

## INTERPRETATIVE AID

This Interpretative Aid ("IA") is entered into by and between the Central Regional Transportation Authority d.b.a. LYNX (the "Authority") and the Amalgamated Transit Union AFL-CIO, Local 1596 (the "Union").

Whereas, the Authority and the Union previously entered into a collective bargaining agreement covering the period of October 1, 2020 through September 30, 2023 ("CBA"); and

Whereas, the Authority and the Union have entered into a First Amendment to the CBA that sets forth changes to the Amalgamated Transit Union Local 1596 Pension Plan ("Pension Plan") to provide for changes as applicable to Local 1596 bargaining unit members, and which provides for the Authority and the Union to contemporaneously enter into this IA to set forth their mutual intent regarding the details of the Pension Plan changes as applicable to Local 1596 bargaining unit members.

Accordingly, the Authority and the Union agree that their mutual intent regarding the details of the Pension Plan changes as applicable to Local 1596 bargaining unit members is set forth in Exhibit "A" attached hereto.

Dated this 23<sup>rd</sup> day of September, 2021.



By: James E. Harrison, Esq., P.E.,  
Chief Executive Officer  
CENTRAL FLORIDA REGIONAL  
TRANSPORTATION AUTHORITY



By: Wilfredo Delgado  
President/Business Agent  
AMALGAMATED TRANSIT UNION,  
Local 1596

[EXHIBIT "A" CONTINUES ON FOLLOWING PAGE]

**EXHIBIT "A"**

Effective Date: November 1, 2021 or as soon as possible thereafter, but no later than February 1, 2022.

Pension Plan Feature	Current	Bargained Change ( <b>Bold strike-through or underlining shows the differences, if any, from Current</b> )
<i>Unreduced Retirement Benefit Eligibility</i>	<ul style="list-style-type: none"> <li>• Age 62               <ul style="list-style-type: none"> <li>○ In-Service: with any number of years of service (i.e., 100% vesting is accelerated)</li> <li>○ Deferred Vested: with at least 10 years of service</li> </ul> </li> <li>• Age 58 with at least 20 years of service</li> </ul>	<ul style="list-style-type: none"> <li>• Age 62               <ul style="list-style-type: none"> <li>○ In-Service: with any number of years of service (i.e., 100% vesting is accelerated)</li> <li>○ Deferred Vested: with at least 10 years of service</li> </ul> </li> <li>• Age <del>58</del> <u>55</u> with at least 20 years of service</li> </ul>
<i>Reduced Retirement Benefit Eligibility</i>	<ul style="list-style-type: none"> <li>• Deferred Vested Only: Age 62 with 5 but less than 10 years of service. The reduction corresponds to the unvested percentage.</li> <li>• Age 55 with 10 but less than 20 years of service. The reduction factor is 5/9% for each month (up to a maximum of 60 months) by which the early retirement date precedes age 62 and 5/18% for each additional month before age 62. The maximum total reduction is 40%.</li> <li>• Age 55 with at least 20 years of service. The reduction factor is 5/9% for each month for the first three (3) years by which the early retirement date precedes age fifty-eight (58). The maximum total reduction is 20%.</li> </ul>	<ul style="list-style-type: none"> <li>• Deferred Vested Only: Age 62 with 5 but less than 10 years of service. The reduction corresponds to the unvested percentage.</li> <li>• Age 55 with 10 but less than 20 years of service. The reduction factor is 5/9% for each month (up to a maximum of 60 months) by which the early retirement date precedes age 62 and 5/18% for each additional month before age 62. The maximum total reduction is 40%.</li> <li>• <del>Age 55 with at least 20 years of service. The reduction factor is 5/9% for each month for the first three (3) years by which the early retirement date precedes age fifty-eight (58). The maximum total reduction is 20%.</del></li> </ul>

Pension Plan Feature	Current	Bargained Change ( <b>Bold strike-through or underlining shows the differences, if any, from Current</b> )
"Years of service" for Retirement Eligibility	1,000 Hours of Service within a Plan Year. The participant is credited with the "year of service" immediately upon working the 1000 <sup>th</sup> hour within the Plan Year, i.e., the participant does not have to wait until the end of that Plan Year to be credited with the year of service.	1,000 Hours of Service within a Plan Year. The participant is credited with the "year of service" immediately upon working the 1000 <sup>th</sup> hour within the Plan Year, i.e., the participant does not have to wait until the end of that Plan Year to be credited with the year of service.
DROP Eligibility Milestones	<p>In-service participants only:</p> <ul style="list-style-type: none"> <li>• Age 55 with at least 25 years of service (<i>reduced</i> benefit), or</li> <li>• Age 58 with at least 20 years of service (<i>unreduced</i> benefit), or</li> <li>• Age 62 with at least 10 years of service (<i>unreduced</i> benefit)</li> </ul>	<p><b><u>In-service participants only, who commenced DROP with an effective date that is <i>before</i> the bargained change effective date:</u></b></p> <ul style="list-style-type: none"> <li>• Age 55 with at least 25 years of service (<i>reduced</i> benefit), or</li> <li>• Age 58 with at least 20 years of service (<i>unreduced</i> benefit), or</li> <li>• Age 62 with at least 10 years of service (<i>unreduced</i> benefit)</li> </ul> <p><b><u>In-service participants only, who will commence DROP with an effective date that is <i>on or after</i> the bargained change effective date:</u></b></p> <ul style="list-style-type: none"> <li>• <del>Age 55 with at least 25 years of service (<i>reduced</i> benefit), or</del></li> <li>• Age <b>58 55</b> with at least 20 years of service (<i>unreduced</i> benefit), or</li> </ul>

Pension Plan Feature	Current	Bargained Change (Bold strike-through or underlining shows the differences, if any, from Current)
		<ul style="list-style-type: none"> <li>Age 62 with at least 10 years of service (<i>unreduced</i> benefit)</li> </ul>
"Years of service" for DROP Eligibility	Same as "Years of service" for retirement eligibility. Thus: 1,000 Hours of Service within a Plan Year. The participant is credited with the "year of service" immediately upon working the 1000 <sup>th</sup> hour within the Plan Year, i.e., the participant does not have to wait until the end of that Plan Year to be credited with the year of service.	Same as "Years of service" for retirement eligibility. Thus: 1,000 Hours of Service within a Plan Year. The participant is credited with the "year of service" immediately upon working the 1000 <sup>th</sup> hour within the Plan Year, i.e., the participant does not have to wait until the end of that Plan Year to be credited with the year of service.
DROP Window	An in-service participant's DROP window is the 10-year period commencing as soon as the participant reaches his/her earliest possible retirement milestone under the Plan, which could be either a reduced or unreduced retirement milestone depending on the participant's specific circumstances. For example, suppose an in-service participant has 12 years of service at the time of turning age 55. The participant has now reached a retirement milestone for the first time (the <i>reduced</i> milestone of age 55 with at least 10 but less than 20 years of service). The participant has a DROP window for the following 10 years, ending when the participant is age 65 with 22 years of service (assuming s/he has remained continually employed full-time). However, the fact that an in-service participant is within his/her DROP window does not mean s/he has an actual right to elect DROP at	An in-service participant's DROP window is the 10-year period commencing as soon as the participant reaches his/her earliest possible retirement milestone under the Plan, which could be either a reduced or unreduced retirement milestone depending on the participant's specific circumstances. For example, suppose an in-service participant has 12 years of service at the time of turning age 55. The participant has now reached a retirement milestone for the first time (the <i>reduced</i> milestone of age 55 with at least 10 but less than 20 years of service). The participant has a DROP window for the following 10 years, ending when the participant is age 65 with 22 years of service (assuming s/he has remained continually employed full-time). However, the fact that an in-service participant is within his/her DROP window does not mean s/he has an actual right to elect DROP at

Pension Plan Feature	Current	Bargained Change ( <b>Bold strike-through or underlining shows the differences, if any, from Current</b> )
	any time during that window; that right arises only when the participant reaches one of the DROP eligibility milestones while within his/her window. In the example just provided, the participant would not have the right to elect DROP until reaching age 62 in-service. This is because the earliest DROP eligibility milestone that could apply to this participant is the age-62-with-at-least-10-years-of-service milestone (under the facts, the participant would have 19 years of service at age 62).	any time during that window; that right arises only when the participant reaches one of the DROP eligibility milestones while within his/her window. In the example just provided, the participant would not have the right to elect DROP until reaching age 62 in-service. This is because the earliest DROP eligibility milestone that could apply to this participant is the age-62-with-at-least-10-years-of-service milestone (under the facts, the participant would have 19 years of service at age 62).
DROP Participation Period End Date	DROP participation ends on the <i>earliest</i> of the following: (a) the date the participant's LYNX employment terminates, (b) the end date of the participant's DROP window, or (c) the date the participant has completed five years of DROP participation. Continuing with the same example as above, if the participant remains continually employed at LYNX, the earliest of those three dates will be the end of the participant's DROP participation period, which is when the participant reaches age 65. The result is that the participant has a maximum DROP participation period of 3 years.	DROP participation ends on the <i>earliest</i> of the following: (a) the date the participant's LYNX employment terminates, (b) the end date of the participant's DROP window, or (c) the date the participant has completed five years of DROP participation. Continuing with the same example as above, if the participant remains continually employed at LYNX, the earliest of those three dates will be the end of the participant's DROP participation period, which is when the participant reaches age 65. The result is that the participant has a maximum DROP participation period of 3 years.

Pension Plan Feature	Current	Bargained Change (Bold strike-through or underlining shows the differences, if any, from Current)
Deferred Vested Benefit Eligibility	<ul style="list-style-type: none"> <li>• If the DV participant had at least 20 years of service at the time of termination, the participant may receive <i>reduced</i> benefits on or after reaching age 55 (maximum 20% reduction) or wait until age 58 to claim <i>unreduced</i> benefits.</li> <li>• If the DV participant had at least 10 but less than 20 years of service at the time of termination, the participant may receive <i>reduced</i> benefits on or after reaching age 55 (maximum 40% reduction) or wait until age 62 to claim <i>unreduced</i> benefits.</li> <li>• If the DV participant had at least 5 but less than 10 years of service at the time of termination, the participant may claim <i>reduced</i> benefits at age 62 with the reduction based on the participant's unvested percentage.</li> </ul>	<p><b><u>Participants who already were, or become, deferred vested before the bargained change effective date:</u></b></p> <ul style="list-style-type: none"> <li>• If the DV participant had at least 20 years of service at the time of termination, the participant may receive <i>reduced</i> benefits on or after reaching age 55 (maximum 20% reduction) or wait until age 58 to claim <i>unreduced</i> benefits.</li> <li>• If the DV participant had at least 10 but less than 20 years of service at the time of termination, the participant may receive <i>reduced</i> benefits on or after reaching age 55 (maximum 40% reduction) or wait until age 62 to claim <i>unreduced</i> benefits.</li> <li>• If the DV participant had at least 5 but less than 10 years of service at the time of termination, the participant may claim <i>reduced</i> benefits at age 62 with the reduction based on the participant's unvested percentage.</li> </ul>

Pension Plan Feature	Current	Bargained Change (Bold strike-through or underlining shows the differences, if any, from Current)
		<p data-bbox="1247 315 1904 386"><b><u>Participants who become deferred vested on or after the bargained change effective date:</u></b></p> <ul data-bbox="1247 423 1904 1122" style="list-style-type: none"> <li data-bbox="1247 423 1904 646">• If the DV participant had at least 20 years of service at the time of termination, the participant may receive <del>reduced</del> <b><u>unreduced</u></b> benefits on or after reaching age 55 (<del>maximum 20% reduction</del>) <b><u>or wait until age 58 or older to claim unreduced benefits.</u></b></li> <li data-bbox="1247 683 1904 906">• If the DV participant had at least 10 but less than 20 years of service at the time of termination, the participant may receive <i>reduced</i> benefits on or after reaching age 55 (maximum 40% reduction) or wait until age 62 to claim <i>unreduced</i> benefits.</li> <li data-bbox="1247 943 1904 1122">• If the DV participant had at least 5 but less than 10 years of service at the time of termination, the participant may receive <i>reduced</i> benefits at age 62 with the reduction based on the participant's unvested percentage.</li> </ul>
Change-Affected Participants	N/A	<p data-bbox="1232 1159 1904 1365"><b><u>The only participants who can benefit from the bargained terms are those active Plan participants who as of the bargained change effective date, have not already commenced DROP with an effective date that is earlier than the bargained change effective date and have</u></b></p>

Pension Plan Feature	Current	Bargained Change (Bold strike-through or underlining shows the differences, if any, from Current)
		<p><u>not already retired (whether early or normal, reduced or unreduced).</u></p> <p><u>For example, if the bargained effective date is 11/1/2021, an active Participant who already commenced DROP with an effective date earlier than 11/1/2021 is not eligible for the bargained-change terms and will participate in the DROP in accordance with pre-bargained change terms. As another example, an active Participant who already commenced retirement with a retirement date that is earlier than 11/1/2021 is not eligible for the bargained change terms and will have a reduced or unreduced retirement benefit calculated in accordance with pre-bargained change terms. As another example, an individual who already is, or becomes, a deferred vested participant before 11/1/2021 is not eligible for the bargained change terms and will have a reduced or unreduced DV benefit calculated in accordance with pre-bargained change terms.</u></p>

### **INTERACTION OF THE BARGAINED CHANGES WITH LYNX RETIREE MEDICAL BENEFITS**

LYNX's retiree benefits under the Medical Plan are not governed by the Pension Plan. However, the interaction of a retirement under the Pension Plan and the availability (or not) of retiree medical benefits may affect a Pension Plan participant's decision on whether/when to retire. The following is a description of the current Medical Plan retiree benefit provisions that may impact that decision:



An individual may continue participating in the LYNX Medical Plan as a "retiree" if (a) the individual has reached, while an active full-time employee of LYNX, an early or normal retirement milestone under the Pension Plan; and (b) the individual retires from LYNX; and (c) the individual was enrolled in the Medical Plan as an active employee immediately prior to the date of his/her retirement from LYNX. Such continued Medical Plan coverage is referred to as "Retiree Medical Coverage." A retiree's eligible dependents may also be enrolled in Retiree Medical Coverage, but only in the same coverage tier (for example, Basic Plan or Enhanced Plan) in which the retiree is enrolled. Except for certain retirees who meet the requirements described in the next paragraph, the retiree will pay 100% of the premium for Retiree Medical Coverage for him/herself and for any dependents.

The following is a limited exception to the requirement that a retiree must pay 100% of the premium for Retiree Medical Coverage: A retiree who (a) has at least ten (10) years of vesting service in the Pension Plan; and (b) has attained at least age 62 and is therefore eligible to begin (but is not required to begin) receiving federal Social Security benefits, shall have a percentage, as reflected in the following table, of certain premium for the Retiree Medical Coverage paid by LYNX. The percentage paid by LYNX varies depending on the number of full years of employment service (employment anniversary years, not Pension Plan years of vesting service) that the retiree provided to LYNX. The same percentage applies regardless of the coverage tier (for example, Basic or Enhanced) in which the retiree is enrolled. The percentage applies only to the portion of the premium for Retiree Medical Coverage for the retiree him/herself and does not apply to any portion of the premium for coverage of the retiree's dependents. Thus, the retiree always pays 100% of the portion of the Retiree Medical Coverage premium attributable to the coverage for the retiree's dependents. The percentage only applies during the time period (if any) between the date of the retiree's retirement from LYNX and the date the retiree becomes eligible to enroll in Medicare (generally, the retiree's 65th birthday).

<b>Full Years of Employment Service to LYNX (Employment Anniversary Years)</b>	<b>LYNX-Paid Percentage of the Retiree-Only Portion of the Pre-Medicare-Eligible Retiree Medical Coverage Premium</b>
Under 10 years	0%
At least 10 but less than 15 years	60%
At least 15 years but less than 20 years	75%
At least 20 years	100%

There will be **NO CHANGES** to the Retiree Medical Coverage terms set forth above. Just as is the case now, each individual's circumstances are different and each individual will need to take into account the cost of retiree medical coverage when deciding whether/when to retire or enter DROP. For example, if a Pension Plan participant is able to commence unreduced retirement under the bargained changes because s/he has 20 years of service at the time of turning age 55, s/he will need to take into account the fact that there will be no LYNX-paid portion of the retiree medical premiums because s/he has not reached age 62 yet. This is similar to the

situation that exists currently for a Pension Plan participant who has 20 years of service at the time of turning age 58 and is thereby eligible to commence unreduced retirement but is not eligible for a medical premium subsidy from LYNX because s/he has not reached age 62 yet. As another example, suppose a Pension Plan participant commences DROP at age 55 with 20 years of service under the bargained changes, such that his/her DROP period ends at age 60. If s/he retires at age 60, there will be no LYNX-paid portion of the retiree medical premiums because s/he has not reached age 62 yet. This is similar to the situation that exists currently for a Pension Plan participant who commences DROP at age 55 with 25 years of service, with a DROP period ending at age 60. There is no LYNX-paid portion of the retiree medical premiums because s/he has not reached age 62 yet. However, this is different from the situation that exists currently for a Pension Plan participant who commences DROP at age 58 with 20 years of service, with a DROP period ending at age 63. Because s/he is at least age 62, there is an opportunity for a LYNX-paid portion of the retiree medical premiums.

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