMO rules. After the ratification of the agreement by both parties, there will be a 30-day open enrollment for health insurance.

Employees who retire after the ratification of the contract by both parties shall be able to participate in the annual open enrollment selection of health care providers for retirees. The selection currently comprises , HAP, and Blue Cross PPO. The selection is subject to change at the sole discretion of the City.

In the event of eligibility for Medicare Insurance, the retiree shall make application for said insurance. The Employer shall then provide a hospitalization and medical insurance program to supplement Medicare to equal the hospitalization and medical insurance coverage as provided above.

Effective upon ratification by both parties, for employees who retired or retire after 7/1/93 the health insurance coverage shall include dependents of retired members through age 19 and, if full-time students through age 25. Coverage for these dependents shall be half monthly single plan rate. Coverage shall begin upon completion of the enrollment procedures and shall apply to claims occurring after enrollment.

18.4 A retired employee receiving hospitalization benefits identified in 18.3 who receives any hospitalization and medical insurance from any subsequent employer must take the offered insurance coverage. The subsequent employer's insurance will then be the primary coverage and the retiree health insurance will provide the secondary/coordinated benefits. Should the subsequent employer insurance cease, the retiree health insurance shall immediately be primary again.

18.5 Should the retiree elect the surviving spouse option as part of Act 345 retirement, then the City shall continue to provide health insurance for the surviving spouse and all legally dependent survivors of the retiree.

18.6 Employees shall make a 1.0% RHC contribution effective July 1, 2007. Employees shall make an additional 1% RHC contribution effective July 1, 2008.

ARTICLE 19 OPTICAL INSURANCE

19.1 The City of Southfield will provide paid optical insurance to the employee and dependents (spouse and children) with the "usual and customary" standard. Contact lenses or eyeglass lenses may be obtained or replaced once annually with examination or prescription change. Eyeglass frames may be obtained or replaced once during any period of 24 consecutive months.

19.2 Employees who retire after 7/1/02 may elect to participate in the City's optical insurance plan by authorizing the City to have the premium for the optical insurance deducted from the retiree's retirement checks. This election may be made within one year after the date of retirement, or at a later date if the retiree can produce a certificate showing that the retiree had optical insurance from another source from one year after the date of retirement until the date of application for optical insurance. Retirees who terminate their participation will lose their eligibility to participate again. Once the election has been made, the insurance coverage will be

made available as soon as practical. This option will be available as soon as is practical after the ratification of the agreement by both parties.

ARTICLE 20
LIFE INSURANCE

20.1 Amount Of. Effective October 27, 1986, the City of Southfield will provide paid term life insurance in the amount of \$50,000 with accidental death and dismemberment rider for Command Officers.

ARTICLE 21
DENTAL INSURANCE

21.1 The City agrees to provide a type of dental expense coverage to employees and dependents (spouse and eligible children).

The dental insurance maximums shall be \$2,000 as set forth in the benefit summary attached to this agreement.

21.2 Employees who retire after 7/1/02 may elect to participate in the City's dental insurance plan by authorizing the City to have the premium for the dental insurance deducted from the retiree's retirement checks. This election may be made within one year after the date of retirement, or at a later date if the retiree can produce a certificate showing that the retiree had dental insurance from another source from one year after the date of retirement until the date of application for dental insurance. Retirees who terminate their participation will lose their eligibility to participate again. Once the election has been made, the insurance coverage will be made available as soon as practical. This option will be available as soon as is practical after the ratification of the agreement by both parties.

ARTICLE 22
DISABILITY INSURANCE

22.1 The City agrees to provide a disability program for all employees of the unit subject to provisions of City ordinances and Charter requirements. The basic disability insurance program shall be subject to the following:

22.2 Coverage to be 7 days per week, 24 hours per day.

22.3 Duration of payments. Payments shall be made for the period an employee is unable to work solely because of disease, accidental bodily injury or pregnancy-related condition not to exceed the maximums defined below during any one period of disability.

22.4 Separate periods of disability. Two or more separate periods of disability due to the same or related causes, which are separated by less than four months of unrestricted regular duty, will be deemed to be one period of disability. Such periods will be added together to determine waiting periods, if any, and to determine maximum payment and benefit periods.

22.5 "Reasonable occupation" means any gainful activity for which the employee is, or may reasonably become, fitted by education, training, or experience, and which pays not less than 50% of the officer's base straight time pay at the time of disability, but shall not mean such activity if it is in connection with an approved rehabilitation program.

22.6 Disability payment to be offset by other types of income or payments including but not limited to Workers' Compensation, Social Security, City-provided wage replacement insurance, unemployment insurance and pension benefits.

22.7 Other requirements and/or restrictions as may be imposed by the insurance carrier shall be applicable and are incorporated herein, provided the requirements or restrictions do not conflict with the provisions herein.

22.8 Non-duty disability payments and benefits shall be provided as follows:

A. First 30 days. The waiting shall be 30 days from the date of occurrence. For this period of time to the extent the employee has earned sick leave credits, the employee shall receive full pay and the same benefits as if working. If sick leave and reserve sick leave are exhausted the employee shall use vacation time and personal business time. Such payments are chargeable to banks on a day for day basis.

B. After 30 days – Payment. The employee shall be provided a maximum disability program payment equal to 60% of base straight time pay, which shall be adjusted in accordance with the base straight time wage rates set forth in the collective bargaining agreement in 44.1, Annual Wages, Rates and Increment Steps. Employees who are not at the maximum step shall receive step increases.

Employees shall receive these increases only during the time that they are employees of the City of Southfield and eligible to receive disability payments as provided herein. Employees who have retired under any type of retirement or have otherwise terminated employment with the City of Southfield shall not receive increases which have an effective date after the date on which the employee retired or otherwise terminated employment.

Accumulated sick leave may be utilized at a rate of 40% [effective upon the ratification of the agreement by both parties] per work day to provide the employee a maximum of 100% [effective upon the ratification of the agreement by both parties] of base pay. Sick leave shall be charged at the rate used until exhausted. When banks are exhausted, the employee shall receive a maximum of 60% of base pay, subject to conditions herein. The duration of payments shall be:

1. For an employee who is unable to work as a police officer but is able to work at another reasonable occupation the maximum shall be two years.
2. For an employee who is unable to work as a police officer or any other reasonable occupation the maximum shall be five years.

C. After 30 days - Benefits. The employee shall be entitled to only the following benefits: Paid hospitalization, optical, dental and life insurance for four months commencing from the date

of illness and/or accident; then, the employee may participate in the hospitalization program at the employee's own expense.

22.9 Non-duty disability retirement shall be as provided in Act 345. The retiree may retain his/her hospitalization insurance through the City at his/her own expense; provided, however, that the carrier of such hospitalization insurance allows same.

22.10 Duty disability payments and benefits shall be provided as follows:

A. Payments. The employee shall be provided a maximum amount of wages equal to the base straight time pay less tax withholding in effect at the time of disability. The base straight time pay shall be adjusted in accordance with the base straight time wage rates set forth in the collective bargaining agreement in 44.1, Annual Wages, Rates and Increment Steps. Employees who are not at the maximum step shall receive step increases.

Employees shall receive these increases only during the time that they are employees of the City of Southfield and eligible to receive disability payments as provided herein. Employees who have retired under any type of retirement or have otherwise terminated employment with the City of Southfield shall not receive increases which have an effective date after the date on which the employee retired or otherwise terminated employment. The duration of payments shall be:

1. For an employee who is unable to work as a police officer but is able to work at another reasonable occupation the maximum shall be two years.
2. For an employee who is unable to work as a police officer or any other reasonable occupation the maximum shall be 25 years of service or age 55, whichever is sooner.

B. Benefits. The employee shall be entitled only to the following benefits:

1. First 12 months. All benefits to which the employee would normally be entitled if he/she were working will be paid for the first 12 months following the date of disability.
2. After the first 12 months following the date of disability the employee will receive the following benefits for the maximum of 25 years of service or age 55, whichever is sooner.
 - a. City paid hospitalization program.
 - b. City paid dental and optical insurance.
 - c. City paid life insurance program.
 - d. Vacation shall continue to accrue to the maximum amount as set forth in this agreement. The vacation accrual shall not be paid at the time of duty disability retirement, but shall be paid at the time the disability retirement is recalculated at age 55 pursuant to Act 345, or as otherwise set forth in this agreement.

e. Sick leave shall continue to accrue to maximum amount as set forth in this agreement at a rate calculated by eliminating from the five years immediately preceding the time of disability the years of highest and lowest sick leave banking and averaging the remaining three years. The sick leave accrual shall not be paid at the time of disability retirement, but shall be paid at the time the disability retirement is recalculated at age 55 pursuant to Act 345, or as otherwise set forth in this agreement.

22.11 Duty Disability Retirement

A. Payments. When a duty disability retirement is granted under the provisions of Act 345 the following payments shall apply:

1. If the officer is disabled from any reasonable occupation, as defined in Section 22.5, the officer shall receive a pension equal to the base salary the officer received as an active member of the department at the time the disability retirement was granted. If and when the base salary of the position from which the officer disability retired increases to the extent that the disability payment is less than 85% of the current base salary for the classification, the pension shall be recalculated to provide the retired member 85% of the current base pay. These payments shall continue for as long as the member continues to be disabled from any reasonable occupation or until age 55, whichever is sooner. If the member is no longer disabled from any reasonable occupation, the disability pension shall be recalculated as provided in Subsection 2 below. At age 55, the disability pension shall be set at the amount the member is receiving.

2. If the officer is unable to work as a police officer but is able to work at another reasonable occupation, as defined in Section 22.5, the officer shall receive a pension equal to 60% of the base salary the officer received as an active member of the department at the time the disability retirement was granted. If and when the base salary of the position from which the officer disability retired increases to the extent that the disability payment is less than 51% of the current base salary for the classification, the pension shall be recalculated to provide the retired member 51% of the current base pay. This pension shall continue until age 55. At age 55, the disability pension shall be set at the amount the member is receiving.

3. For the purpose of determining continuing eligibility for the payments set forth in paragraphs 1 and 2 above, once each year during the first 5 years after the disability retirement and once in every 3-year period thereafter, the City may require an examination by a physician selected by the City to determine whether or not the member continues to be disabled from working as a police officer and if so whether the member is also disabled from working at another reasonable occupation. Where there is a difference of opinion between the member's physician and the physician chosen by the City as to the member's disability, a third opinion will be obtained at the City's expense from a physician chosen by the employee's physician and the City's physician. The determination of the third physician shall be binding on the parties.

4. The full cost of the disability pension shall be paid from the Act 345 pension levy.

B. Health insurance. An employee retired under the duty disability provision of Act 345 shall receive the hospitalization in effect for active employees at the time the employee went on the duty disability retirement until the time the disability retirement is recalculated at age 55 pursuant to Act 345. At this time, the retirant shall be provided retiree health insurance on the terms then in effect for normal age and service retirement.

ARTICLE 23 CLOTHING ALLOWANCE

23.1 Clothing. Allowance of \$425 shall be credited to each employee's account annually (July 1). Clothing purchases in accordance with departmental regulations and City purchasing programs shall be charged against the account. Balance of annual clothing allowance remaining in account on June 30 shall be cumulative. If the cumulative balance falls below zero in a fiscal year, a member may draw an advance from the following year. However, in no case can the outstanding advance exceed the allowance available the following year.

23.2 Termination. Employees leaving the Department will return to the Department all uniform clothing (in their possession or control), leather goods and Department property.

23.3 Major Assignment Change. An employee having a major change in assignment which results in a major uniform change shall receive an additional \$100.00 clothing-allowance-account credit; one additional \$100.00 clothing allowance will be paid upon transfer from plainclothes assignment to uniform provided such plainclothes assignment was for a minimum continuous period of twelve (12) months.

23.4 Promotion. An employee promoted to the rank of Sergeant, Lieutenant or Deputy Chief will receive an additional \$100.00 clothing-allowance-account credit.

ARTICLE 24 CLEANING ALLOWANCE

24.1 Cleaning. A cleaning allowance of \$475 per year shall be paid annually lump sum in July. Effective June 30, 2009, increase the cleaning allowance by \$50.00 to \$525.00 per year.

ARTICLE 25 EDUCATION PAY PROGRAM

25.1 The Association agrees to the procedures established for the operation and administration of the "Educational Pay Program" and that same is excluded from the collective bargaining process. The only area open for negotiation in the Educational Pay Program shall be the amount of compensation at the various established levels of educational achievement.

ARTICLE 26
RETIREMENT

26.1 Eligibility and Multiplier. As currently in effect under 1937 PA 345, as amended (MCLA 38.551 et seq.). Retirement eligibility shall be with 20 years of service regardless of age.

A member of the bargaining unit who retires shall receive a regular retirement pension payable throughout the retiree's life of 2.8 percent of average final compensation multiplied by the first twenty-five years of service credited (70% of AFC maximum) except that a member of the bargaining unit who retires during the term of this agreement (prior to July 1, 1990) may elect to use the multiplier as set forth in Section 42.3 of the 1984-1986 agreement.

26.2 The parties also agree that the cost of retiree health insurance shall be paid from the Act 345 pension levy.

It is specifically understood and agreed that the City's agreement to provide the improved pension benefits set forth herein is in exchange for, the Police Reserve Program and the agreement to fund the cost of retiree health insurance through the Act 345 pension levy. And as part of this agreement, the association agrees to support and cooperate with the City in the implementation and administration of the Police Reserve Program.

26.3 Employee Contribution.

- a. DROP Employees -Effective July 1, 2022, Members will contribute an additional 1% of pay toward their pension during drop periods.
- b. Non DROP Employees -Effective July 1, 2010, all active non-DROP employees shall continue to make the three (3%) percent non-refundable pension contribution on all pensionable wages, and shall make an additional 2% non-refundable pre-tax pension contribution each payperiod (i.e., total of 5.0% contribution) to be implemented from July 1, 2010 through the effective date of ratification by both principals. After ratification, the employee contribution shall be a 3.0% non-refundable pre-tax pension contribution, made in accordance with IRC Section 414h.
- c. Employees who "DROP" after July 1, 2010, shall make the pension contributions as set forth above until the effective date of the employee's DROP.
- d. In the event that any DROP employee made the three (3%) percent pension contribution as set forth in Section 4a hereof subsequent to July 1, 2010, such contributions made after that date shall be designated as refundable within the employee's Premium Member Annuity Withdrawal account.

26.4 Average Final Compensation Restrictions. "Average Final Compensation" shall include all compensation, including deferred compensation, received by a member. For purposes of this section, compensation shall include regular salary, longevity, holiday pay, paid compensatory time, and overtime, including early report time.

Effective 7/1/02, final average compensation shall include, in addition to payments already included, a maximum of 900 hours which may be drawn from any combination of the following hours paid at the time of retirement: banked regular sick hours, vacation hours, compensatory time banked prior to becoming a deputy chief. For those members already in a DROP, a recalculation shall be made effective 7/1/02. The recalculation shall be based only on

the increased banked hours included in final average compensation and not on the other elements of FAC.

Effective 7/1/02, employees who take off two weeks vacation per year may convert to pay up to three weeks vacation. The weeks converted to pay shall be included in final average compensation and shall be in addition to the maximum of 900 hours paid as a result of retirement.

In computing final average compensation for pension, retroactive payments shall always be distributed over the time the payments were earned.

26.5 Average Final Compensation Defined. "Average Final Compensation" shall mean the average of the three (3) years of highest annual compensation received by a member during his ten (10) years of service immediately preceding his retirement or leaving service.

26.6 Effective July 1, 1985, employees in the bargaining unit shall have available to them, in addition to the retirement options already in place, an annuity withdrawal option as follows:

A. Definition: The annuity withdrawal is the option that allows members to withdraw their accumulated contributions (with interest credited under the pension plan) at retirement, and thereby forfeit the portion of their retirement allowance which was financed by their contributions.

B. A member wishing to elect this option must make written application to the Act 345 Pension Board no later than one hundred and twenty (120) days prior to the effective date of retirement or DROP commencement. The one hundred and twenty (120) day notice may be waived at the sole discretion of the Pension Board; however, under no circumstances can it be increased.

C. The Pension Board shall refund the member's contributions as set forth in A. above within thirty (30) days of the date of the member's retirement.

D. The parties agree that the interest rate used to determine the reduction in retirement allowance as provided in A. above shall be based upon the interest rate for an immediate annuity published monthly by the Pension Benefit Guaranty Corporation (PBGC). The most current index prior to the member's retirement date or DROP commencement date shall be used. This option is only available for normal service retirement. A member who elects the annuity withdrawal option shall have his annual pension reduced accordingly as determined by the Pension Board Actuaries.

Effective January 1, 2000, Paragraph D shall be amended to:

The retirement benefit reduction shall be actuarially equivalent to the amount of accumulated member contributions withdrawn (including attributed interest). For purposes of the above sentence, actuarial equivalent calculations shall be computed using the average 30-Year Treasury bond rate for the third calendar month preceding the member's effective retirement date or DROP commencement. This option is only available for normal service

retirement. A member who elects the annuity withdrawal option shall have his annual pension reduced accordingly as determined by the Pension Board Actuaries.

Effective 7/1/02, there shall not be a reduction in the retirement allowance when a member withdraws accumulated contribution pursuant to (a), (b) and (c) above. For those members already in a DROP, a recalculation shall be made effective 7/1/02. The recalculation shall be based only on the eliminated reduction and not on the other elements of FAC.

26.7 Should an employee be granted a duty, non-duty or regular disability pension, this pension shall include the automatic 60% spouse benefit regardless of the age of the retiree unless option I or II is validly elected.

26.8 Death in the Line of Duty. If death results to a member in the line of duty and the member leaves a surviving spouse and/or children, the spouse and/or children shall receive the greater of the two pension benefits listed below:

A. An Automatic Option I benefit, computed in the same manner as if the member had retired effective the day preceding the date of the members death, elected Option I provided in Act 345, 38.556, Section 6 (1) (h), and nominated the spouse as survivor beneficiary. If the deceased member had less than 25 years of service credit at the time of death, the Automatic Option I benefits shall be computed as if the member had 25 years of service effective the day preceding the member's date of death.

If there is no surviving spouse at the time of a member's duty death, these benefits shall be paid into a trust fund for any surviving child(ren) and continue to be paid until each surviving child(ren) attains 18 years of age. Creation of the trust, and the cost of its administration, shall be the responsibility of representative(s) of the minor surviving child(ren). If there are both a surviving spouse and surviving child(ren) at the time of a members service-connected death, these benefits shall be paid for the life of the surviving spouse to the surviving spouse and, if at the death of the surviving spouse any surviving child(ren) are under 18 years of age, such benefits shall continue to be paid to such surviving child(ren) until they reach age 18.

OR

B. Service-connected death benefits payable to surviving spouse and/or minor child(ren), as defined in Act 345, 38.556, Section 6 (2) (a) and (b).

Any benefits payable shall be offset by any *WORKER COMPENSATION* wage loss payments received, including any redemption amounts for wage loss.

Disputes as to whether the death of the member was "in the line of duty" for purposes of receiving these benefits shall be resolved by the City of Southfield Fire and Police Pension system board in accordance with Act 345.

The existence of a QDRO or EDRO shall not operate to increase the financial obligations of the City and Pension System in any case arising under payment of Duty Death benefits. Any

payments directed under a QDRO or EDRO shall be offset against payments made to a surviving spouse. If the former spouse receiving QDRO or EDRO dies before the surviving spouse, the payments made to the surviving spouse shall thereupon be increased to include the amounts previously directed by QDRO or EDRO.

26.9 Premium Member Annuity Withdrawal Option as set forth in Appendix A.

26.10 Effective 7/1/99, adopt a Deferred Retirement Option Plan, [DROP], as set forth in Appendix B.

Unless mutually agreed, article 26.11 shall not be subject to negotiation and/or Act 312 arbitration for a period of 5 years, ending July 1, 2004.

26.11 Reserve for Inflation Equity (RIE)

A. Effective July 1, 2000, a Reserve for Inflation Equity (RIE) fund is established within the Southfield Fire and Police Retirement System.

B. Coverage of Program. All members retiring after July 1, 2000, and their beneficiaries.

C. Accumulation Formula. Each year, beginning July 1, 2000, funds will be credited to the RIE fund in accordance with the following formula: 55% of the 5-year average of the funding value rate of return over a trigger value of 8.0% as of June 30, not to exceed 3.0%, multiplied by the system assets of retired member and members who have elected to participate in the Deferred Retirement Option Plan (DROP), who will be eligible to receive distributions from the RIE program either now or in the future.

D. Point Accumulation. Each covered member shall accumulate points in accordance with the following formula:
(a) One point for each full year of service, not to exceed 25, plus
(b) Two points for each full year since retirement.

E. Eligibility for Distribution. A covered member will be eligible for an immediate distribution on the later of (a), (b), or (c) below:

- (a) The first July 1st, which is at least five years after the member's retirement, defined as the later of the date that a member either separated from service or began to receive a pension.
- (b) The year after the member's pension has lost 15% of its original purchasing power, defined as a 15% increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average, all items 1982-1984 = 100.
- (c) The member's accumulation of 35 points.

F. Distributable Reserve. No more than 35% of the funds in the RIE fund shall be distributed in any given year.

- G. Individual Distributions. Each benefit recipient's share will be computed by dividing the benefit recipient's total points by the total points of all eligible benefit recipients and multiplying the result by the Distributable Reserve. The maximum amount payable to any benefit recipient is the amount which would restore 85% of the member's original purchasing power. A surviving spouse of a member will receive 60% of the amount which would have been payable to member had the member survived.
- H. Distribution Date. The initial date for distribution of RIE Program benefit checks shall be determined by the Southfield Police and Fire Retirement Board; this date shall be utilized in future years in which sufficient funds are available for distribution.

26.12 The City of Southfield and the Southfield Deputy Chiefs Association agree that effective upon the execution of this agreement by both parties the SDCA shall be a participant in the Retiree Health Care Benefits Plan and Trust (hereinafter designated as Plan), which is set forth in the Code of the City of Southfield, Title I, Chapter 14.

As provided in Section 1:603 of the Plan:

"The benefit provisions of this Plan are subject to relevant provisions of applicable Collective Bargaining Agreements between the City and the various Collective Bargaining Associations of the City. The provisions of a Collective Bargaining Agreement relative to retiree health benefits are controlling in the event of a conflict between the terms of the Collective Bargaining Agreement and the Plan."

The City agrees to notify the Union in writing whenever a change in the Plan is being proposed.

ARTICLE 27 USE OF CITY RECREATION FACILITIES

27.1 Recreation Facilities. The City agrees to waive required residence for use of City owned and operated recreational facilities to include "residents and employees of the City of Southfield".

ARTICLE 28
ANNUAL WAGES, RATES AND INCREMENT STEPS

- Annual wages rates and increment steps effective July 1, 2022

Position	Start	12 Mos	24 Mos
Deputy Chief	\$126,500	\$129,500	\$132,500

- Effective July 1, 2023, 3% wage increase

Position	Start	12 Mos	24 Mos
Deputy Chief	\$130,295	\$133,385	\$136,475

- Effective July 1, 2024, 3% wage increase

Position	Start	12 Mos	24 Mos
Deputy Chief	\$134,204	\$137,387	\$140,569

Members will be placed on appropriate steps/rates within 30 days of parties approving the agreement. Eligible parties are those who become members of the SDCA prior to July 1, 2025.

ARTICLE 29
RETROACTIVITY

The terms of this Agreement shall be effective upon ratification by both parties except as otherwise provided herein and except that wages, including the computation of longevity pay, vacation pay, and holiday pay shall be retroactive as set forth in Article 28.

ARTICLE 30
MANAGEMENT RESPONSIBILITY

31.1 It is recognized that the management of the department the control of its properties, the maintenance of order and efficiency are solely responsibilities of the City. Other rights and responsibilities belonging solely to the City are hereby recognized, prominent among which but by no means wholly inclusive, as follows:

31.2 The right to decide the number and location of facilities, stations, etc., functions to be performed, maintenance and repair, amount of supervision necessary, machinery and equipment, methods, schedule of work, together with the selection, procurement, design, engineering and the control of equipment and materials, and the right to purchase the service of others, contract or otherwise, to enter mutual aid pacts with other communities, and expressly reserves the right to establish and maintain rules and regulations governing the operation of the Police Department and the employees therein; providing such rules and regulations are not in direct conflict with this agreement. It is further recognized that the responsibility of the City for the management of the department, selection and direction of the working forces including the right to hire, suspend

or discharge for just cause, assign, promote or transfer, or to relieve employees from duty because of lack of work or other legitimate and reasonable cause is vested exclusively in the City.

The City may schedule the regular hours of deputy Chiefs entering the bargaining unit after the effective date consistent with the hours of other management employees and shall not have to bargain this issue.

ARTICLE 31
DUPLICATION OF BENEFITS

32.1 In the event that a benefit or benefits become required by law which duplicate in whole or in part a benefit or benefits provided under this agreement, the agreement shall be reopened on the provisions relating to the affected benefit or benefits.

ARTICLE 32
DISABILITY ACCOMMODATION

33.1 In the administration of this Agreement, the City and the Union will provide reasonable accommodations to qualified employees with a disability. The need for and extent of such accommodations shall be determined by the City in accordance with its interpretation of the requirements of law, even if such accommodations may be in conflict with another provision of this Agreement. Prior to making an accommodation that would conflict with the provisions of this Agreement, the City will notify the Union of such accommodation and discuss same with the Union upon request; provided that the City shall make the final determination whether such accommodation shall be implemented if the Union does not agree to the accommodation. The reasonableness of the accommodation shall be subject to the grievance and arbitration provisions of the contract.

ARTICLE 33
FMLA

The city hereby advises that the FMLA shall be administered according to City policies and procedures in effect at the time the leave is requested, to the extent that these policies and procedures are not in conflict with this contract.

ARTICLE 34
TERM OF AGREEMENT

This Agreement shall be effective from July 1, 2022 and shall remain in force until June 30, 2025, and thereafter may be extended upon mutual agreement of parties for successive periods of sixty (60) days until a new contract is negotiated.

IN WITNESS WHEREOF, the parties, by their authorized representatives, have caused this Agreement to be signed this _____ day of _____, 2024

CITY OF SOUTHFIELD
SOUTHFIELD DEPUTY CHIEFS ASSOCIATION

BY: Kenson Siver
Kenson Siver, Mayor

BY: Aaron Huguley 10-17-24
Aaron Huguley, President

BY: Janet Jackson
Janet Jackson, City Clerk

BY: DK Jeffrey Jagielski 10/18/24
Jeffrey Jagielski, Vice President

APPENDIX A

PREMIUM MEMBER ANNUITY WITHDRAWAL OPTION

Article I. Purpose

Effective July 1, 1999, the City of Southfield Amends the City of Southfield Fire and Police Retirement System Defined Contribution Plan to provide retirement income for eligible uniformed employees of the Southfield Police Department who are members of the SDCA.

This document shall serve as part of the Retirement Board's Official Rules and Regulations to effectuate the intent, terms and provisions of the aforesaid Plan.

The Retirement Board created by Public Act 345 of 1937 is Fiduciary and Trustee of the Plan, and is responsible for promulgating procedures for the implementation and administration of the Plan.

Article II. Definitions and Construction

Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth in this Article, unless the contract clearly indicates to the contrary.

2.01 Accumulated Balance means the total of Member's Employee Contribution Account as referenced in Section 4.01.

2.02 Anniversary Date means June 30.

2.03 Beneficiary means a person or persons designated by a Member to receive distribution of the Accumulated Balance in the event of the death of the Member.

2.04 Compensation has the same meaning as used in Public Act 345 of 1937 or as defined in the collective bargaining agreement between the City and the Southfield Deputy Chiefs Association. Compensation in excess of the limitations set forth in Internal Revenue Code Section 401(a)(17) shall be disregarded.

2.05 Effective Date means July 1, 1999.

2.06 Employee means any uniformed personnel of the City of Southfield Police Department whose exclusive bargaining agent is the Southfield Deputy Chiefs Association.

2.07 Employee Contribution Account means the account established for a Participant with respect to his interest in the Plan resulting from the participant's mandatory contributions made pursuant to Act 345, as modified by collective bargaining.

2.08 Employer means the City of Southfield.

- 2.09** **Fiduciary** means the City of Southfield Fire and Police Retirement System Retirement Board.
- 2.10** **Former Participant** means an individual who is no longer eligible to be a Participant.
- 2.11** **Former Member** means an individual whose account has been completely distributed. A Former Member has no further rights to any benefits from the Plan.
- 2.12** **Member** means any participant or former participant whose account has not been completely distributed.
- 2.13** **Premium Member** means any Former Participant who was covered under the Southfield Deputy Chiefs Association collective bargaining agreement and has attained Normal Retirement Age or is eligible to begin commencement of benefits from the Defined Benefit Plan.
- 2.16** **Non-Premium Member** means any Member who is not a Premium Member.
- 2.17** **Normal Retirement Age** means the age at which a participant would have attained 20 years of service or age 65, whichever is earlier.
- 2.18** **Participant** means any Employee.
- 2.19** **Plan** means the City of Southfield Fire and Police Defined Contribution Plan.
- 2.20** **Plan Year** means the Plan's accounting year of twelve months commencing on July 1 of each year and ending on the following June 30.
- 2.21** **Trust** means the City of Southfield Fire and Police Retirement System maintained in accordance with the terms of Public Act 345 of 1937 and Public Act 314 of 1965 as amended by collective bargaining.
- 2.22** **Trustee** means the City of Southfield Fire and Police Retirement System Retirement Board.

The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, unless the context clearly indicates to the contrary. The words "hereof", "herein", "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Plan and not to any particular provision or section. Article and section headings are included for convenience of reference and are not intended to add or subtract from the terms of the Plan.

Article III. Participation

- 3.01** **Participation.** All employees are eligible for participation.
- 3.02** **Termination of Participation.** A Participant who becomes ineligible to participate due to retirement, death or other termination of employment shall cease to be a Participant and shall be considered a Former Participant beginning on the day immediately following the event that caused the ineligibility.

3.03 Termination of Membership. A Participant or Former Participant will cease to be a Member when all of the funds in the Member's Employee Contribution Account have been distributed.

Article IV. Contributions and Maintenance of Account Balances

4.01 Each Participant shall contribute 0.00% of the Participant's Compensation to the Employee Contribution Account in accordance with Public Act 345 of 1937, as modified by collective bargaining.

4.02 Vesting. All account balances are 100% vested at all times.

4.03 Directed Investments. The Retirement Board shall have full authority to direct the investment in all accounts in accordance with Act 314 of 1965.

4.04 Income. Each account shall be credited with interest at the rate of 2% for all Non-Premium Members. Upon DROP commencement, Non-Premium Members shall be credited with interest at a rate of 4%. Each account shall be credited with income at the rate earned by the Trust for all Premium Members. Income, less expenses as defined in section 4.05, will be credited daily and accrued quarterly based on the Accumulated Balance at the beginning of the quarter. The actual posting of income for a quarter will commence as soon as practical, following the declaration of the quarterly fund results by the Retirement Board. The daily crediting of interest shall be done on a pro-rata basis where one day's income is the income credited for the quarter times the ratio of 1 divided by the number of days in the quarter.

4.05 Administrative Expenses. Administrative expenses will be charged at an initial rate of 0.30% per annum. The administrative expense rate is intended to cover all the administrative expenses of the Plan and will be subject to review by the Retirement Board at least bi-annually. The crediting of the rate of return, less administrative expenses, is intended to be cost neutral.

4.06 Maximum Additions and Benefit Limitations. Notwithstanding anything contained herein to the contrary, the total annual additions for a Participant in any Plan Year shall not exceed the limitations of Internal Revenue Code Section 415. Notwithstanding anything contained herein to the contrary, the benefits paid under the Plan shall not exceed the limitations of Internal Revenue Code Section 415. The provisions of Internal Revenue Code Section 415 are hereby incorporated by reference.

Article V. Benefits

5.01 Retirement. If a Participant's employment with the Employer is terminated at or after he attains his Normal Retirement Age, he shall immediately become a Premium Member and entitled to receive the entire amount in his account. Payments under this Section 5.01 shall be made in accordance with Section 5.05.

5.02 Death. In the event that the death of a Member, the Member's Beneficiary shall become entitled to receive the entire amount in his account. Payment of benefits due under this Section 5.02 shall be in the form of a lump sum and shall be distributed in accordance with Section 5.08.

5.03 Other Termination with 10 or more years of service. If a Participant's employment with the Employer is terminated after attaining 10 years of service, but before his Normal Retirement Age for any reason other than death, the Participant shall immediately become a Former Participant. When the Former Participant attains his Normal Retirement Age he shall be entitled to receive his entire Accumulated Balance. Payments under this Section 5.03 shall be made in accordance with the following:

- An annuity payable for the life of the recipient.
- An optional form of annuity as established by Public Act 345 of 1937.

5.04 Other Termination with less than 10 years of service. If a Participant's employment with the Employer is terminated before attaining 10 years of service age for any reason other than death, the Participant shall immediately become a Former Participant and entitled to receive the entire amount in his account. Payments under this Section 5.04 shall be made in the form of a lump sum.

5.05 Election of Payment of Benefits. A Premium Member may elect (no more than once per annum) one or a non-inconsistent combination of several of the following methods of distribution of the Accumulated Balance:

- A total lump sum distribution to the recipient.
- A partial lump sum distribution to the recipient.
- A lump sum direct rollover to another qualified plan to the extent allowed by federal law and in accordance with the Retirement Board's rollover procedures.
- An annuity payable for the life of the recipient.
- An optional form of annuity as established by Public Act 345 of 1937.
- No distribution, in which case the Accumulated Balance shall remain in the Plan to the extent allowed by federal law.

All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

- The calendar year in which the Premium Member attains age 70-1/2, or
- The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the Former Participant's entire account, in the form of a lump sum, to the Former Participant.

5.06 Recalculation of Benefit Payments. Notwithstanding Section 5.05, a Premium Member may, at any time, elect to receive his entire Accumulated Balance in the form of a lump sum and immediately become a Former Member. Premium Members who have elected the annuity form of payment will have an annual option to recalculate their benefit payments based on their actual amount balances. Recalculation will be effective on the next July 1. Premium Members who wish to have their benefits recalculated must apply for recalculation in accordance with the rules adopted by the Retirement Board.

5.07 Hardship Recalculation of Benefit Payment. A Premium Member may, at any time, apply for a hardship recalculation of benefits. Hardship recalculations will be subject to approval by the Retirement Board. In no event, however, will more than one hardship recalculation be granted per member, per year.

5.08 Designation of Beneficiary. Each Member may, from time to time, designate by written notice any person or persons (who may be designated primarily, contingently or successively) as his Beneficiary to whom his Plan benefits will be paid if he dies before receipt of all such benefits. The Retirement Board shall adopt provisions and procedures for the designation of Beneficiaries. If a valid designation of Beneficiary is not on file with the Retirement Board, the Retirement Board shall distribute in a lump sum the Accumulated Balance to the legal representative of the estate of the deceased Member.

5.09 Coordination of Benefits. A Premium Member's regular retirement pension under Public Act 345 of 1937 shall be actuarially adjusted to reflect the election of the payment of benefits under Section 5.05. The calculation of the actuarial adjustment shall be based on the value of the Employee Contribution Account as of the date the Member becomes a Premium Member and the methods and assumptions specified in the applicable collective bargaining agreement or by the Retirement Board (but not inconsistent with the collective bargaining agreement).

Article VI. Trust Fund

6.01 The Retirement Board, as established by Public Act 345 of 1937 shall be the Fiduciary and Trustee of the Plan, and shall be responsible for:

- The investment, management and control of Plan assets, subject to Public Act 314 of 1965.
- Payment of benefits required under the Plan.
- Maintenance of records of receipts and disbursements, including the preparation of a written summary annual report and list of expenses paid by soft dollars as required by Public Act 314 of 1965.

6.02 The Retirement Board may contract with private investment managers to invest the assets of the Plan.

6.03 All contributions under this Plan shall be deposited in the Trust. All assets of the Trust, including investment income, shall be retained for the exclusive benefit of Participants, Former Participants and Beneficiaries, and shall be used to pay benefits to such persons.

Article VII. Plan Administration

7.01 The Retirement Board shall administer the Plan, and shall have such duties and powers as may be necessary to discharge its duties as administrator, 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, manner and time of payment of any benefits hereunder.
- (b) To prescribe procedures to be followed by Participants, Former Participants and Beneficiaries filing applications for benefits.
- (c) To prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan.
- (d) To receive from the Employer and Participants such information as shall be necessary for the proper administration of the plan.
- (e) To prepare a written summary annual report and list of expenses paid by soft dollar as required by Public Act 314 of 1965.
- (f) 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.

7.02 The Retirement 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, unless explicitly provided herein.

7.03 Any Participant, Former Participant or Beneficiary who has been denied a benefit by a decision of the Retirement Board shall be entitled to request the Retirement Board to give further consideration to his claim by filing with the Retirement Board a request for a hearing. Such a request, together with a written statement of the reasons why the claimant believes his claim should be allowed, shall be filed with the Retirement Board within 60 days of the Retirement Board's decision denying the benefit. The Retirement Board shall then conduct a hearing within 60 days at which the claimant may be represented by an attorney or any other representative of his choosing and at which the claimant shall have an opportunity to submit written and oral evidence and arguments in support of his claim. At the hearing (or prior thereto upon five business days' written notice to the Retirement Board) the claimant or his representative shall have an opportunity to review all documents in the possession of the Retirement Board which are pertinent to the claim at issue and its disallowance. A final decision as to the allowance of the claim shall be made by the Retirement Board within 90 days of the hearing (unless there has been an extension due to special circumstances, provided the delay and the special circumstances occasioning it are communicated to the claimant in writing). Such communication shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based.

Article VIII. Miscellaneous

8.01 Amendments. The City of Southfield reserves the right, through collective bargaining, to make from time to time any amendment or amendments to this Plan which does not cause any part of the Trust to be used for, or diverted to, any purpose other than the exclusive benefit of Participants. Former Participants or their Beneficiaries, provided, however, that the City may make any amendment it determines necessary or desirable, with or without retroactive effect, to comply with applicable federal law.

8.02 Non-guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee, or as a right of any Employee to be continued in the employment of the Employer, or as a limitation of the right of the Employer, subject to collective bargaining agreement, to discharge any of its Employees, with or without cause.

8.03 Right to Trust Assets. No Participant, Former Participant or Beneficiary shall have any right to, or interest in, any assets of the Trust Fund upon termination of his employment or otherwise, except as provided from time to time under this Plan, and then only to the extent of the benefits payable under the Plan to such Participant, Former Participant or Beneficiary out of the assets of the Trust. All payments of benefits as provided for in this Plan shall be made solely out of the assets of the Trust Fund and the Fiduciary shall not be liable therefore in any manner.

8.04 Nonforfeitability of Benefits. Subject only to the specific provisions of this Plan, nothing shall be deemed to divest a Participant, Former Participant or Beneficiary of his right to the non-forfeitable benefit to which he becomes entitled in accordance with the provisions of this Plan.

8.05 Nonalienation of Benefits. Except as otherwise provided in this Section 8.05, the right of a person to an Accumulated Balance or any other benefit from this Plan is unassignable and is not subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law. The right of a person to an Accumulated Balance or any other benefit from the Plan is subject to award by a court pursuant to section 18 of chapter 84 of the revised Statutes of 1846, being section 552.18 of the Michigan Compiled Laws, and to an order of income withholding entered under Public Act 1295 of 1982 pertaining to alimony or child support. The right of a person to an Accumulated Balance or any other benefit from the Plan is subject to an eligible domestic relations order under the eligible domestic relations order act, Act No. 46 of the Public Acts of 1991, being Sections 38.1701 to 38.1711 of the Michigan Compiled Laws.

The Plan has the right of setoff to recover overpayments made by the Plan and to satisfy any claim arising from embezzlement or fraud committed by a Participant, Former Participant, Beneficiary, or other person who has a claim to an Accumulated Balance or any other benefit from the Plan.

APPENDIX B**ARTICLE XLII. RETIREMENT****42.11 DEFERRED RETIREMENT OPTION PLAN: DROP**

A. Overview. After attaining the minimum requirements for a normal service retirement/pension, any employee who is a member of the Southfield Deputy Chiefs Association (“SDCA”) may at any time voluntarily elect to participate in the Southfield Fire & Police Retirement System Deferred Retirement Option Plan (hereinafter “DROP”). Upon commencement of DROP participation, the Participant’s DROP Benefit shall be the dollar amount of the member’s monthly pension benefit computed by using the contractual guidelines and formula(s) that are in effect on the DROP Date. During participation in the DROP, the Participant continues with full employment status and receives all future promotion and benefit/wage increases. The Participant’s DROP Benefit shall be credited monthly to the Participant’s DROP Account which shall be established within the Defined Benefit Plan of the City of Southfield Fire and Police Retirement System (the “Fire and Police Retirement System” or “Plan”). The Participant’s DROP Account shall be maintained and managed by the Board of Trustees of the Fire and Police Retirement System (the “Retirement Board”). Upon termination of employment, the retiree shall begin to receive payment(s) from his/her individual DROP Account as described herein. The DROP payment(s) are in addition to all other contractual pension benefits. The Participant is solely responsible for analyzing the tax consequences of participation in the DROP.

B. Eligibility. Any member of the Southfield Deputy Chiefs Association (“SDCA”) may voluntarily elect to participate in the DROP at any time after attaining the minimum requirements for a normal service retirement/pension.

C. Participation Period. The maximum period for participation in the DROP is five (5) years (the “Participation Period”). There is no minimum period for participation. An employee must cease employment with the Southfield Police Department within five (5) years from the date of their entering the DROP.

Upon termination of employment, the retiree shall receive the monthly retirement benefit previously credited to their DROP Account unless an Optional form of benefit is elected pursuant to Subsection E. Failure to terminate employment at the expiration of the DROP Participation Period shall result in forfeiture of the Participant’s monthly pension benefit otherwise payable to their DROP Account until termination of employment. Interest on the DROP Account however, will continue to accrue during such a forfeiture period.

D. Election to Participate. Once commenced, participation in the DROP program is IRREVOCABLE (except as specifically provided in Subsection L herein). A member who wishes to participate in the DROP shall complete and sign such application form or forms as shall be required by the Retirement Board. The Retirement Board shall review the application within a reasonable time period and make a determination as to the member’s eligibility for participation in the DROP. On the member’s effective DROP Date, he or she shall become a DROP Participant and shall cease to be an active member of the Fire and Police Retirement System. The amount of credited service, multiplier and average final compensation shall be fixed as of the participant’s DROP Date. Increases in compensation and accrual of additional

service during DROP Participation will NOT be factored into the pension benefits of active or former DROP Participants (except as specifically provided in Subsection L).

Upon execution by the SDCA and the City of the collective bargaining agreement which establishes this DROP, members qualifying for DROP participation shall have sixty (60) days to file a DROP election with the Retirement Board with an effective DROP Date commencing July 1, 1999 or later at the Participant's election. Upon expiration of said sixty (60) day period, members electing DROP Participation shall have an effective DROP Date no earlier than the member's date of application.

E. Drop Benefit. The participant's DROP Benefit shall be the regular monthly retirement benefit to which the member would have been entitled if the member had actually retired on the DROP Date (less the annuity withdrawal reduction as set forth in subsection F, if applicable). The participant's DROP Benefit shall be credited monthly to the participant's individual DROP Account. A member who elects to participate in the DROP may prior to or at the time of their termination of employment elect to receive his or her benefit in the form of the Plan's Option I or Option II benefit and nominate a named beneficiary. A member desiring to change their form of benefit at termination of employment must make such election prior to termination and will receive the actuarially computed revised benefit commencing on the member's effective date of termination. The term "spouse" for purposes of benefit qualification, shall mean the person to whom the retirant was legally married on both the effective date of termination of employment and the date of death.

F. Annuity Withdrawal. A member who elects to participate in the DROP may elect the Annuity Withdrawal Option provided by the Plan at the time of electing DROP participation. Such election shall be made commensurate with the Participant's DROP election, but not thereafter, and will be utilized to compute the actuarial reduction of the member's DROP Benefit, as well as the member's monthly retirement benefit from the Fire and Police Retirement System after termination of employment. The annuity withdrawal amount (accumulated contributions) shall remain in the City of Southfield Fire and Police Defined Contribution Plan and shall not be subject to withdrawal from the Plan until termination of employment. A DROP Participant who has elected the Annuity Withdrawal Option shall, as of his/her DROP Date, have interest credited to the member's accumulated balance in the City of Southfield Fire and Police Defined Contribution Plan at the fixed rate of 4% per annum. This provision shall apply to the crediting of interest only for non-premium members during DROP participation. All benefit provisions and options under the Premium Member Annuity Withdrawal Option in the Defined Contribution Plan which are available to Premium Members shall only be available to the DROP Participant at such time as he or she terminates employment with the City.

G. Drop Accounts. For each DROP Participant, an individual DROP Account shall be created in which shall be accumulated at DROP Interest the participant's DROP Benefits. All individual DROP Accounts shall be maintained for the benefit of each DROP Participant and will be managed by the Retirement Board in the same manner as the primary pension fund. DROP Interest for each DROP Participant prior to termination of employment shall be at a fixed rate of 4% per annum. Upon termination of employment, DROP Interest shall be credited at the same rate and in the same manner as interest is credited to Premium Members under the Premium Member Annuity Withdrawal Option in the Defined Contribution Plan. DROP Interest will be credited daily and accrued quarterly on the Participant's DROP Account Balance at the

beginning of each quarter. The actual posting of income for the quarter will commence as soon as practical, following the declaration of the quarterly fund results by the Retirement Board. The daily crediting of interest shall be done on a pro-rata basis where one day's interest is the product of (i) the income credited for the quarter; multiplied by (ii) the ratio of one divided by the total number of days in the quarter. The Board of Trustees shall provide each participant with an annual statement of their account activity. The Board of Trustees, its officers or employees, shall not be responsible for DROP Account performance.

H. Contributions. The employee's contributions to the Fire and Police Retirement System shall cease as of the Participant's DROP Date for each employee entering the DROP.

The payroll of DROP Participants will be included in the covered compensation upon which regular City contributions to the Retirement System are based. Employer contributions shall be credited to the Retirement System and not to any individual's DROP Account.

I. Distribution of Drop Funds. Upon termination of employment, the former DROP Participant must choose one, or a non-inconsistent combination of, the following distribution methods to receive payment(s) from his or her individual DROP Account:

- 1) A total lump sum distribution to the recipient.
- 2) A partial lump sum distribution to the recipient.
- 3) A lump sum direct rollover to another qualified plan to the extent allowed by Federal law and in accordance with the Retirement Board's rollover procedures.
- 4) An annuity payable for the life of the recipient.
- 5) An optional form of annuity as established by Public Act 345 of 1937.
- 6) No distribution, in which case the accumulated balance shall remain in the Plan to the extent allowed by federal law.

A former Participant may change their distribution method as may be applicable no more than once per annum. All benefit payments under the Plan shall be made (or commence in the case of an annuity) as soon as practical after entitlement thereto, but in no event later than the April 1 following the later of:

- 1) The calendar year in which the Premium Member attains age 70 ½, or
- 2) The calendar year in which the Participant's employment terminated.

If the Accumulated Balance in any former Participant's account becomes less than \$5,000 (or such other amount as provided in Internal Revenue Code Section 411(a)(11)(A)), then the Retirement Board, in its sole discretion, shall have the option of distributing the former Participant's entire account, in the form of a lump sum, to the Former Participant.

Any and all distributions from Participant's DROP Account shall not be subject to offset by any workers compensation wage loss payments received by the Participant, including any redemption amounts.

J. Death During Drop Participation. Except as otherwise provided in subsection L, if an employee participating in the DROP dies either: (i) before full retirement (i.e., before termination of service); or (ii) during full retirement (i.e., after termination of service) but before the DROP account balance has been fully paid out, the Participant's designated beneficiary(ies) shall receive the remaining balance in the Participant's DROP Account in the manner in which they elect from the previously mentioned distribution methods. In the event the Participant has failed

to name a beneficiary, the account balance shall be payable to the Participant's beneficiary of benefits from the Fire and Police Retirement System. If there is no such beneficiary, the account balance shall be paid in a lump sum to the Participant's estate. Benefits payable from the Fire and Police Retirement System shall be determined as though the DROP Participant had separated from service on the day prior to the Participant's date of death.

K. Disability During DROP Participation. Except as otherwise provided in Subsection L, in the event a DROP Participant becomes totally and permanently disabled from further performance of duty as a police officer in accordance with the provisions of the Fire and Police Retirement System, the Participant's participation in the DROP shall cease and the member shall receive such benefits as if the member had retired and terminated employment during the participation period. Application and determination of disability shall be conducted in accordance with the Fire and Police Retirement System provisions; however, the Participant shall not be eligible for disability benefits from the Fire and Police Retirement System, except as specifically provided in Subsection L.

L. Special Provision for Disability and Death. A DROP Participant who is found by the Retirement Board, in accordance with Retirement System provisions, to be totally and permanently incapacitated for duty may retroactively revoke the Participant's DROP election if the revocation occurs before the payment of a distribution to the member from the Participant's DROP account or payment of retirement benefits from the Retirement System. If a DROP Participant dies while in the employ of the City, the DROP Participant's eligible survivors (i.e., survivors qualified under Section 6(2) of Public Act 345 of 1937, as amended, and the Participant's applicable collective bargaining agreement) and the Participant's eligible DROP beneficiary(ies) may, by unanimous agreement, retroactively revoke the Participant's DROP election if the revocation occurs before payment of a distribution from the Participant's DROP account or payment of benefits from the Fire and Police Retirement System. If a DROP election revocation is made as prescribed by this Paragraph, the Participant's DROP Account is not distributed, and the Participant or the Participant's beneficiary(ies), as applicable, is entitled to all benefits provided by the Fire and Police Retirement System as if a DROP election had not been made. In the event of revocation of DROP participation as provided herein, there shall be no requirement for retroactive payment of employee contributions which would otherwise have been paid by the member to the Retirement System and the member shall receive service credit for all service rendered during DROP participation or as otherwise provided in the applicable collective bargaining agreement.

M. I.R.C. Compliance. The DROP is intended to operate in accordance with Section 415 and other applicable laws and regulations contained within the Internal Revenue Code of the United States. Any provision of the DROP or portion thereof that is found by the Retirement Board to be in conflict with an applicable provision of the Internal Revenue Code of the United States is hereby declared null and void.

The Southfield Fire and Police Retirement System consists of both defined benefit and defined contribution plans. The DROP Account herein discussed shall be established as part of the Defined Benefit Plan of the Retirement System or such other plans as the Retirement Board and the SDCA shall agree upon (i.e., I.R.C. Section 415(m) Benefit Plan) after consultation with appropriate legal counsel.

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