

TOWN OF MADISON PENSION PLAN

PRE-RETIREMENT SURVIVOR ANNUITY

NOTICE AND ELECTION FORM

No Pre-Retirement Death Benefit Without Election. In general under the Pension Plan, if you die while employed by the Town or after terminating employment, but before distribution of your benefits has commenced, no death benefit will be paid to your surviving spouse.

Optional Pre-Retirement Death Benefit Coverage. Once you have been credited with 10 or more years of service under the Pension Plan, you have the option to elect and pay for death benefit coverage for your surviving spouse.

What is the Optional Pre-Retirement Death Benefit? If you elect optional pre-retirement death benefit coverage and you have a surviving spouse on the date of your pre-retirement death, your surviving spouse will receive a death benefit according to the following schedule:

<i>Years of Service on Date of Death</i>	<i>Benefit Payable if Death Occurs Before Early or Normal Retirement Date</i>	<i>Benefit Payable if Death Occurs After Early or Normal Retirement Date But Before Payments Begin</i>
10 or more	The survivor portion of a joint & 50% survivor annuity calculated as if you terminated employment on your date of death, payable for your spouse's lifetime,* beginning on the first day of the month on or after which you would have been eligible to retire and begin payments.	The survivor portion of a joint & 50% survivor annuity calculated as if you retired on your date of death, payable for your spouse's lifetime,* beginning on the first day of the month following your date of death.

What is the Cost of the Optional Pre-Retirement Death Benefit? If you elect the optional pre-retirement death benefit coverage, and subsequently reach retirement age and begin receiving retirement benefits, your benefit will be reduced by 10% regardless of the form of payment you elect.

Is There a Death Benefit Payable After I Retire? The optional pre-retirement death benefit coverage is cancelled when you begin to receive your retirement benefits. Once your retirement benefits begin, whether there is death benefit coverage depends upon the form of payment you elect.

Who is a Surviving Spouse? For purposes of this notice and the Pension Plan's optional pre-retirement death benefit coverage, a surviving spouse is the spouse to whom you have been married for a period of at least one year as of your date of death.

Irrevocable Election. Once you file an election for this coverage with the Plan Administrator, you cannot change your election, even if you subsequently become single.

*If the actuarial equivalent value of the benefit payable to your surviving spouse is \$5,000 or less at the time payments begin, the entire present value of the benefit will be paid to your surviving spouse in a single lump sum, in lieu of a life annuity.

TOWN OF MADISON PENSION PLAN

PRE-RETIREMENT SURVIVOR ANNUITY NOTICE AND ELECTION FORM, continued

It is important you understand your rights and obligations under the Optional Pre-Retirement Death Benefit Coverage. Please contact the Plan Administrator with any questions. This notice is intended only as a summary of certain provisions of the Pension Plan. In all cases where this notice may be interpreted to conflict with the Pension Plan, the provisions of the Pension Plan will control. The Pension Plan is available for inspection during regular business hours by all participants.

I have read and understand the provisions of this Notice on the preceding page. I hereby (check one):

Elect _____ **or Decline** _____ the Optional Pre-Retirement Death Benefit Coverage for my surviving spouse, as described in this Notice.

Participant Signs: _____

Print Participant's Name: _____

Date: _____ SSN: _____

Any participant with 10 or more years of service who fails to return a signed form will be deemed to have declined Optional Pre-Retirement Death Benefit Coverage, unless and until such time as the participant completes and returns a signed election form.

Plan Administrator Acknowledgment: _____

Date: _____