DART RETIREMENT PLAN AND TRUST

SUMMARY PLAN DESCRIPTION

June 2017

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Introduction

The Dallas Area Rapid Transit (DART) is pleased to provide you with this Summary Plan Description of the **DART Retirement Plan and Trust**, also referred to as your Retirement Plan or Money Purchase Pension Plan. This booklet describes the basic features of the Plan, and we encourage you to read it carefully. In it, you will learn how the Plan can benefit you and when you are eligible to receive these benefits.

Because this booklet is only a summary, it may not answer all of your questions about the details of the Plan. You can become more familiar with the Plan by reading the actual plan document, which is available in your Human Capital Department. This summary explains most key terms, but where capitalized terms are used, their exact meaning is defined in the Plan document. If there’s an inconsistency between this summary and the Plan document, the Plan document will govern.

Your DART Retirement Plan is a DART-sponsored retirement plan. It costs you nothing and may enable you to accumulate significant savings for your retirement. The Plan offers many advantages:

- DART contributes 7.7% of your payroll period Compensation to your Account each pay period.
- You pay no Federal income tax on these contributions or the investment earnings on your Account as long as they stay in the Plan.
- You receive a statement of your Account activity each quarter.
- We hope the Plan will encourage you to stay with DART, but if you leave, you have the right to take the vested portion of your Account balance with you.

Plan Summary

Eligibility and Participation

In general, you are an "Eligible Employee" for Plan participation if you are a regular, full-time employee (certain temporary or part-time employees who began employment before March 1, 2002 may also be eligible). Union employees are Eligible Employees only if their union contract provides for Plan participation. If you are eligible for the DART Employees' Defined Benefit Retirement Plan, you are not eligible to participate in this Plan.

If you are an Eligible Employee, you become a participant in the Plan 180 days after your first day of employment as an Eligible Employee. If you are not an Eligible Employee (for example, you work part-time), you will not participate in the Plan unless your status changes and you become an Eligible Employee. In that case, you would begin participating 180 days after you first begin work as an Eligible Employee, if you are still classified as an Eligible Employee at that time.

Please note that you are still eligible to participate in this Plan even if you choose to make contributions to your 401(k) Plan.

Enrollment

You do not need to enroll in the Plan. When you become eligible to participate, DART will establish a Retirement Plan Account in your name and will automatically make contributions to your Account. Although you do not need to enroll, you should complete and submit a Beneficiary Designation Form, which is available on-line through DARTnet employee self-service.

Contributions

If you are eligible to participate in the Plan, DART will automatically contribute 7.7% of your payroll period Compensation to your Account for each pay period. The Plan costs you nothing. You make no contributions to the Plan. DART makes all contributions in providing your Retirement Plan benefit.

For purposes of the Plan, your "Compensation" is generally the taxable income reported on your Form W-2. However, it includes your salary deferrals under the DART 401(k) Plan, pre-tax contributions under the DART Flexible Benefits Plan, and any deferrals under a "457" plan. It also includes a “cash-out” payment you may receive after terminating employment for any accrued, unused sick leave or vacation leave. If you are on qualified military service leave and receive differential wage payments from DART, “Compensation” for Plan purposes will include your differential wage payments. “Compensation” excludes employee recognition awards and allowances. Some highly compensated employees are subject to a mandatory limit on the amount of compensation that may be considered for Plan purposes.

Additional Limit

The Internal Revenue Code limits the total amount that may be allocated to you under this Plan and any other qualified defined contribution plan adopted by DART, such as the DART 401(k) Plan. This "annual addition" limitation includes Retirement Plan contributions made on your behalf, and before-tax and matching contributions under the 401(k) Plan. Plan earnings and rollover contributions are not included in determining annual additions. You will be notified if this limit affects you.

Vesting

DART contributions allocated to your Account are vested according to the vesting schedules below, which are based on your number of Years of Vesting Service with DART. You earn one Year of Vesting Service for each Plan Year in which you are an Eligible Employee and work 1,000 or more hours during the Year.

If you are first employed or are re-employed on and after January 1, 2006, your Account is vested according to the following schedule:

Years of Vesting Service:	Percent vested:
Less than 5 years	0%
5 years or more	100%

If you were employed or re-employed before January 1, 2006, your Account is vested according to the following schedule:

Years of Vesting Service:	Percent vested:
Less than 2 Years	0%
2 Years	25%
3 Years	50%
4 Years	75%
5 Years or more	100%

If you were first employed before January 1, 2006 and are later re-employed after January 1, 2006, the 5-year graduated schedule will apply to the portion of your Account that accumulated prior to your termination of employment and the 5-year 0%/100% schedule will apply to the portion that accumulates after you are re-employed.

Your Years of Vesting Service determine vesting, not the timing of each DART contribution. Unless the immediately preceding paragraph applies, the same vested percentage applies to all DART contributions, regardless of how long particular amounts have been in your Account. Once your Account becomes 100% vested, any future contributions allocated to your Account are also 100% vested.

You automatically become 100% vested, regardless of your Years of Vesting Service, in the following cases:

- you die while employed with DART;
- you become permanently disabled (as defined by the Plan) while employed with DART;
- you are employed by DART when you attain age 60; or
- you die while on leave for qualified military service.

If your employment with DART ends before you are 100% vested, you forfeit—or lose the right to—the non-vested part of your Account when you receive a distribution of your vested Account. DART applies the forfeited balances to pay the administrative expenses of the Plan, reinstate forfeitures as described below, and reduce DART's future contributions. If you leave DART but come back to work before you have five consecutive one-year Breaks in Service, you will be able to have the forfeiture restored to your Account if you pay back the distributions you received. If you are eligible to leave your Account in the Plan after terminating employment and opt to do so, the non-vested portion of your Account is forfeited when you have incurred five consecutive one-year Breaks in Service. A "Break in Service" is any Plan Year in which you are credited with 500 or fewer hours of service. In counting your hours of service, we count periods of approved, paid leaves of absence and qualified military service leave, if you return to employment following your leave.

Investment of your Account

The Retirement Committee is responsible for the investment of your Retirement Plan Account, based upon information from and the recommendations of investment advisors. However, once you have attained age 55, you may move some or all of your Account balance in increments of 20% of the balance to a “stable value fund” selected by the Retirement Committee. The stable value fund is generally a low risk investment option. A descriptive booklet known as a prospectus describes the investment objectives of this fund and the types of investments the fund makes. The prospectus will also describe risk factors associated with the investment and the fees your account may incur if you invest in the fund. It is important that you review the prospectus if you are considering directing your account balance to the fund. Copies of the prospectus are available without charge by calling Vanguard’s toll-free number, 1-800-523-1188.

Account Statements

You will receive a statement each quarter. It will show your beginning Account balance, DART’s contributions during the quarter, your Account’s investment earnings and losses, any distributions from your Account, and your Account balance as of the end of the period. You may also call Vanguard’s toll-free number, 1-800-523-1188, to access your account balance at any time.

Distributions

You are entitled to a distribution of your vested Account balance upon:

- your retirement with DART at age 60;
- your separation of employment with DART;
- your death; or
- your becoming permanently disabled (as defined by Plan) while employed with DART.

You can request a distribution election form by calling Vanguard’s toll-free number, 1-800-523-1188. You must sign and return the completed form. After verification that you have terminated employment, your application will be processed as soon as administratively feasible.

Tax laws are complex and change often. They also affect different people in different ways, depending on personal circumstances. The best source of tax information is a qualified tax advisor. DART is not authorized to give tax advice. Always consider tax laws before you make a withdrawal or receive a distribution from the Plan.

You may request distribution in any one of the following forms or a combination of one or more of the following:

(1) Lump Sum Distribution: At the time you receive your lump sum distribution from the Plan, the full amount of your distribution is taxable because you accumulated the money on a before-tax basis. Also, if you are under age 59½, you may be required to pay a 10% "penalty" tax for early distribution. In addition, a distribution that is eligible for tax-free rollover is subject to mandatory 20% Federal income tax withholding if you receive the distribution rather than roll it over.

(2) Direct Rollover: You can delay taxation and avoid both the 20% Federal income tax withholding and the 10% early distribution tax by instructing the Plan to distribute your Account directly into an Individual Retirement Account (IRA) or another employer's qualified plan.

(3) Installment Payments: Payments are made periodically (annually, semi-annually, quarterly, or monthly) over a period of time you select, not exceeding your life expectancy or the joint life expectancy of you and your beneficiary. If your distribution is made in installments, the installments are taxed in the year paid. Also, if you are under age 59½, you may be required to pay a 10% tax for early distribution. In general, a distribution that is eligible for tax-free rollover will be subject to mandatory 20% Federal income tax withholding if you receive the distribution rather than roll it over.

Alternatively, you may roll over the money yourself within 60 days of receiving your distribution from the Plan. Your distributions will usually be eligible for rollover contribution if you receive your entire interest in a single payment or in several payments over a period of less than ten (10) years. However, if you receive a distribution and intend to roll it over, it will nevertheless be subject to the mandatory 20% Federal income tax withholding. Although the amount withheld could be refundable once your annual individual income tax return is filed showing that the money has been rolled into a qualified plan, you would need to use other sources of funding to replace the 20% withheld in order to roll 100% of your distribution into a new plan or IRA.

If your vested Account balance is $1,000 or less and you do not request a distribution or make a rollover of your Account, we will send your vested Account balance to you in one lump sum. The Plan allows us to "cash out" this type of Account without your consent. If your vested balance is greater than $1,000 but less than $5,001, and you do not return your distribution forms, the Plan requires that your Account be rolled to an IRA that will be established at Vanguard on your behalf. Once that rollover is complete, you are the owner of that IRA and you are considered as having received your entire Plan benefit. You may inquire about an IRA the Plan establishes for you by contacting Vanguard's Retail Group at 1-800-662-2739.

If your Account exceeds $5,000, you may opt to take your distribution, roll it over, or leave your Account in the Plan until a later date. If you leave your Account in the Plan, distribution must commence no later than age 70½, and your Account will continue to share in investment gains and losses while it remains in the Plan.

Benefits in the Event of Your Death

If you should die while employed by DART, your death benefit will be the total amount in your Account, whether or not you were 100% vested before your death. You may designate a beneficiary or beneficiaries (or change a prior beneficiary designation) to receive your benefits in the event you die prior to receiving your Plan benefit. This designation may be made by executing a Beneficiary Form, available on-line through DARTnet employee self service. If you fail to designate a beneficiary, your benefits will be paid to your spouse, but if your spouse is not then living, your benefits will be paid to your estate. If you are married and wish to designate someone <u>other than</u> your spouse as your Plan beneficiary, you must get your spouse's written <u>notarized</u> consent to the specific beneficiary you designate.

Reduction or Denial of Benefits

The following circumstances could cause a delay, reduction, or denial of your Plan benefit.

- There is a decline in value of the Trust fund investments.
- You terminate employment before completing enough service to receive any vesting credit.
- You move and do not leave a forwarding address.
- You die after you terminate employment and your Beneficiary does not notify the Committee.
- You do not return to work from any authorized leave of absence or after service in the U.S. Armed Forces within the time period in which your reemployment rights are guaranteed by law, resulting in a Break in Service. If a Break in Service occurs, you will be entitled to your vested interest in your Account as determined by the Vesting schedule described in this summary.

Changing Jobs

If your new employer has a qualified retirement plan and that employer's plan permits rollover contributions, you may be able to transfer your DART Retirement Plan vested Account balance directly to the new plan. You also may roll over your Retirement Plan assets into an IRA. By keeping your assets in an IRA, or in a qualified retirement plan, you will be able to maintain the tax-deferred status of the assets.

You may also request distribution of your Account or, if your vested balance exceeds $5,000, you may leave your Account invested in the Plan and request a distribution or rollover at a later date.

Questions About the Plan

If you have any questions about your Plan, please contact the Human Capital Department at (214) 749-3383. We are happy to answer any questions you may have. However, DART and its employees are not legal advisors, investment advisors, or tax advisors. You should also consult qualified tax counsel if you have specific tax questions related to your Plan participation or Plan distributions.

Claiming Your Benefits

If you (or your beneficiary) do not receive the distribution to which you believe you are entitled or disagree with any determination related to your Plan benefit, please call the Human Capital Department for assistance. If the issue is not resolved to your satisfaction, you must present a claim to the Retirement Committee in accordance with the procedures described below.

All claims for benefits under the Plan should be submitted to:

Retirement Committee
DART Employees' Retirement Plan
Dallas Area Rapid Transit
PO Box 660163
Dallas, Texas 75266-7255
(214) 749-3383

Claims must be in writing and must be signed by you or your beneficiary.

If, for any reason, your claim for a benefit is denied, the Committee must provide you with written notice that your claim has been denied, no later than 60 days after having received your claim. This notice must include the reason your claim was denied, reference to the pertinent Plan provisions upon which the denial is based, a description of any additional material or information necessary for you to better document the claim, together with an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure.

You may appeal any claim denial by writing to the Retirement Committee at the above address. You or your representative(s) are entitled to review any documents relevant to the benefit claim and to submit issues and comments in writing if you appeal. The Retirement Committee determines what documents are relevant to the benefit claim. You must submit your appeal no later than 90 days after having received a denial of your claim. If you do not submit a written appeal within the timeframe indicated, the initial denial of your claim is considered final.

The Retirement Committee must send you a final decision, in writing, no later than 60 days after receipt of your appeal. Before making its final decision, the Committee may determine that a hearing is necessary to complete a full and fair review, and if a hearing is held, the Committee will send you a final decision no later than 120 days after receipt of your appeal. The decision will state specific reasons and specify the plan provision(s) on which it is based.

Important Company and Plan Information

Plan Name and Identification Number

The full name of the Plan is the DART Retirement Plan and Trust. DART's Federal Employer Identification Number ("EIN") is 75-1813169. The Plan's "Plan Number" is 002.

Type of Plan

This Plan is a defined contribution plan that can also be characterized as a "money purchase pension plan" because it provides for a fixed employer contribution.

Plan Sponsor and Administrator

This Plan is sponsored for the benefit of its eligible employees by Dallas Area Rapid Transit, P. O. Box 660163, Dallas, Texas 75266-7240, telephone: (214) 749-3383.

The Plan is administered by a Retirement Committee consisting of not fewer than five (5) persons appointed by DART's Executive Director. The Executive Director himself cannot serve on the Committee. The Committee has the exclusive right and sole discretion to interpret and administer the terms of the Plan, and all such decisions are conclusive and binding.

Trustees

The Plan assets are held by the Plan's Trustee in accordance with a Trust Agreement. The Trustee is:

Vanguard Fiduciary Trust Company
P.O. Box 2900
Valley Forge, PA 19482-2900

Future of the Plan

DART expects to continue the Plan indefinitely. However, DART reserves the right to amend, discontinue, or terminate the Plan at any time for any reason. Under no circumstance will any assets of the Plan, or income therefrom, be used for any purpose other than the exclusive benefit of the participants of the Plan.

Non-Assignment of Benefits

Under this Plan, you may not assign, sell, transfer, or use your benefits as collateral. Furthermore, creditors may not attach your benefits in the Plan as a means of collecting debts. Nevertheless, the Internal Revenue Service can levy on an account to collect unpaid taxes. Also, benefits will be paid according to a valid Qualified Domestic Relations Order (QDRO) if properly served on the Plan. A QDRO is an order or judgment from a State Court directing the Plan Administrator to pay all or a portion of the participant's benefits to a spouse, former spouse or dependent. If a court issues a QDRO that divides your Account, an administrative fee will be deducted from the Account to pay the cost of processing the QDRO.

Effective Date of Plan

The Plan became effective on January 1, 1986, and has been amended and restated at various times since then. The Plan was last restated as of January 1, 2016.

No Right to Employment

Your participation in the Plan does not give you a right to be retained in employment by DART.

Plan Year

The Plan Year is the calendar year.

Agent for Service of Legal Process

The General Counsel of DART, or the Executive Director, is the agent responsible for receipt of service of legal process.

Pension Benefit Guaranty Corporation ("PBGC")

Plan benefits are **not** insured by the PBGC, a governmental corporation.