

PENSION AGREEMENT

This Agreement is made and entered into as of the 31st day of March, 2023 by and between the Massachusetts Bay Transportation Authority (hereinafter, the “Authority”) and Local Union 589, Amalgamated Transit Union, AFL-CIO, CLC, (hereinafter, the “Union”).

WHEREAS, the Union and the Authority entered into an Agreement dated July 1, 1970 which Agreement has been amended many times over the years, and

WHEREAS, the Parties wish to restate such Agreement by incorporating changes to reflect the most recent collective bargaining agreement between the Parties, including the Memorandum of Understanding dated March 31, 2023, and by incorporating changes required by amendments to applicable federal law.

NOW, THEREFORE, the Parties hereto in consideration of mutual promises and covenants do hereby agree to amend and restate the Agreement dated July 1, 1970, as amended, as follows, effective as of March 31, 2023. Except as otherwise provided herein, the rights and benefits of any Member who terminated employment prior to the date hereof shall be governed by the provisions in effect as of the date the Member’s employment terminated.

ARTICLE I - Definition of Terms in this Agreement

The following words and phrases as used herein shall have the following meanings unless a different meaning is plainly required by context:

- (1) “Fund” shall mean the Massachusetts Bay Transportation Authority Retirement Fund.
- (2) “Rules” shall mean the Rules and Regulations of the Massachusetts Bay Transportation Authority Retirement Fund and any other rules, regulations, or procedures established by the Retirement Board for the administration of the Fund and the transaction of its business.
- (3) “Effective Date of the Fund” shall mean January 1, 1948.
- (4) “Authority” shall mean Massachusetts Bay Transportation Authority.
- (5) “Directors” shall mean the Board of Directors of the Authority.
- (6) “Fiduciary” shall mean the trustee by whom the assets of the Fund are held, as

provided in Article VII.

- (7) “Retirement Board” shall mean the managing board of the Fund as provided in Article VI.
- (8) The term “Union” shall mean Boston Carmen’s Union, Local Union 589 of the Amalgamated Transit Union, AFL-CIO. The term, “union,” shall mean any union recognized by the Authority for collective bargaining purposes.
- (9) “Employee”, and, unless the context clearly indicates otherwise, the term “employee” shall mean any person regularly employed by the Authority who receives a regular stated compensation from the Authority, other than a pension, severance pay, retainer or fee under contract.
- (10) “Member” shall mean any person included in the membership of the Fund as provided in Article II.
- (11) “Retired Member” shall mean a former Member who has been retired under this Agreement or the Rules, or a former employee retired from service prior to the Effective Date of the Fund and entitled to a retirement allowance.
- (12) “Vested Member” shall mean a Member who is vested in a deferred retirement allowance pursuant to Article IV, section (8)(b).
- (13) “Compensation” shall mean the full regular remuneration paid to an employee for services rendered to the Authority, excluding overtime pay (i.e., pay which is other than the pay for the normal and customary work in the employee’s workday or workweek), and excluding the Authority’s cost for any public or private employee benefit plan including this Fund, under rules uniformly applicable to all employees similarly situated. Compensation shall, however, include contributions made on behalf of a Member by the Authority pursuant to a salary reduction agreement pursuant to this Fund as described in Section 414(h)(2) of the Internal Revenue Code, pursuant to a cafeteria plan established under Section 125 of the Code, pursuant to a deferred compensation plan within the meaning of Section 457(b), pursuant to a deemed Section 125 election, or pursuant to a qualified transportation fringe benefit within the meaning of Code section 132(f).

Compensation paid after a Member’s severance from employment with the Authority shall be excluded, except that the following amounts shall be included in Compensation if they are paid by the later of 2 ½ months after severance from employment or the end of the Limitation year that includes the date of severance from employment:

(i) Regular pay for services by the Member, which would have been included as Compensation as defined above, which would have been paid to the Member prior to a severance from employment if the Member had continued in employment with the Authority.

(ii) Payment for unused accrued vacation, but only if the Member would have been able to use the leave if employment had continued.

However, effective July 1, 2015, for purposes of calculating a retirement allowance of any active or Retired Member, and paying required contributions by the Authority and by any active or Retired Member, any back pay or retroactive payments resulting from negotiated or arbitrated wage increases received after July 1, 2015, or arbitrator's awards shall be counted as Compensation in the year the wages were earned and not the year in which actually paid.

In addition, Compensation shall not include:

(a) salary continuation payments for Members on qualified military leave, if any; and

(b) salary continuation payments for disabled Members, if any.

For any fiscal year commencing on or after January 1, 2023, a Member's Compensation taken into account under the Fund for any fiscal year of the Fund shall not exceed the amount, as adjusted from time to time, determined by the Secretary of the Treasury in accordance with Section 401(a)(17)(B) of the Internal Revenue Code.

For fiscal years commencing on and after January 1, 2002, Compensation taken into account under the Fund for any fiscal year of the Fund shall not exceed \$200,000, as adjusted from time to time by the Secretary of the Treasury in accordance with Section 401(a)(17) of the Internal Revenue Code.

Any change in the dollar amounts set forth above as adjusted by the Secretary of the Treasury in accordance with Section 401(a)(17) of the Internal Revenue Code shall apply only to Compensation taken into account for the calendar year in which such change is effective.

(14) "Service" shall mean all service rendered to and paid for by the Authority or its predecessors.

(15) "Membership service" shall mean the period of service rendered by an employee as a Member for which credit is allowed as provided in Article III, section (2).

- (16) “Creditable service” shall mean membership service.
- (17) “Normal retirement date” shall mean the first day of the month coincident with or next following the sixty-fifth anniversary of an employee’s date of birth.
- (18) “Retirement allowance” shall mean the annual payments for life hereunder. All retirement allowances shall be payable in monthly installments, commencing at the end of the month in which the retirement allowance becomes effective, and ceasing with the last monthly payment prior to death. Notwithstanding the above, upon the death of the Retired Member only, there shall be payable a fractional monthly payment based on the number of days during the month that the Member survived. Upon the direction of the Retirement Board, a lump sum payment, which is the actuarial equivalent of the retirement allowance, may be made in lieu of any retirement allowance amounting to less than \$120 per annum.
- (19) “Actuarial equivalent” shall mean a benefit of equivalent value when computed according to the 1989 George B. Buck Mortality Table (male and female), assuming all Members are male, and all beneficiaries are female, and an interest rate of 5% per annum, compounded annually, unless specifically provided otherwise in the Fund.

ARTICLE II - Membership

- (1) Commencing on the Effective Date of the Fund, Employees who are or may become members of the Union shall be included in the membership of the Fund.
- (2) Employees who are not members of the Union but who are on the regular payroll of the Authority, and are permitted or required pursuant to the terms of an applicable CBA, or other employment arrangement, with the Authority, shall be included in the membership of the Fund.
- (3) With the exception of Vested Members as defined in Article 1 and except as provided in Article III, section (3), and Article IV, section (4), if a Member of the Fund retires or ceases to be an employee for any reason whatsoever, then their membership in the Fund shall thereupon terminate and thereafter again becomes a Member, such Member shall receive no benefits on account of service rendered prior to the date such Member last became a Member of the Fund; provided that under rules uniformly applicable to all employees similarly situated, the Retirement Board may continue the membership of an employee during a period of absence from service without loss of creditable service, and shall continue membership for a period of not less than two years in the case of an employee laid off for lack of work, if such Member does not withdraw their own contributions, but no credit shall be allowed for any such period, and no benefit shall become payable to or on account of any Member during a period of absence, except the return of their own contributions, with interest, as defined in Article IV, section (3)(d). Membership in

the Fund shall terminate only as provided in this section.

- (4) Anything herein to the contrary notwithstanding, an employee granted a leave of absence by the Authority for service with a union shall be deemed to be an employee in the service of the Authority during such leave, with Compensation for the purposes of the Fund at their full regular rate of remuneration paid to such Member by such union, and if the employee is a Member of the Fund, credit under the Fund shall be allowed, as in the case of other employees, for the period of such leave provided all Member contributions with respect thereto are made on their account as provided herein. If the employee is engaged in union work exclusively among employees of the Authority, the employer's contributions shall be paid by the Authority. If the employee is not exclusively engaged in work among employees of the Authority, no credit shall be allowed unless the union pays the employer's contribution thereon.
- (5) Effective December 31, 1983, all part-time employees shall be included in the membership of the Fund.

ARTICLE III - Creditable Service

- (1) Creditable service shall mean membership service.
- (2) Membership service shall include all service rendered by an employee since such employee became a Member, or since such employee last became a Member in the event of a break in membership, for which contributions are made by the Member and by the Authority or a union in accordance with Article II, section (4).
- (3) A Member whose creditable service is interrupted by reason of resignation or dismissal shall be offered an opportunity promptly upon the completion of three years of creditable service after such Member has been rehired to repay to the Fund all amounts such Member has withdrawn from the Fund, together with an amount equal to their reasonable earnings (the average earnings of the Fund during the period of the aforementioned withdrawal). Upon the repayment of such withdrawn funds, or, if such contributions were never withdrawn, the Member shall be entitled to credit for the sum of both periods of service as though they had been a single period of creditable service. All Members eligible to exercise this right of repayment shall be advised by the Authority of that fact at least 60 days in advance of the date on which they first become eligible to make such repayment. The Member shall, upon such notification, have a period of six months within which to exercise the right to make such repayment.

A Member may use funds accumulated under an annuity contract described in Section 403(b) of the Internal Revenue Code or an eligible plan under Section 457(b)

of the Internal Revenue Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of the state, if such funds are transferred to the Fund by a direct trustee-to-trustee transfer pursuant to Sections 403(b)(13) or 457(e)(17) of the Internal Revenue Code.

- (4) If, during any period of service, the Member is classified as a part-time employee, such Member shall accrue creditable service as follows:
 - (a) For the purposes of determining the amount of retirement benefit only, creditable service shall accrue at the rate of one month of creditable service, or fraction thereof, for each 173 pay hours received (not to exceed 12 months of creditable service for any calendar year). For the purposes of this paragraph, "pay hours" shall mean hours for which Compensation is credited under this Plan.
 - (b) For all other purposes, creditable service shall accrue for part-time employees in the same manner as for full-time employees.
- (5) Time spent in service in the Armed Forces or the Merchant Marine of the United States or its allies during a period of national emergency, or on account of compulsory military service shall not be considered a break in creditable service if:
 - (a) the employee was a Member of the Massachusetts Bay Transportation Authority Retirement Fund at the time such leave of absence commenced;
 - (b) the employee has returned or returns to service of the Authority after such employee's honorable discharge within the period prescribed by law or within ninety (90) days after such discharge, if there is no period prescribed by law; and
 - (c) the employee did not voluntarily re-enlist or consent to active military service after the completion of the time such employee was required to remain in military service.

Provided, however, that any absence from service of the Authority on the foregoing grounds exceeding four (4) years shall be deducted in computing the pension credit to be granted for such military service.

Notwithstanding the foregoing, effective on and after December 12, 1994, creditable service shall be recognized for periods of service in the uniformed services of the United States in accordance with Section 414(u) of the Internal Revenue Code. Contributions shall not be required to be paid for this period of service. A Member's Compensation for their period of service in the uniformed

services shall be deemed to be the Compensation the Member would have received for that period if such Member had remained continuously employed or, if that Compensation is not reasonably certain, their average Compensation for the 12-month period immediately preceding their service in the uniformed services.

For purposes of this paragraph, the terms “service in the uniformed services of the United States” and “uniformed services” shall have the meaning given to those terms in Section 4303(13) and 4303(16) of the Uniformed Services Employment and Reemployment Rights Act of 1994, respectively.

- (6) Unused sick leave accumulated at the time of a Member’s retirement shall be included in creditable service for the purpose of computing the amount of such Member’s retirement allowance, but not to establish eligibility for retirement.
- (7) Absence from work time due solely to the inability of a Member to work by reason of a compensable industrial accident shall not be considered a break in creditable service.
- (8) Membership service prior to November 23, 1983
A Member with part-time service prior to November 23, 1983 shall receive the Creditable Service such Member could have earned had such Member joined the Fund ninety (90) working days after hire (or at any later date that such Member may have elected), only if such Member paid to the Retirement Fund no sooner than one hundred and fifty (150) days but no more than one hundred and eighty (180) days from November 23, 1983, the amount of Member contributions such Member would have paid for that period of prior service had such Member then been a Member of the Fund.

ARTICLE IV - Benefits

- (1) Group A Plan - Normal Retirement Allowance. Employees who are or become Members of the Fund on or before June 30, 2023 are in the “Group A Plan” unless they elect to be in the Group B Plan in accordance with Article IV, paragraph (2)(c).
 - (a) Any Member in service who reaches their normal retirement date shall be eligible to retire on a normal retirement allowance to become effective on their normal retirement date. However, no Member will be involuntarily retired by the Retirement Board solely because of the age of the Member.
 - (b) The normal retirement allowance shall consist of:

- (1) An amount equal to 2.46 percent of the average Compensation in those three (3) years in which the Member had maximum Compensation, multiplied by the number of years of membership service, provided, however, that such allowance shall not exceed eighty (80) percent of such average Compensation.
 - (2) The minimum normal retirement allowance for any Member who has completed at least ten (10) years of creditable service shall be one hundred dollars (\$100) per month, and for any Member who has completed at least fifteen (15) years of creditable service shall be one hundred and fifty dollars (\$150) per month. If, during any of the years used in the computation of the highest three (3) years of Compensation, the Member was a part-time employee, Compensation for that year, for the purposes of this section, shall be actual Compensation multiplied by the ratio, not less than 1.0, of 173 hours times the number of months worked in the year in question, divided by actual pay hours received during that year. The term “pay hours” as used in this paragraph shall have the same meaning as in Article III, paragraph (4) above.
- (c) Unless otherwise subject to retirement benefits under the Group B Plan, any Member in service who has not reached their normal retirement date, but who has completed at least twenty-three (23) years of creditable service may be retired by the Retirement Board on an early normal retirement allowance on the first day of the calendar month coincident with or next following such date.

The early normal retirement allowance shall be computed in the same manner as a normal retirement allowance, but on the basis of the Member’s Compensation and creditable service only to the time of actual retirement.

Notwithstanding the above, Members whose date of hire with the Authority commences on or after December 6, 2012 and become Members of the Fund on or before June 30, 2023 will be required to complete at least twenty-five (25) years of creditable service and attain age 55 in order to be eligible for an early normal retirement allowance as provided herein above.

- (d) Unless otherwise subject to retirement benefits under the Group B Plan, a Member who has completed twenty (20) years but less than twenty-three (23) years of creditable service (25 years for Members whose date of hire with the Authority commences on or after December 6, 2012 and become Members of the Fund on or before June 30, 2023) and who has attained age 55 may be retired and upon retirement shall receive an early reduced retirement allowance computed in the same manner as a normal retirement

allowance but on the basis of their Compensation and creditable service only to the time of actual retirement, reduced by one-half percent for each month of retirement before age 65.

- (2) Group B Plan - Normal Retirement Allowance. Employees who are or become Members of the Fund on or after July 1, 2023 are automatically in the “Group B Plan.” Members of the Group B Plan also include those Members who voluntarily elect to join the Group B Plan in accordance with Paragraph (c) below.
 - (a) Any Member in service who has at least 10 years of creditable service, having reached the age of 55 shall be eligible to retire, with an immediate retirement allowance. However, no Member will be involuntarily retired by the Retirement Board solely because of the age of the Member.
 - (b) The retirement allowance shall consist of the below enumerated percentage based upon the Member’s age at the time of retirement multiplied by the average Compensation in those three (3) years in which the Member had maximum Compensation multiplied by the number of years of membership service, provided, however, that such allowance shall not exceed eighty percent (80%) of such average Compensation.

Age at Retirement	Percentage
61 or over	2.460
60	2.375
59	2.250
58	2.125
57	2.000
56	1.875
55	1.750

- (c) Between June 30, 2023 and December 31, 2023, then-current Members of the Fund may elect to join the Group B Plan, upon written notification to the Fund, provided they do so no later than December 31, 2023. Such current Members who elect to join the Group B Plan will have all creditable service to date count toward a retirement allowance under the Group B Plan. A Member of the Fund who properly elects to join the Group B Plan shall be required to accumulate at least twenty-four (24) months of creditable service from the date such Member elects to join the Group B Plan to join the Group B Plan and obtain the Group B Plan benefits. A Member in the Group B Plan shall not be entitled to transfer back to the Group A Plan. Should such a Member not accumulate at least twenty-four (24) months of creditable service following such election, then (i) such Member’s election will have no effect,

and (ii) such Member will remain in the Group A Plan, consistent with their date of hire or membership in the Fund.

(3) Disability Retirement Allowance -

- (a) Any Member in service in the Group A Plan who has not reached their normal retirement date, or any Member in service in the Group B Plan who has not reached retirement eligibility as defined by section (2)(a) of Article IV, and files application for retirement, shall be retired by the Retirement Board on a disability retirement allowance as of the first day of the calendar month next following receipt by the Retirement Board of written application therefor made by the Member; provided that a physician or physicians designated by the Retirement Board shall certify, and the Retirement Board shall find, that such Member is incapacitated, mentally or physically, to perform the work of such Member's job classification or any other job classification(s) in which a job is available with the Authority and has been offered to such Member by the Authority, and that such Member should be retired; and provided further that such Member has completed four (4) years of creditable service in case of disablement due to an occupational accident or sickness, and has completed six (6) years of creditable service in case of disablement due to any other cause.

The surviving spouse of a Member whose death results solely from an injury or injuries sustained in the performance of duty, including, but not limited to, injuries resulting from assault and/or battery, shall upon such death be entitled to the Disability Retirement Allowance to which the Member would have been entitled if at the time of such death the Member had become totally incapacitated, mentally or physically, for the further performance of duty and that such incapacity was likely to be permanent, provided that if the Member had less than four (4) years of creditable service, the surviving spouse shall receive the minimum allowance available under subsection (b) hereof.

No Member shall be entitled to receive a disability retirement allowance if the disability results from:

- (A) Habitual and excessive use of intoxicants, drugs, narcotics;
- (B) Injuries or diseases sustained while under the influence of intoxicants, drugs or narcotics habitually used to excess;
- (C) Injuries or diseases sustained while willfully and illegally participating in fights, riots, civil insurrections or committing a crime;

- (D) Injuries or diseases sustained while serving in the Armed Forces or the Merchant Marine of the United States or its allies;
 - (E) Injuries or diseases incurred while working for another employer and arising out of such other employment while also employed by the Authority;
 - (F) Injuries or diseases sustained while riding in aircraft, except as a farepaying passenger on regularly licensed and scheduled airlines;
 - (G) Injuries or diseases sustained while the employee is on leave of absence for any reason other than -
 - (i) holding office in the Union or its International Office or in any other union or its International Office; or
 - (ii) sickness or accident; provided, however, that an employee while on leave of absence for the reasons listed under (i) and (ii) shall not be eligible to receive benefits if the injuries or diseases so sustained fall within sub-paragraphs (A) to (F) above.
- (b) Computation of Allowance
- (1) For Members of the Group A Plan, the disability retirement allowance shall become effective immediately upon retirement as provided in the foregoing Section (3) (a) of Article IV and shall be computed as a normal retirement allowance on the basis of the Compensation and creditable service to the time of the disability retirement, with a minimum of 15% of the Member's average Compensation in those three (3) years in which the Member had maximum Compensation.
 - (2) For Members of the Group B Plan, the disability retirement allowance shall become effective immediately upon retirement as provided in the foregoing Section (3)(a) of Article IV and, subject to the following sentence, shall be computed as if the Member had retired at age 55 on the basis of such Member's Compensation and creditable service to the time of disability, with a minimum of 15% of the Member's average Compensation in those three (3) years in which the Member had maximum Compensation. If the Member is over age 55, the allowance will be calculated based upon the Member's age at the time of the disability retirement.

- (c) Except as may be otherwise required by law, any amounts which may be paid or payable to any Retired Member or such Retired Member's dependents as the result of premiums, taxes or contributions paid by Workmen's Compensation Law, or policy, or similar plan, whether self-insured or otherwise, on account of disability, shall not be offset against any Disability Retirement allowance provided hereunder.

- (d) Once each year the Retirement Board may require any Retired Member receiving a disability retirement allowance who has not reached their normal retirement date to undergo a medical examination by a physician or physicians designated by the Retirement Board, such examination to be made at the place of residence of such Retired Member or other place mutually agreed upon. Should any such Retired Member refuse to submit to such medical examination, their disability retirement allowance shall be discontinued by the Retirement Board until their withdrawal of such refusal, and should their refusal continue for a year, all their rights in and to such disability retirement allowance shall cease. If it appears from such medical examination that the disability of a Retired Member who has not reached their normal retirement date has been removed or if the Retirement Board shall find that such Retired Member has regained their earning capacity, their disability retirement allowance shall be discontinued by the Retirement Board, or if such disability has been partly removed and their earning capacity partly regained, such disability retirement allowance shall be reduced proportionately by the Retirement Board. No discontinuance or reduction shall be made unless the Authority shall offer to restore the Retired Member with accumulated seniority to their former position or, in the case of partial recovery, to a suitable other position the duties of which such Retired Member may be able to perform. If a disability retirement allowance is discontinued or reduced and if the Retired Member again loses their earning capacity because of the same disability, such Retired Member shall be entitled to apply to the Retirement Board to have their original disability retirement allowance restored, and the Retirement Board may restore all or part thereof on the basis of a medical examination by a physician or physicians designated by the Retirement Board. Any Retired Member whose allowance has been discontinued and who has not accepted restoration to service may withdraw from the Fund and receive the amount of their contributions, with interest as defined in Article IV, section (4)(d), less the sum of all retirement allowance payments previously made to such Retired Member and no further payments to such Retired Member or on their account shall be made.

(4) Return of contributions -

- (a) Except as described in subsection (e), below, any Member, upon ceasing to

be an employee for any cause other than death or retirement, shall be paid in one sum within six months after filing a written application for such payment, the amount of their own contributions, with interest as defined in Article IV, section (4)(d).

- (b) Upon receipt of proof, satisfactory to the Retirement Board, of the death of a Member or Retired Member before their retirement allowance has become effective, the amount of their own contributions, with interest as defined in Article IV, section (4)(d), shall be paid in one sum to the person, if any, nominated by such Member or Retired Member by written designation duly acknowledged and filed with the Retirement Board if such person is living, otherwise to the estate of such Member.
- (c) Upon receipt of proof, satisfactory to the Retirement Board, of the death of a Retired Member, and of the survivor of a Retired Member and of the person, if any, designated under an optional benefit pursuant to section (5) of this Article IV, after the retirement allowance has become effective, any excess of the Retired Member's contributions at retirement with interest as defined in Article IV, section (4)(d), over the sum of all retirement allowance payments made shall be paid in one sum to the person, if any, nominated by the Retired Member by written designation duly acknowledged and filed with the Retirement Board if such person is living, otherwise to the estate of the aforesaid survivor.
- (d) Interest on contributions shall be computed at the rate of 3 per cent per year compounded annually, up to the first day of the month in which the Member becomes separated from the Authority's service, dies or retires, whichever occurs first; provided, however, that such interest on contributions made prior to July 1, 1967, shall be computed at the rate of 2 per cent per year compounded annually.
- (e) Members within the Group B Plan, pursuant to Article IV, section (2), upon ceasing to be an employee for any cause other than death or retirement, may elect, upon written notification to the Fund, to keep their contributions in the Fund to maintain and resume creditable service in the event such for Member becomes an employee again in the future. Any former Member within the Group B Plan who does not elect, by written notice to the Fund, to keep their contributions in the Fund and receives a return of their contributions shall not have their creditable service restored when such former Member becomes a Member of the Fund again. In such instances, the Member shall be required to meet the requirements of Article III, section (3) to repay the Fund and regain their creditable service.

(5) Automatic and Optional Payment Forms of Benefits –

- (a) A Member's Retirement Allowance shall be paid to such Member for life as described in Article 1, Section (18). However, the retirement allowance of a married Member shall automatically be paid as a reduced benefit under Option B below, with 50% of their reduced benefit continuing to their surviving spouse after their death. Any Member may, by written notice received by the Retirement Board before retirement, elect to convert the automatic form of retirement allowance described above into a benefit of equivalent actuarial value, in accordance with one of the optional forms named below, but subject to all of the provisions of this Section (5). A married Member, however, may elect an option other than Option B with at least 50% continuing to their surviving spouse or Option C with at least 66 2/3% continuing to their surviving spouse only upon the written consent of their spouse witnessed by a notary public or a Fund representative.

Option A. Term Certain. A retirement allowance of lesser amount, payable to the Member for their life and in the event of their death within a period of 5, 10 or 15 years after their retirement (whichever period shall be specified by the Member in their election, and provided that such period shall not exceed the maximum period permitted under applicable Treasury regulations issued under section 401(a)(9) of the Internal Revenue Code), the same lesser amount shall be payable for the remainder of such period to a survivor designated by such Member.

If the last designated beneficiary under this option is not alive at the time of the Member's death, the balance of the payments for the specified term, if any, commuted to a lump sum on the basis of an interest rate of 3% per annum, compounded annually, is paid to the Member's estate; if the last designated beneficiary survives the Member but dies before receiving the entire balance of the payments, the part of the balance still unpaid commuted to a lump sum on the basis of an interest rate of 3% per annum, compounded annually, shall be paid to such beneficiary's estate.

Option B. A reduced retirement allowance during the Retired Member's life and, following their death, such lesser amount or 75%, or 66 2/3%, or 50%, or 33 1/3%, or 25% of such lesser amount as the Member may specify in their election shall be payable to their designated joint pensioner for the life of such survivor. However, if the Member's designated joint pensioner is not such Member's spouse, then the percentage payable to such designated joint pensioner may not exceed the percentage determined under Q&A-2 of Treasury regulation §1.401(a)(9)-6.

Option C. A reduced retirement allowance during the Retired Member's life, and following their death, such lesser amount or 75%, or 66 2/3%, or 50%, or 33 1/3% or 25% of such lesser amount as the Member may specify in their election, shall be payable to their designated joint pensioner for the life of such survivor. However, if the Member's designated joint pensioner is not such Member's spouse, then the percentage payable to such designated joint pensioner may not exceed the percentage determined under Q&A-2 of Treasury regulation §1.401(a)(9)-6.

If the designated joint pensioner shall pre-decease the Retired Member, the Member's monthly pension shall increase to the monthly pension amount that would have been payable had the pensioner not chosen this option. This increase shall be effective with the first benefit payment due coincident with or next following the date of death of the designated joint pensioner.

- (b) The election of an optional form of benefit shall become effective as follows:
- (1) If the Member retires on their normal retirement date, the election shall become effective on their normal retirement date.
 - (2) If the Member retires prior to their normal retirement date, the election shall become effective on the first day of the month for which a retirement allowance is due.
 - (3) If the Member continues in service as an employee after their normal retirement date and the notice of their election is received by the Retirement Board prior to their normal retirement date, the election shall become effective on their normal retirement date. If the notice of the election is received by the Retirement Board after the Member's normal retirement date, the election shall become effective as of the date it is received by the Retirement Board. In the event of the death of a Member in service as an employee on or after their normal retirement date and after their election has become effective, payments of the benefit under the option computed as of the time it became effective shall commence on the last day of the month of death if the beneficiary designated under the option is then living; or, upon the retirement of such a Member, the amount under the option computed as of the time it became effective shall be payable to the Member; but no payments shall commence or accrue

to such Member until the last day of the month of retirement.

- (c) The election of an optional benefit, after having been filed, may be revoked or changed by the Member only by written notice received by the Retirement Board before the election becomes effective. If, however, the Member or the person designated under the option dies before the election has become effective, the election shall thereby be revoked.
- (d) In the event a Member who has completed ten (10) years of creditable service dies before such Member retires without having an effective option hereunder, such Member's contributions and interest thereon shall be paid to such Member's nominee or estate in accordance with the provisions of Article IV, Section (4) herein, provided, however, that if said Member is survived by a spouse and/or dependent children, which spouse and/or dependent children, are the sole beneficiaries designated to receive the return of contributions and interest, such survivors(s) shall have the option to take, in lieu of such return of contributions and interest, the following:
 - (i) if the Member had completed 23 or more years of creditable service, 100% of the reduced retirement allowance under the 100% joint and survivor provision (Option B) thereof,
 - (ii) if the Member had completed less than 23 years of creditable service, one half ($\frac{1}{2}$) of the amount of reduced retirement allowance computed under the 50% joint and survivor provision (Option B) thereof.

For the purposes of determining this benefit, the actuarial reduction accounting for the difference between the Member's age and eligibility for a Normal Retirement allowance shall be waived.

- (e) If a Member dies on or after January 1, 2007, while performing qualified military service (as that term is defined in Section 414(u) of the Internal Revenue Code) such Member's survivors shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that may be provided hereunder had the Member resumed employment and then died immediately thereafter.
- (6) Restoration to Service –
- (a) Subject to Article IV, Section 6(b), notwithstanding anything to the contrary, if any Retired Member is restored to service, then their retirement allowance shall cease, such Retired Member shall again become a Member of the Fund, and any Option elected under section (5) of this Article IV shall thereby be revoked. Any membership service standing to their credit when such

Member retired shall be restored to such Member, and the amount of their contributions, with interest as defined in Article IV, section (4)(d), less the sum of all retirement allowance payments previously made to such Member, shall be restored to such Member as contributions standing to their credit under the Fund; provided, however, that if such Member's first retirement was on an early normal retirement allowance, then their retirement allowance upon subsequent retirement shall be reduced by the actuarial equivalent of the payments such Member received prior to their normal retirement date during their previous retirement.

- (b) Notwithstanding the foregoing, a Retired Member may be rehired by, and work for, the Authority in an employment capacity for a maximum of 1,200 hours per calendar year. Such service by a rehired Retired Member shall not count as creditable service, impact or alter the rehired Retired Member's retirement allowance, or impact or alter any other benefit the rehired Retired Member receives via this Agreement. Such rehired Retired Member shall make no pension contributions, nor shall the Authority make any pension contributions on such rehired Retired Member's behalf or otherwise related to their post-retirement service.
 - (1) The maximum number of Retired Members rehired pursuant to this section shall not exceed 125 at any given time.
 - (2) To the extent that Retired Members are returned to employment in classifications covered by a collective bargaining agreement, all other terms and conditions related to their employment shall be subject to further negotiation between the Authority and the bargaining unit to which the relevant classifications belong.
 - (3) The Side Letter between the Authority and the Union, dated September 2, 2022, shall not be affected by this section (a), and shall expire by its own terms.

(7) Waiver of Benefits –

A Retired Member who is receiving a monthly retirement allowance, for personal reasons and without disclosure thereof, may make written request that the Retirement Board discontinue the payment of all or any part of such monthly retirement allowance payment to such Retired Member, by filing with the Retirement Board a written waiver thereof, in such form as the Retirement Board shall require. The Retirement Board, on receipt of such waiver, shall authorize such discontinuance in which event such Retired Member shall forfeit all right to the amount or amounts waived but shall retain the right to have the retirement allowance otherwise payable to such Retired Member hereunder reinstated in full or in part after receipt by the Retirement Board of written notice that such Retired Member

has properly revoked or altered the waiver filed in accordance herewith.

(8) Vesting –

- (a) For Members of the Group A Plan, notwithstanding that a Member has not reached their normal retirement date, any Member in service who has completed at least ten (10) years of creditable service and who has not received a refund of their contributions, with interest, under Article IV, section (4), shall be eligible for a vested retirement pension which shall be payable in the event such Member is permanently laid off by the Authority or their employment terminates for reasons which are beyond their control (specifically excluding voluntary quit or discharge for cause) before such Member becomes eligible for an early or normal retirement allowance under the Retirement Plan. Such vested retirement pension shall be based on the total creditable service of the Member up to the time their employment terminates and their then computed “average final Compensation” and shall be paid to such Member beginning with the first day of the month coincident with or next following the sixty-fifth anniversary of their date of birth in amount as follows: 50 percent of Normal Retirement Allowance if such Member has completed 10 years of Creditable Service up to the time their employment terminates plus 5 percent of Normal Retirement Allowance for each additional year of creditable service up to 20 years total service.
- (b) A Member of the Group B Plan shall have a fully vested deferred retirement allowance (calculated in accordance with this subsection (b)), and be deemed a Vested Member, if the following conditions are satisfied: (i) the Member has accrued 10 or more years of creditable service; (ii) the Member’s service with the Authority was terminated for any reason prior to such Member becoming eligible for a retirement allowance set out in accordance with Article IV, section (2); and (iii) the Member has not withdrawn their contributions from the Fund.

Such Vested Member’s retirement allowance shall equal 2.46% of the average Compensation of the three (3) years in which the Vested Member had maximum Compensation multiplied by such Vested Member’s number of years of creditable service, provided, however, that such allowance shall not exceed 80% of such average Compensation. Except as otherwise provided in the following sentence, the Vested Member’s retirement allowance shall begin the month following the Member attaining 65 years of age. A Vested Member eligible for a retirement allowance under this subsection (b) may elect to receive their retirement allowance prior to attaining age 65, in which case that allowance shall be reduced for their entire retirement by 6% per year, or one-half percent for each month, of retirement before age 65.

(9) Limitations Under IRS Code -

In no event shall the amount of a benefit payable by this Plan exceed the maximum benefit limitations of Section 415 of the Internal Revenue Code and the regulations issued thereunder, which limitations and regulations are incorporated herein by reference. If a Member is a participant in two or more qualified plans maintained by the Authority, benefits under this Fund shall be reduced, if necessary, so that the total benefits receivable under all plans maintained by the Authority shall not exceed the limits described above, or, if applicable for calendar years prior to January 1, 2001, the limitations under Section 415(e) of the Internal Revenue Code.

Benefits increases resulting from the increase in the limitations of Section 415(b) of the Internal Revenue Code effective January 1, 2002 will be provided to all employees participating in the Fund who have one hour of service on or after January 1, 2002.

As of January 1 of each calendar year commencing on or after January 1, 2002, the dollar limitation described in Section 415(b)(1)(A) of the Code as determined by the Commissioner of Internal Revenue for that calendar year shall become effective as the maximum permissible dollar amount of retirement allowances payable under the Fund during that calendar year, excluding retirement allowances payable to Members who retired prior to that calendar year.

(10) Coordination of benefits with Police Association Retirement Plan -

This section shall apply to employees who were employed by the Authority as of July 1, 1991.

(a) Transferred-Out Members. A Member who accepts a position normally covered by the Police Association Retirement Plan shall become a Transferred-Out Member of this Plan. Neither such Transferred-Out Member nor the Authority shall make any further contributions to this Plan on such Transferred-Out Member's behalf. Such Transferred-Out Member shall not accrue any additional creditable service in this Plan, but Transferred-Out Member shall retain the creditable service accumulated to the date of transfer.

(b) Transferred-In Members. A former member of the Police Association Retirement Plan who accepts a position normally covered by this Plan shall become a Transferred-In Member. Both such Transferred-In Member and the Authority shall make the regular contributions required by this Plan.

(c) Upon the retirement or death of either a Transferred-Out Member or a

Transferred-In Member, there shall be payable from this Plan a benefit determined under the then current provisions of the Plan using:

- (i) the Member's Compensation or average Compensation as of the date of death or retirement,
- (ii) for purposes of determining the amount of benefit under this Plan, the creditable service accumulated under this Plan, and
- (iii) for purposes of determining eligibility for benefits under this Plan, the sum of creditable service accumulated under this Plan plus creditable service under the Police Association Retirement Plan.

The maximum benefit payable from this Plan will be the Plan's regular maximum benefit multiplied by a ratio the numerator of which is the Members' creditable service under this Plan and the denominator of which is the sum of the Member's Creditable Service under this Plan and the Police Association Retirement Plan.

- (d) Upon the disability retirement of either a Transferred-Out Member or a Transferred-In Member there shall be payable from this Plan a benefit determined in a manner similar to the benefits determined under (c) above. However, if at any time while in receipt of disability benefits the benefit shall be determined under a formula part of which is not related to the employee's service, the benefit determined according to the non- service related part of the formula shall be multiplied by the ratio of the Member's creditable service in this Plan to the sum of the Member's creditable service in this Plan and the Police Association Retirement Plan.

(11) Direct Rollover Distributions -

- (a) Notwithstanding any provision of the Fund to the contrary, if any distribution to a Member, the Member's spouse, the former spouse of a Member who is an alternate payee under a qualified domestic relations order or, for distributions made after December 31, 2006, a non- spouse beneficiary of a deceased Member (i) totals \$200 or more, and (ii) constitutes an "eligible rollover distribution" (within the meaning of Section 402(c)(4) of the Internal Revenue Code), the individual may elect on a form provided by the Retirement Board to have all or part of such eligible rollover distribution paid in a direct rollover to an "eligible retirement plan" selected by the individual.
- (b) For this purpose, an "eligible retirement plan" means:

- (i) an individual retirement account as described in Section 408(a) of the Internal Revenue Code;
 - (ii) an individual retirement annuity (other than an endowment contract) as described in Section 408(b) of the Internal Revenue Code;
 - (iii) with respect only to Members and alternate payees under qualified domestic relations orders and, on and after January 1, 2002, surviving spouses:
 - (A) a qualified trust as described in Sections 401(a) of the Internal Revenue Code, the terms of which permit the acceptance of rollover contributions; or
 - (B) an annuity plan as described in Section 403(a) of the Internal Revenue Code.
 - (iv) with respect only to Members and alternate payees under qualified domestic relations orders and surviving spouses, on and after January 1, 2002:
 - (A) an annuity contract described in Section 403(b) of the Code, and;
 - (B) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Fund.
 - (v) for distributions made after December 31, 2007, a Roth IRA described in Section 408A(b), provided however, that prior to January 1, 2010, (i) the distributee satisfied the requirements for making a Roth contribution to such IRA, (ii) any amounts rolled over to a Roth IRA shall be taxable as required under section 408A(d)(3)(A), and (iii) neither the Retirement Board nor the Trustee shall be responsible for determining whether the distributee was eligible to make a rollover to a Roth IRA.
- (c) A portion of a distribution shall not fail to be an eligible rollover distribution on and after January 1, 2002, merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account

or annuity described in Section 408(a) or (b), or, after December 31, 2007, 408A(b) of the Internal Revenue Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Internal Revenue Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (d) Direct rollovers shall be accomplished in accordance with procedures established by the Retirement Board. If an election is made to have only a part of an eligible rollover distribution paid in a direct rollover, the amount of the direct rollover must total \$500 or more. If the Member, the Member's surviving spouse, or the Member's alternate payee does not make a timely election whether or not to roll over the distribution, such distribution shall be made directly to the applicable individual.

(12) Distribution Limitation -

- (a) Notwithstanding any provision of the Fund to the contrary, payment of a Member's allowance shall commence no later than the April 1 of the calendar year following the later of the calendar year in which the Member attains the Applicable Age, or the calendar year in which the Member retires.

- (b) For purposes of the foregoing sentence, Applicable Age shall mean,

- (i) Age 70 ½, in the case of a Member who attained age 70 ½ prior to January 1, 2020;

- (ii) Age 72, in the case of a Member who attained age 70 ½, on or after January 1, 2020 and before January 1, 2023;

- (iii) Age 73, in the case of a Member who attains age 72 after December 31, 2022 and age 73 before January 1, 2033; and

- (iv) Age 75, in the case of a Member who attains age 73 after December 31, 2032.

- (c) In addition, all distributions from the Fund shall conform to the regulations issued under Section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit provisions of Section 401(a)(9)(G) of the Internal Revenue Code, and any such regulations shall override any Fund provision that is inconsistent with Section 401(a)(9) of the Internal Revenue Code. Furthermore, if a Member dies before payment of their retirement allowance has begun, then distribution of any benefit payable hereunder to a beneficiary or beneficiaries of the Member shall be made by or shall commence by the December 31 of the calendar year immediately

following the calendar year in which the Member died.

(13) Effective December 6, 2012, any Member who is hereafter convicted or pleads guilty to any felony of Federal Law or State Law, which arises out of their service to the MBTA or out of service to a Collective Bargaining organization representing MBTA employees, shall thereupon be ineligible to receive any benefit under the Plan.

Where a Member has not yet retired and is not receiving a benefit at the time their eligibility ends under this provision, they shall be entitled to withdraw their own contributions, plus accrued interest as provided by the Plan for such withdrawals..

Where a Member has retired and is receiving a benefit at the time their eligibility ends under this provision, the Member may opt to withdraw from the pension fund their own contributions plus accrued interest as may be provided by the Plan for such withdrawals, only to the extent that the amount withdrawn is equal to their own contributions less benefits paid to the Member.

If the conviction is later reversed or the plea set aside, or either is expunged from the Member's record by Order of a Court, the Member's eligibility shall be restored together with benefits withheld, conditioned upon full repayment by the Member of contributions withdrawn and accrued interest

(14) Cost of Living Increase

The first \$13,000 of all annual allowances under the Plan in effect on June 30, 2018, shall be increased by a percentage ranging from 2% to 5%, depending on the date of the Retired Member's retirement, as follows:

Retirement Date	Percentage Increase on First \$13,000 of Annual Retirement Allowance	Annual Increase on First \$13,000 of Annual Allowance	Monthly Increase on First \$13,000 of Annual Allowance
Before 1999	5%	\$ 650 yearly	\$ 54.17 monthly
1999 – 2006	4%	\$ 520 yearly	\$ 43.33 monthly
2007 – 2011	3%	\$ 390 yearly	\$ 32.50 monthly
2012 – June 2018	2%	\$ 260 yearly	\$ 21.67 monthly
July 2018 – Present	No increase	No increase	No increase

Annual retirement allowances less than \$13,000 that qualify for an adjustment will have their

annual retirement allowance multiplied by the percentage in the table above based on retirement date.

For example, if a Retired Member has a \$10,000 annual retirement allowance and a retirement date in 2005, then such retiree is subject to a 4% raise (Row 2, 1999 – 2006), which would be multiplied by the Retired Member's \$10,000 annual retirement allowance for a \$400 annual adjustment or a \$33.33 monthly adjustment ($\$400/12 = \33.33).

Such adjustment is a one-time ad hoc adjustment, effective with benefits paid commencing July 1, 2018. Notwithstanding the above, to the extent that a Retired Member, and their surviving beneficiary, if applicable, died between July 1, 2018 and March 31, 2023, they (and their heirs, administrators, executors, successors, or estates) shall not be eligible for an adjustment under this provision.

ARTICLE V - Contributions

(1) Contributions by Members –

- (a) Effective July 1, 2006, the Members' Required Contribution established by the December 31, 2004 actuarial valuation shall be increased or decreased by one-fourth of the change (expressed as a percent of Compensation) in the Total Required Contribution Rate between the December 31, 2004 actuarial valuation and the December 31, 2005 actuarial valuation. Thus, in the event total required contributions decrease from the December 31, 2004 base, each Member shall receive one-quarter of such reduction; if total required contributions increase from the December 31, 2004 base, each Member shall pay one-quarter of such increase. Subsequent adjustments in Member contribution rates (effective on and after July 1, 2007) shall be based on the change from the total required contribution rate established by the December 31, 2004 actuarial valuation and applied to the Members' Required Contribution established by the December 31, 2004 actuarial valuation.
- (b) The Authority shall deduct such contributions from the compensation of each Member on each and every payroll, and shall transmit the sums so deducted to the Fiduciary.
- (c) In determining the Compensation of a Member in a payroll period, the Authority may, with the approval of the Retirement Board, to facilitate the making of deductions, consider the rate of compensation payable to the Member on the first day of the payroll period as continuing through the payroll period, and it may omit deductions from compensation for a period less than a full payroll period if an employee was not paid or was not a Member as of the first day of the payroll period, and may make such other modifications as shall not substantially change the contributions of

Members.

- (d) For purposes of this Article V, the term “Required Contribution Rate” shall mean the percent of Compensation required as the normal contribution, plus the percent of Compensation required to pay interest on the excess of actuarial liabilities net of adjusted assets, plus an allowance for anticipated administrative expenses expressed as a percent of Compensation, all as shown on the actuarial valuation prepared by the actuary for the Fund.
 - (e) A Member receiving pension benefits shall have deducted from such pension the health insurance contribution, if any, required under Article 115C of the Collective Bargaining Agreement between Local Union 589, ATU and the Massachusetts Bay Transportation Authority and any contributions made to the General Insurance Commission as provided under applicable state law.
 - (f) Notwithstanding any provision to the contrary, Member contributions shall be increased by 1.25% of Compensation above the Members’ Required Contribution pursuant to Article V, section (1)(a)-(e).¹ This increased contribution shall be effective the first date of the first full pay period following July 1, 2023, and continue through the last date of the payroll period inclusive of June 30, 2028.
- (2) Contributions by Authority -
- (a) Commencing July 1, 2006, the Authority shall contribute to the Fund the difference between the Total Required Contribution Rate and the Members’ Required Contribution Rate.
 - (b) Any and all contributions made to the Fund by the Authority shall be irrevocable and shall be transferred by the Authority to the Fiduciary, to be used in accordance with the provisions hereof in providing the benefits and paying the expenses of the Fund, and neither such contributions nor any income therefrom shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and Retired Members or their beneficiaries under the Fund.
 - (c) Notwithstanding any provision to the contrary, the Authority shall maintain, at a minimum, its current percentage of payroll, 25.8161%, as contributions even if such contributions constitute more than is required under this section (2), until the unfunded liability is less than 20% of the actuarial liability as

¹ By way of example and for clarification, if the Members Required Contribution pursuant to Article V, section (1)(a)-(e) was 9% of Compensation, the total member contributions as a result of this subsection would be 10.25% of Compensation.

determined by the Fund's actuary, which is used in the calculation of the actuarially determined calculations. Should the Authority's required share of contributions be higher than 25.8161%, the Authority shall pay that required amount.

- (3) IRC Section 414(h)(2) -
 - (a) The Authority shall "pick-up", within the meaning of IRC Section 414(h)(2), the employee contribution required of all Members in the MBTA Retirement Fund.
 - (b) In exchange for such "pick-up", all Members shall agree to reduce their Compensation (as defined in the Retirement Fund) by the amount "picked up" by the Authority.
 - (c) The Authority and the Union acknowledge that the additional Authority contributions paid to the Fund by the terms of this agreement shall, as permitted by IRC Section 414(h)(2), be considered employee contributions for all purposes of the Fund and included as employee compensation as defined by the Plan.
- (4) In the event that Member contributions required under Section (1)(a) above fall below four percent (4%) of compensation, the actual Member contribution shall be fixed at four percent (4%) nevertheless. The amount by which the Members' actual contributions exceed their required contributions shall be segregated and accumulated within the Fund at the actuary's assumed rate of investment return. This segregated account (the Members' Excess Contributions Accounts) may be used at the sole discretion of the Union to (i) offset the Members' share of any increases in required contribution which may be required during the course of the Agreement; or (ii) fund benefit improvements which shall be subject to negotiations during the next round of bargaining and made effective no earlier than July 1, 2018.
- (5) Notwithstanding the cost-sharing requirements under Article V, section (1)(a), the cost of the post-retirement adjustments effective July 1, 2006 as provided under Article IV(6) shall be financed by the Members with the assets accumulated in the Members' excess contribution account established under Article V(4).
- (6) Retroactive pension contributions from both the Members and the Authority resulting from negotiated wage increases shall be calculated and funded at the required contribution rates in effect at the time the retroactive payment is received by the Fund.

ARTICLE VI - Administration of Fund

(1) The general administration of the Fund and the responsibility for carrying out the provisions hereof shall be placed in a Retirement Board of seven persons appointed or elected to office as follows:

- (a) Three persons appointed by the Authority from time to time to serve at the pleasure of the Authority, at least one of whom shall be a Director.
- (b) One Member of the Fund elected by vote conducted by the Authority for a term of three years by Members of the Fund who are not members of the Union.
- (c) Two Members of the Fund to be designated by the Union to serve at the pleasure of the Union.
- (d) One person, to be known as the honorary member who shall have no vote except as hereinafter provided, to be elected, for such period as the Retirement Board may determine, by the other six (6) members of the Retirement Board. In the event the Retirement Board is unable to reach a decision on a replacement for the currently elected honorary member, disputes arising under Article VI, Section 5, shall be submitted to final and binding determination on a case by case basis before a temporarily appointed honorary member. Such temporary shall substitute for the Retirement Board's invitation to the honorary member to cast the deciding vote only for as long as the Retirement Board fails to elect a new honorary member. The temporary shall be selected from a list of seven (7) persons qualified to decide pension administrative issues, furnished by the American Arbitration Association. In an order determined by lot, each Board member shall be entitled to strike one name from the list until one name remains.

Upon election of the Honorary Board Member, said member shall serve a term of up to three (3) years which may be renewed, without limit to the number of terms, by vote of the Board. The Board retains the authority to terminate the services of the Honorary Board Member at any time.

- (e) Each member of the Retirement Board other than the honorary member shall have an alternate who shall have been elected or appointed in the same manner and for the same terms as their principal, and who may act as a member of the Retirement Board in the absence of their principal and when so acting shall be deemed a member of the Retirement Board.

(2) Any person appointed or elected a member of the Retirement Board shall signify their acceptance by filing written acceptance with the Authority and with the Secretary of the Retirement Board. Any member of the Retirement Board may resign

by delivering their written resignation to the Authority and Secretary of the Retirement Board. If a vacancy occurs in the office of a member of the Retirement Board, it shall be filled in the same manner as the office was previously filled.

- (3) The members of the Retirement Board shall elect a Chairman, from its members, and a Secretary who shall not be one of the members of the Retirement Board, and may appoint from their number such committees with such powers as they shall determine; may authorize one or more of their number or any agent to execute or deliver any instrument or make any payment on their behalf, and may employ such actuarial and other special professional services not available in the Authority as they may require in carrying out the provisions hereof.
- (4) The Retirement Board shall hold monthly meetings upon such notice, at such place or places, and at such time or times as it may from time to time determine. A quorum shall consist of four (4) members, two (2) of whom shall be members appointed by the Board of Directors of the Massachusetts Bay Transportation Authority, and two of who shall be members designated under either section 1(b) or 1(c) of this Article to represent employees.
- (5) At least four (4) votes, including the votes of at least two (2) members appointed by the Board of Directors of the Massachusetts Bay Transportation Authority, and the votes of at least two (2) members designated under either section 1(b) or 1(c) of this Article shall be necessary for a decision of the Retirement Board, except that in the event of a failure to so reach a decision, the Retirement Board shall invite the honorary member to cast a vote at the next meeting of the Retirement Board. Their vote, together with the votes of a least two (2) members appointed by the Board of Directors of the Massachusetts Bay Transportation Authority or of at least two (2) members designated under either section 1(b) or 1(c) of this Article, shall be deciding. As used herein, "decision" shall include any action taken by the Retirement Board in the exercise of powers granted it under this Agreement. Whenever the Retirement Board is directed, in accordance with the provisions hereof, to invite the honorary member to cast a vote, any member of the Retirement Board is hereby specifically empowered to extend such invitation.
- (6) The Retirement Board shall have no power to adopt a less restrictive rule either as to the composition of a quorum than that specified in section (4) above, or as to the vote required to reach a decision than that specified in section (5) above, notwithstanding any previous rule, regulation or precedent of any kind to the contrary.
- (7) No member of the Retirement Board shall receive any compensation for their services as such, except that the member of the Retirement Board elected pursuant to section (1)(d) of this Article may receive such per diem compensation for

attendance at meetings as the other members of the Retirement Board shall determine. No bond or other security need be required of any member of the Retirement Board in such capacity in any jurisdiction.

- (8) Subject to the limitations hereof, the Retirement Board from time to time shall establish rules for the administration of the Fund and the transaction of its business and shall publish, in the Annual Report, a statement of Members' rights, as it presently appears in Members' Bill of Rights and Standards for Reporting and Confidentiality, Article 1 Section 1.1 – Information and Disclosure, and Article 1 Section 1.2 – Availability of Board Records. The determination of the Retirement Board as to any disputed question not reserved to the Union or the Authority, shall be conclusive.
- (9) As an aid to the Retirement Board in fixing the rates of contributions payable to the Fund, the Actuary designated by the Retirement Board shall make annual actuarial valuations of the contingent assets and liabilities of the Fund, and shall certify to the Retirement Board the rates which such Actuary would recommend for use by the Retirement Board.
- (10) The Retirement Board shall maintain accounts showing the fiscal transactions of the Fund, and shall keep in convenient form such data as may be necessary for actuarial valuations of the Fund. The Retirement Board shall prepare annually a report showing in reasonable detail the assets and liabilities of the Fund and giving a brief account of the operation of the Fund for the past year. Such report shall be filed in the office of the Fund, where it shall be available for review by any Member of the Fund.
- (11) The members of the Retirement Board shall use ordinary care and diligence in the performance of their duties, but no member shall be personally liable by virtue of any contract, agreement, bond or other instrument made or executed by such member or on their behalf as a member of the Retirement Board; nor for any mistake of judgment made by such member or any other member of the Retirement Board; nor for any loss, unless resulting from their own gross negligence or willful misconduct; and no member of the Retirement Board shall be liable for the neglect, omissions or wrongdoing of any other member thereof, or of the agents or counsel of the Retirement Board.
- (12) At the request of either Party, the Retirement Board shall provide access to data and information necessary for either Party to conduct, at its own expense, an independent actuarial valuation of the Plan.
- (13) The Retirement Board shall disclose to the Authority at least monthly, and to the Union upon request, full and complete information concerning total annual and

monthly pension benefit contributions for all employees and retirees, including name, position, annual salary, monthly and annual pension payment, age, and number of years in service at retirement in a format capable of being uploaded by the Authority to Open Checkbook to the extent that such information is available to the Retirement Board. The Authority shall be permitted but not required to disclose such information publicly. In addition, the Retirement Board shall produce a Comprehensive Annual Financial Report (CAFR) following the guidelines of the Government Finance Officers Association (GFOA).

ARTICLE VII - Management of Funds

All of the assets of the Fund shall be held by the Fiduciary in trust under the Trust Agreement of the Massachusetts Bay Transportation Authority Retirement Fund entered into between the Authority, the Union and the Retirement Board as Fiduciary as of the 28th day of October, 1980, for use in providing the benefits and paying the expenses of the Fund, and no part of the corpus or income shall be used for, or diverted to, purposes other than for the exclusive benefit of Members and Retired Members or their beneficiaries under the Fund. No person shall have any interest in or right to any part of the earnings of the Trust, or any rights in, to or under the Trust or any part of the assets thereof, except as and to the extent provided in the Rules and Regulations and in the aforementioned Agreement and Declaration of Trust.

- (1) The Trustees of the Retirement Board shall vote, as soon as practicable, to transfer 50% of the market value of all Fund assets, as of April 30, 2023, to the Massachusetts Pension Reserves Investment Trust (PRIT). Subject to the Trustees' meeting their existing fiduciary duties and obligations, the Trustees will use best efforts to effectuate such transfer of increased Fund assets to PRIT within five (5) years of March 31, 2023.

ARTICLE VIII - Certain Rights and Limitations

- (1) In the event of termination of the Fund all of the assets of the Fund shall be used for the benefit of Members and Retired Members or their beneficiaries under the Fund, and for no other purpose. Each Member, and each Retired Member or their designated beneficiary in receipt of a retirement allowance, shall be entitled to such proportionate part of the assets of the Fund as the reserve required for their benefits bears to the total reserves required under the Fund as determined by the Retirement Board on the basis of actuarial valuation. The Retirement Board may require all such Members and Retired Members or designated beneficiaries to withdraw such amounts in cash or in the form of immediate or deferred annuities, as it may determine.
- (2) The establishment of the Fund shall not be construed as conferring any legal rights

upon any employee or other person for a continuation of employment, nor shall it interfere with the rights of the Authority to discharge any employee and to treat any employee without regard to the effect which such treatment might have upon such employee as a Member of the Fund.

- (3) The Authority or the Union or any other union shall have no liability for the payment of the benefits under the Fund, nor shall they have any liability for the administration of the Fund or of the assets paid over to the Fiduciary, and each Member and Retired Member or other beneficiary under the Fund shall look solely to the assets of the Fund for any payments or benefits under the Fund.
- (4) In the event of the death of a Member or Retired Member who is not survived by a person designated to receive any return of their contributions, or in the event that the Retirement Board shall find that a Retired Member or other person entitled to a retirement allowance is unable to care for their affairs because of illness or accident, any benefit payments due may, unless claim shall have been made therefor by a duly appointed guardian, conservator or legal representative of their estate, be paid by the Retirement Board to the spouse, a child, a parent, or other blood relative, or to any person deemed by the Retirement Board to have incurred expense for such deceased or Retired Member, or other person entitled to a retirement allowance and any such payments so made shall be a complete discharge of the liabilities of the Fund therefor, anything herein to the contrary notwithstanding.

ARTICLE IX - Non-alienation of Benefits

No benefit under the Fund shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit, except as specifically provided hereunder, and in the event that the Retirement Board shall find that any Member, Retired Member or any other beneficiary under the Fund has become bankrupt or has attempted to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Fund, except as specifically provided hereunder, then such benefit shall cease and determine, and in that event, the Retirement Board shall in its absolute discretion hold or apply the same to or for the benefit of such Member or Retired Member or other beneficiary, their spouse, children, or other dependents, or any of them.

Notwithstanding the foregoing provisions, a Member, or any other beneficiary under the Fund, may give to the Retirement Board written authorization for deductions from their benefit payments of specified sums for payment of their union dues or assessments, payment to the Union Committee on Political Education and/or to one or more MBTA retiree clubs, and for payment of sums due the MBTA Employees' Credit Union, or its successor, or sums due the Authority, and such deductions may be made in accordance with such authorization and paid over to the Authority, their union,

retiree club, and/or to the aforesaid Credit Union.

Notwithstanding the foregoing provisions, a Member, Retired Member or any other beneficiary under the Fund may give to the Retirement Board written authorization for deductions from their benefit payments of sums necessary for their share of the cost of any health, accident or insurance plan which may from time to time be in effect for such Member, Retired Member, or beneficiary. Such deductions may be made in accordance with such authorizations and paid over to the payees designated or described in such authorizations.

Notwithstanding the foregoing provisions, upon written certification to the Retirement Board by the union that a Member or Retired Member has failed to make settlement with the union for unpaid dues and assessments or upon written certification to the Retirement Board by the Authority that the Member or Retired Member has failed to make settlement with the Authority for unpaid debts, the Retirement Board may deduct from their benefit payments or return of contributions and pay to the Authority and/or the union the sum necessary to discharge such indebtedness.

Notwithstanding the foregoing provisions, the Fund will adhere to the terms of qualified domestic relations orders (in compliance with 414(p)(1)(A)(i) and Section 414(p)(11) of the Internal Revenue Code, as amended) issued by a court of competent jurisdiction, provided that any such order is consistent with such rules and regulations as may be developed by the Board.

ARTICLE X - Amendments

This Agreement and the individual provisions hereof shall continue in force and be binding upon the Authority and the Union until and including the 30th day of June, 2028, and from year to year thereafter unless changed by the Parties. Either of the Parties to this Agreement desiring a change in any provision of this Agreement shall notify the other Party in writing that they desire a change sixty (60) days prior to the 30th day of June, 2028, and thereafter, sixty (60) days prior to the end of the year, which is the 30th day of June.

After such notice, this Agreement shall then be opened up and the change or changes desired shall then be considered and then, upon written request, either Party shall, within ten (10) days from date of such request, submit to the other, in writing, the specific change or changes desired. Upon failure to reach a mutual agreement upon any of the changes desired by the Parties hereto, the same shall be submitted to final and binding arbitration and the arbitration award shall then be incorporated into and become a part of this Agreement. Neither Party relinquishes any rights in the present litigation over the method of arbitration used.

Notwithstanding the foregoing, the parties agree that this Agreement and the individual provisions hereof shall continue in force and be binding upon the Authority and the Union until and including the 30th day of June, 2028 (the “amendable date”) and from year to year thereafter unless changed by the parties. The parties agree to exchange proposals regarding any desired changes to the Agreement 180 days prior to the amendable date. If an agreement is not reached, the parties further

agree to submit any terms not agreed upon to mediation 90 days prior to the amendable date. In the event mediation does not result in consensual agreement on all issues, the parties agree to move all disputed issues to interest arbitration on July 1, 2028, consistent with the arbitration procedures and provisions of Mass. Gen. Laws c.161A, §§28-32.

No modification or amendment may be made which will deprive any Member or Retired Member or other person receiving a retirement allowance, without such Member's or Retired Member's consent, of any benefits under the Fund to which such Member or Retired Member would otherwise be entitled by reason of the accumulated assets held under the Fund in their account at that time and provided that no such modification or amendment shall make it possible for any part of the assets of the Fund to be used for or diverted to purposes other than for the exclusive benefit of Members and Retired Members or their beneficiaries under the Fund.


ARTICLE XI - Construction


- (1) This Agreement shall be construed and administered under the laws of the Commonwealth of Massachusetts.


[Remainder of Page Intentionally Left Blank – Signature Page to Follow]

IN WITNESS WHEREOF, the the Massachusetts Bay Transportation Authority and Local Union 589, Amalgamated Transit Union, AFL-CIO, CLC have caused this Agreement to be executed by their respective duly authorized representatives as of the 31st day of March, 2023:

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY:



David Panagore
Chief Administrative Officer


Ahmad Barnes
Chief Workforce Officer


Daniel Kazakis
Sr. Director of Labor Relations

**LOCAL UNION 589, AMALGAMATED TRANSIT UNION, AFL-CIO,
BY ITS AGREEMENT COMMITTEE:**


James Evers
President/Business Agent

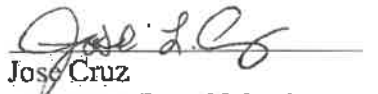

William Berardino
Vice President

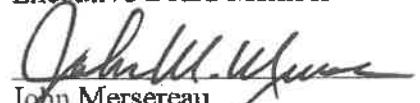

James Bradley
Financial Secretary-Treasurer



Wayne Peacock
Recording Secretary

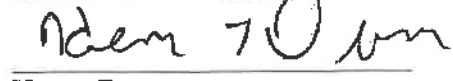

Karen Maxwell
Assistant Secretary


Heriberto Cora
Executive Board Member


Jose Cruz
Executive Board Member


John Mersereau
Executive Board Member


Scott Page
Executive Board Member


Henry Dunn
Executive Board Member


Roudy Jean
Executive Board member