

*The*  
RETIREMENT  
PLAN

FOR EMPLOYEES OF THE  
ROCHESTER GAS AND ELECTRIC  
CORPORATION

*As Revised*

SEPTEMBER 1, 1934

ROCHESTER, NEW YORK



ROCHESTER GAS AND ELECTRIC  
CORPORATION  
ROCHESTER, NEW YORK

August 15, 1934

TO OUR EMPLOYEES:

I am sure you will agree with me that the Pension Plan, which has been in force since January 1, 1933, has given each and every one of us a decided feeling of security for the future.

I am happy to announce that on July 1, 1934, the Company paid the Insurance Company \$500,000, and beginning July 1, increased its monthly payment from \$20,000 to \$30,000 in compliance with the generous action of the Board of Directors. This payment and the increase in the monthly payment are a big step in placing the Pension Plan on a sound financial basis.

This contribution makes it possible to effect certain changes in the general plan at this time, instead of approximately 15 years from now as originally contemplated. The most important change is that all employes who have passed the retirement age are immediately provided for and every employe under the Plan is credited with his or her share of the amount contributed by the Company according to the length of service with the Company, instead of leaving the Company contribution in a general fund.

In making this change in the general Plan, it is also necessary to change slightly the employe contribution of 5 percent on the amount actually earned. The new Plan requires that each employe pay a definite sum according to the wage classification attached instead of a fluctuating amount of 5 percent on earnings. The amount paid by each employe to the Pension Plan under this classification will be approximately 5 percent of his or her earnings, and will purchase, with the Company contribution, an annual Pension amounting to approximately 2 percent of his or her earnings. The Pension of 1 percent per year of service prior to January 1, 1933, which the Company pays for, remains the same.

In all other respects the revised Pension Plan, with one or two minor exceptions, is identical with the original Plan. To mark the change in set-up the new Plan will be known as our "Retirement Plan."

To make these changes, which are decidedly to the advantage of each employe, a new application card, which will be prepared and circulated in the near future, will be required, to supersede

the one now in effect. A revised book of Rules and Regulations will be issued, and the Insurance Company will also issue to each employe a new Certificate embodying these changes in exchange for your old Certificate.

The Board of Directors and the Management have had the interests of the employes of this Company at heart in authorizing the large contribution to the Fund. It is their desire to make further contributions as conditions will warrant. The hearty cooperation on the part of all employes with the Management in making these changes will be appreciated.

Very truly yours,

A handwritten signature in cursive script that reads "Herman Russell". The signature is written in dark ink and is centered on the page.

*President.*

September 1, 1933

TO EMPLOYEES OF THE

ROCHESTER GAS AND ELECTRIC CORPORATION:

It is with great satisfaction that I present to you a Plan providing Pensions, sometimes called Annuities, for retired employes which has been approved by the Board of Directors, and made effective on January 1, 1933.

The Plan represents the result of long study and careful consideration by the Management and the Board, and supersedes the informal method of providing Retirement Allowances which has been in effect for many years.

The following is a brief outline of the Plan, the provisions of which are described in the accompanying Rules and Regulations, to which detailed reference must be made.

The status of employes pensioned before January 1, 1933, will be in no way affected. The new Plan is cooperative—the cost being paid partly by contributions of active employes and the remainder by the Corporation. All present and future employes will be eligible to the benefits, and all those who subscribe, except those who have already passed normal retirement age, will contribute 5 percent of their earnings toward the cost.

It is important that every employe should clearly understand the financial operation of the Plan, and should appreciate the safeguards which have been thrown about it.

The contributions of employes are paid monthly to the Metropolitan Life Insurance Company, and are held in reserve solely for the benefit of the individual employe, in accordance with the amount paid by him. Employe contributions, at a guaranteed interest rate of 3½ percent, are accumulated in the form of Annuities payable for life from the normal retirement date. The Insurance Company will issue to each participating employe a Certificate outlining his rights and privileges under the Plan.

Inasmuch as the contributions of the employes alone will not suffice to produce the amount of Pension called for under the Plan, the Corporation has arranged to pay substantial sums to the Insurance Company to be accumulated for the benefit of employes.

When each participating employe retires, the Insurance Company will endorse his Certificate, guaranteeing to him a Pension based upon his personal contributions with accumulated interest, plus the actual contributions made by the Corporation for his benefit in accordance with the provisions of the Plan.

The Pension payable under the Plan is as follows:

- (a) In respect of each year of past continuous service with which an employe is credited up to January 1, 1933, a Pension equal to one percent (1%) of his 1931 earnings figured on the basis of full time at regular rate of pay.

- (b) In respect of future service after January 1, 1933, and up to normal retirement age, a Pension equal to two percent (2%) of his total compensation with respect to which he has made the required contributions.

Other features of the Plan are:

- (a) Employes may protect a dependent by electing a Survivorship Annuity which will be continued to the dependent during his or her lifetime after the employe's death. This should prove a particularly attractive feature.
- (b) The normal retirement age will be sixty (60) years for women and sixty-five (65) years for men.
- (c) In case an employe ceases for any reason to be employed by the Corporation, or in case of his death prior to retirement, all contributions made by him will be returned to him, or his beneficiaries, with three and one half percent (3½%) interest, and in case of his death after retirement, the amount, if any, by which the pension payments actually received by him shall be less than the total of his contributions and interest thereon at three and one half percent (3½%) will be returned to his beneficiaries.

Owing to the uncertainties inherent in the operation of any commercial enterprise over a long period of time, the Corporation does not guarantee the continuation of the present Plan indefinitely, nor the payment of any specified amount to the Insurance Company. It is, however, specifically provided in the contract with the Insurance Company that the employes' personal contributions, with interest thereon, and the Pensions arising therefrom are guaranteed, and also that all money paid by the Corporation to the Insurance Company under the Plan shall be irrevocably used to the extent available in carrying out the Plan, and under no circumstances recoverable by the Corporation.

The Plan, in my opinion, is fundamentally so sound and so advantageous to the employes that it has been my belief from the first that every eligible employe would signify his appreciation of it by joining promptly. The response to the preliminary announcement was immediate and overwhelmingly favorable.

Such success as has come to this Company has been due in large measure to the hearty cooperation that exists between the Management and the employes. This latest evidence of the cooperative spirit is a clear indication not only of the success of this Plan, but of the steady progress of the Company.

*Herman Russell.*  
President.

# THE RETIREMENT PLAN FOR EMPLOYEES OF THE ROCHESTER GAS AND ELECTRIC CORPORATION

EFFECTIVE JANUARY 1, 1933

## RULES AND REGULATIONS

(As amended September 1, 1934)

Subject to the provisions of Group Annuity Contract Number 176 between the Corporation and the Metropolitan Life Insurance Company, these Rules and Regulations shall govern the administration of the Plan. If there shall be any conflict of any kind, either in construction, interpretation or otherwise, between any provision of these Rules and Regulations and any provision of said Group Annuity Contract or any provision of the Certificate issued to any employe thereunder, the provision of said Group Annuity Contract or said Certificate, as the case may be, shall control and be binding both on the Corporation and the employes, anything in these Rules and Regulations to the contrary.

The Plan shall apply, while it is in effect, to all employes of the Rochester Gas and Electric Corporation (hereinafter called the Corporation) who are eligible in accordance with these Rules and Regulations, and who accept the Plan in the manner herein provided.

### ELIGIBILITY

1. All present permanent employes are eligible to all the benefits of the Plan. New permanent employes shall be eligible to all the benefits of the Plan on the first day of the month following the date of employment.

2. Temporary employes shall not be eligible to participate in the Plan. The Corporation shall determine which employes are temporary.

3. In order to participate in the Plan and become entitled to its benefits, every eligible employe must, on a form provided for that purpose, make application to participate in the Plan, designate his beneficiary thereunder, and authorize deductions from his pay of the required contributions.

4. If any eligible employe of the Corporation on December 31, 1932, fails to make application to participate in the Plan, as above provided, prior to February 1, 1933, he shall, if he thereafter elects to participate in the Plan, receive no credit as to service rendered before such election is made, unless, in specific instances the Corporation shall otherwise permit.

5. No medical examination will be required.

### **BENEFITS**

6. The annual amount of Retirement Annuity payable to each eligible employe upon retirement shall be the total of the retirement annuity credits determined as follows:

(a) In respect of service rendered prior to January 1, 1933, the amount of retirement annuity credit of the employe will be equal to one percent (1%) of his normal 1931 earnings (or, if no 1931 earnings, then of his normal 1932 earnings), figured on the basis of full time at regular rate of pay for each year or fraction thereof of continuous service (as defined in Paragraphs 11 and 12) with which he is credited. Such past service retirement annuity credit will not be affected by future changes in earnings. Such credit is conditional upon continuous participation in the Plan.

(b) In respect of service rendered between January 1, 1933, and his normal retirement date, the amount of retirement annuity credit of the employe will be equal to two percent (2%) of that part of his total compensation with respect to which he has made contributions as herein provided. On and after September 1, 1934, the exact benefits will be determined by salary classes, as shown in Paragraph 10.

### **CONTRIBUTIONS BY EMPLOYEES**

7. All employes (except employes who have reached their Normal Retirement Date) participating in the Plan shall contribute, through payroll deductions, five percent (5%) of current compensation. Commencing on September 1, 1934, the exact monthly contributions will be determined by salary classes, as shown in Paragraph 10. Coverage and contributions shall commence on the date of eligibility, subject to proper application. Changes in amounts of coverage and contribution shall take place on January 1st in each year.

8. Such contributions of the employes will be paid by the Corporation to the Metropolitan Life Insurance Company (hereinafter called the Insurance Company) and will be applied toward the purchase of a Retirement Annuity for each employe payable for life from his normal retirement date.

### **CONTRIBUTIONS BY THE CORPORATION**

9. It is the expectation of the Corporation to pay to the Insurance Company the balance of the net cost of the benefits of the Plan, although the payment of such amounts is not guaranteed.



**10. SCHEDULE OF BENEFITS AND CONTRIBUTIONS  
ON AND AFTER SEPTEMBER 1, 1934**

Annual Salary	Salary Class	Monthly Retirement Annuity for Each Completed Year as Contributor in Salary Class	Employee's Monthly Contribution
\$840.00 and under	1	\$1.20	\$3.00
840.01 to \$1,080.00	2	1.60	4.00
1,080.01 to 1,320.00	3	2.00	5.00
1,320.01 to 1,560.00	4	2.40	6.00
1,560.01 to 1,800.00	5	2.80	7.00
1,800.01 to 2,040.00	6	3.20	8.00
2,040.01 to 2,280.00	7	3.60	9.00
2,280.01 to 2,520.00	8	4.00	10.00
2,520.01 to 2,760.00	9	4.40	11.00
2,760.01 to 3,000.00	10	4.80	12.00
3,000.01 to 3,240.00	11	5.20	13.00
3,240.01 to 3,480.00	12	5.60	14.00
3,480.01 to 3,720.00	13	6.00	15.00
3,720.01 to 3,960.00	14	6.40	16.00
3,960.01 to 4,200.00	15	6.80	17.00
4,200.01 to 4,440.00	16	7.20	18.00
4,440.01 to 4,680.00	17	7.60	19.00
4,680.01 to 4,920.00	18	8.00	20.00
4,920.01 to 5,160.00	19	8.40	21.00
etc., with proportionate increases throughout			

THE CORPORATION PAYS THE BALANCE OF THE NET COST OF THIS RETIREMENT ANNUITY.

**DETERMINATION OF CREDITED SERVICE  
AND COMPENSATION**

11. For all the purposes of the Plan, the continuous service to be credited to any employe for service prior to January 1, 1933, shall be conclusively determined by the Corporation, provided that for such purpose full allowance will be made for wartime service in behalf of the United States of America.

12. Credit may, at the option of the Corporation, be given for service performed for any allied or affiliated Company, whether before or after January 1, 1933. In such cases, the Corporation shall determine the salary or wages to be used as the basis for such credit, and after January 1, 1933, as the basis for contributions, provided, however, that such past service credit for any employe transferred to the Corporation after January 1, 1933, will be equal

only to the annual rate of Retirement Annuity that could be provided under the Plan by the reserves transferred to the Corporation on his behalf by the allied or affiliated Company or Companies by whom he was previously employed, such annual rate of Retirement Annuity to be determined by the sex and attained age of the employe on the date of transfer of the reserves and upon the table of actuarial rates applicable to retirement annuities of like kind provided under the Plan.

#### **LAY-OFF, LEAVE OF ABSENCE, SICKNESS OR ACCIDENT**

13. The Retirement Annuity credited to any employe as to future service is, in all cases, dependent upon his contribution. Therefore, while contributions are not being made, Retirement Annuity benefits will not accrue. The arrangements for any period of lay-off, leave of absence, sickness, or accident, shall be determined by the Corporation and such arrangements shall govern an employe's period of continuous contribution to the Plan.

#### **CONDITIONS OF RETIREMENT**

14. The normal retirement age of women employes shall be sixty (60) and of men employes shall be sixty-five (65) years.

15. The normal retirement date shall be the first day of the calendar month next succeeding the attainment of these respective ages, or September 1, 1934, whichever is later.

16. Each employe shall be retired on his normal retirement date unless he is permitted by the Corporation to continue in active service, or unless he is permitted to retire earlier, as provided in Paragraph 17. Such employe who is so retired, or is permitted to continue in active service after reaching the normal retirement date, shall make no further contributions to the Plan, and his Retirement Annuity shall not be increased.

17. With the consent of the Corporation, an employe may retire after fifteen (15) or more years of service, but not more than ten (10) years earlier than normal retirement date (see Paragraph 15), in which event he shall receive a smaller Retirement Annuity than if he had retired at the normal retirement date, as determined by actuarial factors.

#### **PAYMENT OF RETIREMENT ANNUITIES**

18. Retirement annuities will be paid monthly, the first payment to be made on the normal retirement date, and subsequent payments are payable monthly thereafter for life. Except as otherwise provided in the Plan, retirement annuities will be paid by check to the order of the employe and mailed to his address as it appears

upon the records of the Insurance Company. If the monthly rate of Retirement Annuity payable be less than ten dollars (\$10.00), the Retirement Annuity will be paid quarterly, semi-annually or annually for an adjusted amount.

19. Where the Survivorship Annuity has not been selected, retirement annuity payments will cease with the last payment prior to the death of the employee, subject, however, to the payment to his beneficiary of any amounts payable under Paragraph 24 of the Plan.

20. Where the Survivorship Annuity has been selected, payments will cease with the last payment made prior to the death of the survivor, unless the total retirement annuity payments theretofore made are less than the contributions of the employee with interest at three and one half percent ( $3\frac{1}{2}\%$ ) per annum, computed as herein provided, in which case the difference will be paid to the beneficiary, if the dependent died before the employee, or to the estate of the dependent, if the employee died before the dependent.

21. Any benefit provided or to be provided under the Plan is non-assignable and cannot be pledged, hypothecated or encumbered.

### **BENEFICIARY**

22. Every employe shall, at the time of making application to participate in the Plan, and upon a form furnished by the Insurance Company, designate, in writing, a beneficiary or beneficiaries to whom there shall be paid, in case of his death, any amounts due as described in Paragraphs 23 and 24 hereof. He shall have the right to change such beneficiary or beneficiaries by making application to the Insurance Company, upon a form furnished by it, and returning his Certificate for endorsement to show such change in beneficiary.

23. In case an employe shall die before his retirement on an annuity hereunder, such beneficiary as he may have last designated in the manner herein provided shall be entitled to receive in cash all of his personal contributions with interest thereon at three and one half percent ( $3\frac{1}{2}\%$ ) per annum computed as herein provided.

24. In case an employe shall die after his retirement on an annuity without having exercised the Survivorship Annuity option, provided for in Paragraph 25, and at the time of his death shall have received in retirement annuity payments a sum less than the total amount of his contributions with interest at three and one half percent ( $3\frac{1}{2}\%$ ) per annum computed as herein provided, the

difference between the sum of his contributions and such interest and the retirement annuity payments received by him will be paid to his beneficiary.

### **SURVIVORSHIP ANNUITIES**

25. An employe participating in the Plan may elect to receive a reduced retirement annuity in order to have it continued for the lifetime of his wife or other dependent, if such dependent survives his death after retirement. The amount of the retirement annuity under this option will depend upon the age and sex of the dependent. If this option is elected within five (5) years of the normal retirement date, evidence of the employe's good health may be required. In the event of the death of either the employe or his dependent before the normal retirement date or optional retirement date, whichever is earlier, this option shall not take effect.

### **TERMINATION OF SERVICE**

26. Every employe who voluntarily leaves the employ of the Corporation or is discharged prior to his retirement may elect one of the two following options:

- (a) To leave his personal contributions, already made, with the Insurance Company and receive at his normal retirement date such annuity as his total personal contributions, prior to the date of termination, purchased under the Plan, or
- (b) to withdraw his personal contributions to the Plan, together with interest at the rate of three and one half percent (3½%) per annum, computed as herein provided.

27. If an employe, who has completed fifteen (15) years of service with the Corporation and has continuously contributed under the Plan since first eligible to do so, leaves the Corporation for any reason, and elects option (a) in Paragraph 26, the Corporation will purchase for him such additional retirement annuity as may be required to provide from normal retirement date a total retirement annuity equal to fifty percent (50%) of the Retirement Annuity provided in the Plan payable from normal retirement date based on his service up to the time he leaves the employ of the Corporation. In the case of an employe who has completed a greater period of service, such percentage shall be increased by five percent (5%) for each additional completed year of service above fifteen (15) to and including twenty-five (25) years of service, so that an employe who leaves after completing twenty-five (25) years of service will receive a total retirement annuity payable from normal retirement date based on his service up to the time he leaves the employ of the Corporation. Should the

employe, however, later withdraw his personal contributions and accrued interest, he shall no longer be entitled to any retirement annuity provided by the Corporation.

For employes who have completed not less than fifteen (15) nor more than twenty-five (25) years of service, regardless of age, the benefits described in this paragraph may be advanced to a date prior to but within ten (10) years of the normal retirement date only with the consent of the Corporation.

For employes who have completed twenty-five (25) or more years of service and are within ten (10) years of their normal retirement date, the benefits may be advanced at the option of the employe.

In any case of advanced benefits, however, the benefit will be correspondingly smaller in accordance with actuarial factors.

### GENERAL PROVISIONS

28. In special instances, but only upon action by the officers or the Executive Committee of the Corporation, a special pension may be granted to any employe when the circumstances appear to warrant such action. Such special pension may be in addition to the regular Retirement Annuity which such employe is entitled to receive under the Plan, and shall be for such amount and for such duration as the Corporation may determine.

29. Neither the action of the Corporation in establishing the Plan, nor any action by the Corporation in granting benefits under the Plan, shall be construed as giving to any officer, agent or employe of the Corporation the right to be retained in its service. The Corporation reserves the right to discharge at any time any officer, agent, or employe, when the interests of the Corporation, in its judgment, may so require, without liability for any claim or benefit under the Plan other than as described in Paragraphs 26 and 27 hereof.

30. In the event that an employe is entitled to pension or retirement allowance under any Plan to the cost of which the Corporation is required by law to contribute directly, the Retirement Annuity under this Plan will be reduced by the amounts payable under such other Plan, provided, however, that the Retirement Annuity under this Plan will never be less than that purchased by the employe's personal contributions.

31. A military or naval pension shall not operate to reduce the Retirement Annuity which the employe would otherwise receive under these Rules and Regulations.

32. The Corporation retains the right to modify or amend at any time or from time to time and/or to terminate the Plan,

provided, however, that no such action shall affect retirement annuities already purchased under the Plan, nor permit the Corporation at any time to withdraw any monies it may have contributed and actually paid to the Insurance Company, unless and until the Corporation has completed the purchase of retirement annuities for service rendered prior to such time.

33. The computation of interest heretofore referred to shall be as follows: Interest shall be credited for completed months on the amount of contributions actually made by the employe and received by the Insurance Company in each calendar year from the last day of that year to the date of computation, at the rate of three and one half percent ( $3\frac{1}{2}\%$ ) per annum, compounded annually at the end of each calendar year, provided that interest shall not be added in respect of any period of time after the employe's normal retirement date or optional retirement date, whichever is earlier.

34. All questions as to the meaning of these Rules and Regulations, or the interpretation thereof, or the administration of the Plan, shall be decided by reference to the Group Annuity Contract, wherever applicable, but otherwise all such questions shall be decided by the Corporation and in such cases its decisions shall be final.

35. The Plan will be administered by a Retirement Committee of five (5) employes appointed by the President of the Corporation, at least two of whom shall be Corporation officers, and one a representative of the Personnel Department. These shall serve until their successors are appointed.

36. Each participating employe will receive a Certificate outlining his rights and privileges under the Group Annuity Contract. The Certificates of employes who contributed prior to September 1, 1934, will be endorsed to show the amount of retirement annuity provided under the Contract in respect of such period of contributions. As and when the Corporation completes the purchase of retirement annuity for service rendered prior to January 1, 1933, the employe will receive a Certificate Rider showing the amount of such past service annuity and upon retirement under the Plan his Certificate will be suitably endorsed.

37. Whenever used in these rules masculine pronouns shall include men and women.

**READ YOUR CERTIFICATE CAREFULLY. IT IS VALUABLE  
TO YOU AND SHOULD BE KEPT IN A SAFE PLACE  
KNOWN TO YOU AND TO YOUR BENEFICIARY.**



