

By Ordinance No. _____
 (_____, 2013)

SPECIAL COMPLIANCE AMENDMENT

TO

FIRE AND POLICE DISABILITY, RETIREMENT, AND DEATH BENEFIT PLAN

In order to comply with changes in the requirements for tax-qualified status under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") made by the Heroes Earnings Assistance and Relief Tax Act of 2008 (the "HEART Act"), the City of Portland's Fire and Police Disability, Retirement, and Death Benefit Plan, set out in Chapter 5 of the City Charter (the "Plan"), is retroactively amended by ordinance by the City Council of Portland pursuant to authority granted to it under Section 5-403(c) of the Plan.

Article I

Death Benefits

Effective on and after January 1, 2007, if a Member dies while performing qualified military service under USERRA, the Member's beneficiary(ies) will be entitled to any additional benefits provided under the Plan as if the Member had resumed service as an Active Member and then terminated employment on account of death. Moreover, the Plan will credit the Member's qualified military service as service for vesting purposes, as though the Member had resumed service as an Active Member under USERRA immediately prior to the Member's death. The Member will not, however, receive accruals for the period of military leave.

Article II

Differential Wage Payments

Effective on and after January 1, 2009, in the event the City pays a Member differential wage payments, as defined in Section 3401(h)(2) of the Code, (1) the Member will be treated as Active Member with respect to such differential wage payments; (2) the differential wage payments will be included in a Member's compensation for purposes of limitations under Section 415 of the Code; and (3) the Plan will not be treated as failing to meet the requirements of any provision described in Section 414(u) of the Code by reason of any contribution or benefit which is based on the differential wage payment.

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EXHIBIT "A"