

**SUBJECT:** Amendment of the WMATA/Local 2 Retirement Plan - Small Benefits

**PRESENTED AND ADOPTED:**

**PROPOSED  
RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY**

WHEREAS, The WMATA/Local 2 Retirement Plan currently allows the Trustees of that Plan to provide benefits of \$50/month or less in a lump sum which is actuarially determined; and

WHEREAS, The actuarial value of that benefit may exceed \$1,000 and be less than \$5,000; and

WHEREAS, The Economic Growth and Tax Relief Reconciliation Act of 2001 requires qualified plans to provide an automatic rollover of small benefits with a lump sum actuarial value in excess of \$1,000 but less than \$5,000 involuntarily paid as a lump sum into an Individual Retirement Account established by the plan; and

WHEREAS, the proposed plan amendment has been presented to Local 2 and Local 2 has consented to the proposed plan amendment in accordance with the collective bargaining agreement; and

WHEREAS, WMATA/Local 2 Retirement Plan § 10.01 requires that all Plan amendments be made by a written Resolution of the Board of Directors; *now, therefore, be it*

*RESOLVED*, That the existing language of WMATA/Local 2 Retirement Plan § 12.05 is deleted and that the section is restated as shown in Exhibit A ; *and be it further*

*RESOLVED*, That a copy of this Resolution, as passed, shall be delivered to the Chairman of the Board of Trustees of the WMATA/Local 2 Retirement Plan; *and be it finally*

*RESOLVED*, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency

  
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Carol B. O'Keeffe  
General Counsel

TEXT OF AMENDMENT TO THE WMATA/LOCAL 2 RETIREMENT PLAN

Section 12.05:

In the event that the pension provided for any Participant of the Plan is less than \$50 a month, the Participant Retirement Committee may, but will not be required to, ~~cause receive such pension to be satisfied~~ by the payment to the Participant entitled thereto of a ~~pension~~ lump sum of Actuarial Equivalent value to the pension to which the Participant is otherwise entitled. In the absence of an affirmative election by the Participant, the pension shall be paid monthly or in quarterly, semi-annual or annual installments or in a lump sum which the Retirement Committee determines to be the Actuarial Equivalent of the pension to which the Participant is entitled. Should the Actuarial Equivalent value of the pension equal or exceed \$5,000.00 this section shall not be applicable and the pension will be paid out as otherwise provided in the Plan.

\* Deletions shown as ~~delete~~. New language is underlined.