

UNDER OPTION 3, WHEN A RETIREE DIES, THE BOARD OF TRUSTEES SHALL PAY 50% OF THE RETIREE'S REDUCED ALLOWANCE TO THE DESIGNATED BENEFICIARY FOR THE DESIGNATED BENEFICIARY'S LIFE.

(D) OPTION 4.

UNDER OPTION 4, IF A RETIREE DIES BEFORE RECEIVING PAYMENTS EQUAL TO THE VALUE OF THE RETIREE'S ACCUMULATED CONTRIBUTIONS AT THE TIME OF RETIREMENT, THE BOARD OF TRUSTEES SHALL PAY THE BALANCE AS A SINGLE PAYMENT:

- (1) TO THE DESIGNATED BENEFICIARY; OR
- (2) IF THERE IS NO DESIGNATED BENEFICIARY, TO THE RETIREE'S ESTATE.

(E) OPTION 5.

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, UNDER OPTION 5, WHEN A RETIREE DIES, THE BOARD OF TRUSTEES SHALL PAY THE RETIREE'S REDUCED ALLOWANCE TO THE DESIGNATED BENEFICIARY FOR THE DESIGNATED BENEFICIARY'S LIFE.

(2) IF THE DESIGNATED BENEFICIARY DIES BEFORE THE RETIREE, THEN FROM THE DATE OF DEATH OF THE DESIGNATED BENEFICIARY, THE BOARD OF TRUSTEES SHALL PAY THE RETIREE THE BASIC ALLOWANCE.

(F) OPTION 6.

(1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, UNDER OPTION 6, WHEN A RETIREE DIES, THE BOARD OF TRUSTEES SHALL PAY 50% OF THE RETIREE'S REDUCED ALLOWANCE TO THE DESIGNATED BENEFICIARY FOR THE DESIGNATED BENEFICIARY'S LIFE.

(2) IF THE DESIGNATED BENEFICIARY DIES BEFORE THE RETIREE, THEN FROM THE DATE OF DEATH OF THE DESIGNATED BENEFICIARY, THE BOARD OF TRUSTEES SHALL PAY THE RETIREE THE BASIC ALLOWANCE.

(G) OPTION 7.

UNDER OPTION 7, THE BOARD OF TRUSTEES SHALL PAY A RETIREE OR, ON THE DEATH OF A RETIREE, THE DESIGNATED BENEFICIARY BENEFITS ACCORDING TO A METHOD OF PAYMENT REQUESTED BEFORE THE RETIREE'S RETIREMENT, IF:

(1) THE ACTUARY FOR THE BOARD OF TRUSTEES CERTIFIES THAT THE METHOD OF PAYMENT IS THE ACTUARIAL EQUIVALENT OF THE RETIREE'S BASIC ALLOWANCE; AND

(2) THE BOARD OF TRUSTEES APPROVES THE METHOD OF PAYMENT.