EXHIBIT E

ARTICLE 31: TIER THREE – AB340: PROBATION OFFICER

Section 31.01: Applicability.

This Article shall apply to:

(a) Any Probation Officer Member who becomes an Employee of the County Employer on or after January 1, 2013 and who has never been an Employee of the County Employer prior to said date shall be subject to the provisions of this Article 31: Tier Three – AB340: Probation Officer.

(b) Any Probation Officer Member who was employed by any public employer before January 1, 2013, and who becomes an employee of the County Employer on or after January 1, 2013, shall not be subject to this Article 31, but shall be subject to the provisions of Article 28: Tier Two – Probation Officer of the Retirement Plan provided that said Probation Officer Member was subject to reciprocity established pursuant to Article 20: Reciprocal Benefits of the Retirement Plan.

(c) Any Probation Officer Member who had ceased to be a Member and a County Employee and who had withdrawn his or her Accumulated Contributions, and who later resumes County Employment with the County Employer on or after January 1, 2013, shall be subject to the provisions of Article 31 as to all Pension Trust Service Credit (PTSC) accrued on or after said date. If the Member described in this Section 31.01 (c) elects to redeposit an amount equal to all of his or her previously withdrawn Accumulated Normal Contributions, plus regular interest thereon to the date of the redeposit, his or her previous PTSC shall be recognized for purposes of this Retirement Plan and shall be subject to and administered in accordance with the benefit provisions under which said PTSC was originally accrued. Provided however, that PTSC accrued as a result of the Member's resumption of County Employment with the County Employer on or after January 1, 2013, shall be subject to the provisions of this Article 31.

(d) Any Probation Officer Member who reinstates from retirement pursuant to Article 11 of this Retirement Plan on or after January 1, 2013 and who upon reinstatement, resumes County Employment with the County Employer shall, as to all Pension Trust Service Credit accrued on or after said date, be subject to the following:

(1) Upon subsequent retirement, his or her retirement allowance shall be determined as follows:

i. For PTSC accrued prior to the Member's original Retirement Effective Date before January 1, 2013, his or her allowance shall be determined in accordance with the provisions of Article 6 or Article 28 based upon the provisions that the member's original retirement allowance was based.

ii. For PTSC accrued after Reinstatement from Retirement on or after January 1, 2013, his or her allowance shall be determined in accordance with the provisions of this Article 31.

(e) Sworn Probation Officer Members and Non-Sworn Probation Officer Members and/or Reserve Participants who are subject to this Article 31 are sometimes referred to herein as Tier Three – AB340 Probation Officer Members and/or Tier Three – AB340 Probation Officer Reserve Participants.

(f) Tier Three – AB340 Probation Officer Reserve Participant means a person who was formerly a Tier Three – AB340 Sworn Probation Officer Member or Tier Three – AB340 Non-Sworn Probation Officer Member and whose County Employment or term of office was terminated for any reason other than death or retirement and who elected at time of termination to leave his or her accumulated contributions on deposit with the Pension Trust and who subsequently:

(1) Becomes a Tier Three – AB340 Probation Officer Member employed by the County Employer on or after January 1, 2013; or

(2) Becomes a Tier Three – AB340 Probation Officer Member employed by the County Employer on or after January 1, 2013 and then becomes a member of a reciprocal system under the provisions of Article 20 of this Plan.

(g) A Tier Three – AB340 Probation Officer Reserve Participant is entitled to a service retirement allowance after he or she reaches the age at which he or she would be eligible for the service retirement allowance, except that a Tier Three – AB340 Probation Officer Reserve Participant shall not be entitled to the minimum retirement allowance provided by Section 6.05 of this Retirement Plan. The service retirement allowance of a Tier Three – AB340 Probation Officer Reserve Participant shall be based on his or her Pension Trust Service Credit and Tier Three – AB340 Final Compensation prior to his or her termination from County Employment. A Tier Three – AB340 Probation Officer Reserve Participant may, before applying for retirement, withdraw his or her accumulated contributions in lieu of any and all other rights and benefits he or she may be entitled to under this Retirement Plan and shall then cease to have any membership affiliation with the Pension Trust. A Tier Three – AB340 Probation Officer Reserve Participant is not entitled to

any disability retirement allowance under this Retirement Plan except as provided in Article 20 of this Retirement Plan.

Section 31.02: Tier Three – AB 340 Sworn and Non-Sworn Probation Officer Member Service Retirement Allowance.

(a) Notwithstanding the provisions of Article 6 or Article 28, the Service Retirement Allowance for a Tier Three – AB340 Probation Officer Member shall be a retirement allowance equal to the Member's Tier Three – AB340 Final Compensation as provided in Section 31.03 of this Retirement Plan multiplied by the Member's Tier Three – AB340 Attained Age Percentage Factor as shown below, multiplied by the Member's Pension Trust Service Credit accrued in accordance with the provisions of Section 31.01.

(b) The Tier Three – AB340 Attained Age Percentage Factor to be used under this Section 31.02 shall be based on the Tier Three – AB340 Member's last attained quarter year of age as of the effective date of retirement as set forth in the following table:

Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)	Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)	Last Attained Age as of Effective Date of Retirement	Attained Age Percentage Factor (%)
50.00	2.000	53.00	2.300	56.00	2.600
50.25	2.025	53.25	2.325	56.25	2.625
50.50	2.050	53.50	2.350	56.50	2.650
50.75	2.075	53.75	2.375	56.75	2.675
51.00	2.100	54.00	2.400	57 & older	2.700
51.25	2.125	54.25	2.425		
51.50	2.150	54.50	2.450		
51.75	2.175	54.75	2.475		
52.00	2.200	55.00	2.500		
52.25	2.225	55.25	2.525		
52.50	2.250	55.50	2.550		
52.75	2.275	55.75	2.575		

Section 31.03: Tier Three – AB340 Pensionable Compensation:

(a) "Pensionable Compensation" of a Tier Three – AB340 Probation Officer Member means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

(b) Compensation that has been deferred shall be deemed Pensionable Compensation when earned rather than when paid.

(c) "Pensionable Compensation" does not include the following:

(1) Any compensation determined by the Board of Trustees to have been paid to increase a member's retirement benefit under that system.

(2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

(3) Any one-time or ad hoc payments made to a member.

(4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

(8) Compensation for overtime work other than as defined in Section 207(k) of Title 29 of the United States Code.

(9) Employer contributions to deferred compensation or defined contribution plans.

(10) Any bonus paid in addition to the compensation described in subdivision (a).

(11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

(12) Any other form of compensation the Board of Trustees determines should not be pensionable compensation.

Section 31.03.5: Limitation on Tier Three – AB340 Pensionable Compensation. The Tier Three – AB340 Pensionable Compensation used to determine Tier Three – AB340 Compensation earnable and Tier Three – AB340 Final Compensation shall not exceed one hundred percent of the contribution and benefit base specified in Section 403(b) of Title 42 of the United States Code on January 1, 2013. The Board of Trustees shall adjust the Tier Three – AB340 Pensionable Compensation limit following each actuarial valuation based on changes to the Consumer Price Index for All Urban Consumers. The adjustment shall be effective annually following the annual actuarial valuation.

Section 31.04: Tier Three – AB340 Compensation Earnable means the average monthly compensation, as determined by the Board of Trustees for the pay period under consideration on the basis of the average number of days paid as worked by persons in the same grade or class of position during the pay period, and at the same rate of pay. The computation for any absence shall be based on compensation of the position held by the Tier Three – AB340 Probation Officer Member at the beginning of the absence.

Section 31.05: Tier Three – AB340 Final Compensation.

(a) Notwithstanding any other provision of the Retirement Plan, for a Tier Three – AB340 Probation Officer Member, Tier Three – AB340 Final Compensation means the average monthly Compensation Earnable by a Tier Three – AB340 Probation Officer Member:

(1) during any 36 consecutive months elected by a Tier Three – AB340 Probation Officer Member at or before the time the Member files an application for retirement, or if the Member fails to elect,

(2) during the 36 consecutive months of the Tier Three – AB340 Probation Officer Member's highest Compensation Earnable while a Member of this Pension Trust.

(b) Notwithstanding any other provision of the Retirement Plan for a Tier Three – AB340 Reserve Participant, Tier Three – AB340 Final Compensation means the average monthly Compensation Earnable by a Tier Three – AB340 Probation Officer Reserve Participant while a Tier Three – AB 340 Probation Officer Member:

(1) during any consecutive 36 month period of employment immediately preceding his or her last date of separation from service with the County Employer or any consecutive 36 month period of Membership elected by the Tier Three – AB340 Probation Officer Reserve Participant at or before the time the Tier Three – AB340 Probation Officer Reserve Participant files an application for retirement, or if the Tier Three – AB340 Probation Officer Reserve Participant fails to elect,

(2) during the 36 consecutive months of the Tier Three – AB340 Probation Officer Reserve Participant's highest Compensation Earnable while a Tier Three – AB340 Probation Officer Member of this Pension Trust.

Section 31.06: Tier Three – AB340 Normal Contributions. Tier Three – AB340 Normal Contribution means contributions made to the Pension Trust by, or on behalf of, a Tier Three – AB340 Probation Officer Member at the normal rate of contribution provided for by Section 31.11 of this Retirement Plan, but does not include Additional Contributions and shall be subject to the following provisions:

(a) Once established, the Tier Three – AB340 employee Normal Contribution shall not be adjusted on account of a change to the normal cost rate unless the normal cost rate increases or decreases by more than 1 percent of payroll above or below the normal cost rate in effect at the time the employee contribution rate is first established or, if later, the normal cost rate in effect at the time of the last adjustment to the employee contribution rate under this section.

(b) Notwithstanding subdivision (a), employee contributions may be more than one-half of the normal cost rate if the increase has been agreed to through the collective bargaining process, subject to the following conditions:

(1) The employer shall not contribute at a greater rate to the plan for nonrepresented, managerial, or supervisory employees than the employer contributes for other employees, including represented employees, of the County Employer who are in the same retirement membership classifications.

(2) The employer shall not increase an employee contribution rate in the absence of a memorandum of understanding that has been collectively bargained in accordance with applicable laws.

(3) The employer shall not use impasse procedures to increase an employee contribution rate above the rate required by this section.

Section 31.07: Tier Three – AB340 Additional Contributions. Tier Three – AB340 Additional Contributions means contributions made to the Pension Trust by, or on the behalf of, a Tier Three – AB340 Probation Officer Member in addition to normal contributions.

Section 31.08: "Tier Three – AB340 Accumulated Normal Contributions" means the sum of all Tier Three – AB340 Normal Contributions standing to the credit of the Tier Three – AB340 Probation Officer Member's individual account and regular interest thereon.

Section 31.09: "Tier Three – AB340 Accumulated Additional Contributions" means the sum of all Tier Three – AB340 Additional Contributions standing to the credit of a Tier Three – AB340 Probation Officer Member's individual account and any regular interest thereon provided for by the Board of Trustees.

Section 31.10: "Tier Three – AB 340 Accumulated Contributions" means Tier Three – AB340 Accumulated Normal Contributions plus any Tier Three – AB340 Accumulated Additional Contributions standing to the credit of a Tier Three – AB340 Probation Officer Member's account.

Section 31.11: Normal Rate of Contribution for Tier Three – AB340 Probation Officer Members. Effective January 1, 2013, and continuing thereafter in the absence of affirmative contrary action by the Board of Supervisors, the normal rates of contribution for Tier Three – AB 340 Probation Officer Members shall be those set forth in "Appendix B Probation Officer Members Contribution Rates Tier 3 – AB340" hereof.

Section 31.12: Tier Three – AB340 Additional Contributions. A Tier Three – AB340 Probation Officer Member may make Tier Three – AB340 Additional Contributions to the Pension Trust from his or her compensation. Additional Contributions will be credited bi-weekly with interest at a rate to be determined by the Board of Trustees.

The Accumulated Additional Contributions in a Tier Three – AB340 Probation Officer Member's account or in a Tier Three – AB340 Probation Officer Reserve Participant's account shall be used to provide an additional allowance or benefits at retirement, which allowance or benefits shall have the same actuarial value as the Accumulated Additional Contributions in the Tier Three – AB340 Probation Officer Member's account or the Tier Three – AB340 Probation Officer Reserve Participant's account at the time of his or her retirement.

In the alternative, the Member, at the time of the Member's retirement may elect to either withdraw his or her Accumulated Additional Contributions in a lump sum or to have his or her Accumulated Additional Contributions paid in an allowance in the same manner as the Member elects under the provisions of Article 13 of this Retirement Plan.

On or after January 1, 2013, a Tier Three – AB340 Probation Officer Member, at the time of the Member's retirement, may elect to receive his or her Additional Contributions in monthly installment payments over a period of years specified by the Member, said installment payments not to exceed ten years and which payments shall terminate at the end of the installment period or at death. Upon the death of a Tier Three – AB340 Retired Participant who has elected installment payments pursuant to this paragraph, any Additional Contributions remaining in the Retired Participant's Additional Contribution account shall be paid to the Retired Participant's designated beneficiary.

Section 31.13: Deduction of Contributions. A Tier Three – AB340 Probation Officer Member's contributions shall be deducted by the County Auditor, or other officer charged with the duty of drawing salary or wage warrants from the salary or wage warrants drawn

in each pay period in favor of each Tier Three – AB340 Probation Officer Member, and such deduction shall be paid to the Pension Trust and placed to the credit of each Tier Three – AB340 Probation Officer Member's regular account in accordance with the provisions of this Retirement Plan.

Section 31.14: Death Benefits. The provisions of Article 7: Death Benefits, as set forth in this Retirement Plan, shall apply to Members subject to this Article 31 in accordance with the other benefits and rights afforded by Article 31.

Section 31.15: Eligibility for Service Retirement Allowance for Tier Three – AB340 Probation Officer Member. A Tier Three – AB340 Probation Officer Member who commenced his or her most recent period of membership on or after January 1, 2013 who is employed by the County Employer, is eligible to receive a Service Retirement Allowance upon attaining age 50 if he or she has five years of Pension Trust Service Credit.

Section 31.16: Disability Retirement Allowance. The provisions of Article 10: Disability Retirement Allowance as set forth in this Retirement Plan shall apply to Members subject to this Article 31 in accordance with the other benefits and rights afforded by Article 31.

Section 31.17: Reinstatement. A Tier Three – AB340 Retired Participant may be reinstated from retirement by the Board of Trustees pursuant to the provisions of Article 11, and thereafter may become a County Employee in accordance with the provisions governing such service, in the same manner as a person who has not been so retired.

Section 31.18: Requirements for Reinstatement.

(a) The Board of Trustees may reinstate a Retired Participant from Service retirement upon his or her application to the Board of Trustees for reinstatement.

(b) The Board of Trustees may reinstate a Retired Participant from Ordinary or Industrial Disability retirement:

(1) Upon his or her application to the Board of Trustees for reinstatement, or upon the petition of the Executive Secretary of the Pension Trust, and

(2) Upon the determination of the Board of Trustees, based upon medical evidence, that said Retired Participant is not incapacitated physically or mentally for any position in the County for which the application or petition for reinstatement has been received.

(3) Upon receipt of an application or petition for reinstatement from disability retirement, the Board of Trustees shall cause a medical examination to be performed in order to obtain said medical evidence.

Section 31.19: Disposition of Retirement Allowance on Reinstatement. When a Retired Participant is reinstated from retirement on or after January 1, 2013 under Section 31.18, and pursuant to said reinstatement becomes employed by the County Employer, his or her retirement allowance shall be canceled forthwith, and he or she shall become a Tier Three – AB340 Probation Officer Member of this Plan as of the date of reinstatement. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at the date of reinstatement, not to exceed the amount of his or her accumulated contributions as it was at the date of retirement. He or she shall receive credit for service that is on or after January 1, 2013 in the same manner as though he or she had never been retired, subject to the provisions of Article 29.

Section 31.20: Authority of Board of Trustees re: Recipients of Disability Retirement.

The Board of Trustees may require any recipient of a Disability Retirement Allowance, who is under the minimum age for voluntary retirement for service applicable to Members of his or her class, to undergo medical examination. Such examination shall be made by a physician or surgeon appointed by the Trustees, at the expense of the Pension Trust. Upon the basis of such examination, the Board of Trustees shall determine whether he or she is still incapacitated, physically or mentally, for duty in the position held by him or her when retired for disability.

If the Board of Trustees determines that such recipient is not so incapacitated for duty in the position held when retired for disability, his or her Disability Retirement Allowance shall be canceled forthwith and he or she shall become a Member of the Pension Trust.

If any recipient of a Disability Retirement Allowance is under the minimum age for voluntary retirement for service applicable to members of his or her class and refuses to submit to medical examination, the pension portion of his or her allowance may be discontinued until his or her withdrawal of such refusal. If such refusal continues for one year, his or her Disability Retirement Allowance may be canceled.

Section 31.21: Disposition of Retirement Allowance on Reinstatement from Disability Retirement. If a recipient of a Disability Retirement Allowance is reinstated from retirement and becomes employed by the County Employer on or after January 1, 2013, his or her Disability Retirement Allowance shall be canceled and he or she shall immediately become a Tier Three – AB 340 Probation Officer Member of the Pension Trust. His or her individual account shall be credited with an amount which is the actuarial equivalent of his or her annuity at that time, but not exceeding the amount of his or her accumulated contributions at the time of his or her retirement for disability. He or she shall receive credit for service that is on or after January 1, 2013 in the same manner as though he or she had never been retired for disability.

Section 31.22: Accrual of Retirement Allowance after Reinstatement. When a Retired Participant is reinstated from retirement under Section 31.18, his or her future rate of contribution shall be fixed as of the date of his or her reinstatement and his or her retirement allowance upon subsequent retirement shall be determined in accordance with the provisions of Article 31.

Section 31.23: Election Of Options. The provisions of Article 13: Election of Options as set forth in this Retirement Plan shall apply to Members subject to this Article 31 in accordance with the other benefits and rights afforded by Article 31.

Section 31.24: (RESERVED).

Section 31.25: Two Percent Cost of Living Adjustment for Retired Participants who were Tier Three – AB340 Probation Officer Members and who were not employed by the County Employer prior to January 1, 2013.

Commencing with the determination to be made by the Board of Trustees effective April 1, 2013, and for each such determination thereafter, the maximum annual Cost of Living Adjustment for a Retired Participant who was a Tier Three – AB340 Probation Officer Member and who was not employed by the County Employer prior to January 1, 2013 shall not exceed 2% per year and as is set forth in Section 19.01; and, Section 19.02 shall not be applicable. Notwithstanding Section 19.01, there shall be no accumulation of Cost of Living Adjustments beyond the annual maximum of 2% provided herein.

(a) This Section 31.25 shall apply only to Retired Participants whose date of membership in the Pension Trust occurred on or after January 1, 2013 and who were not previously employed by the County Employer.

Notwithstanding Section 19.03(b), the Cost of Living Adjustment provided for by this Section 31.25 shall be considered part of the normal cost for the pension benefit and the allocation of said normal cost is subject to negotiation between the employer and employees.

Section 31.26: No Eligibility For DROP. The provisions of Article 26 shall not apply to any Member subject to the provisions of Article 31.

Section 31.27: Other Provisions. Unless otherwise set forth in this Article 31, all other provisions of the Retirement Plan applicable to Probation Officer Members shall apply to Tier Three – AB340 Probation Officer Members and Tier Three – AB340 Retired Participants.

Section 31.28: Prospective Application of Changes. Any future enhancements to the Tier Three – AB340 Plan shall be prospective only.

Section 31.29: Contract Agency Participation in Tier Three – AB340 Probation Officer. Pursuant to the provisions of AB340 the provisions of this Article 31: Tier Three – AB340: Probation Officer shall apply to any local agency within the County of San Luis Obispo that is a contracting local agency pursuant to Article 25 of the Retirement Plan on or after January 1, 2013. (12-18-12)