Workshop Meeting
Monday, August 10, 2026 After Special Board Meeting

District Board Room
1000 Union Street
Lehighton, PA 18235

1. **Opening Exercises**
   1.1. Call to Order
   1.2. Opening Exercises
   1.3. Roll Call
   1.4. Public Comment
2. **Academic Affairs Committee**
   2.1. 2026-2027 School Calendar
   2.2. 2026-2027 Intergovernmental Agreement for Title I Equitable Services with CLIU#21
   2.3. PA Beef and Veal in the Classroom Grant
   2.4. Community Based Instruction
   2.5. High School Enrichment Journeys– Academic, Cultural, Performance, and Career Exploration Visits and Volunteer Opportunities
   2.6. Settlement Agreement
   2.7. Public Comment
3. **Policy Committee**
   3.1. Public Comment
4. **Finance Committee**
   4.1. 403(B) Plan Resolution
   4.2. Donations/Local Grants
   4.3. Public Comment
5. **Athletics Committee**
   5.1. Candidates for Athletic Coaching/Manager
   5.2. Spring Head Coaches
   5.3. Fall Game Managers
   5.4. Cross Country Workers
   5.5. Public Comment
6. **Buildings & Grounds Committee**
   6.1. ESCO Agreement
   6.2. MOU with Panther Valley School District
   6.3. UTV
   6.4. Public Comment
7. **Personnel Committee**
   7.1. Candidates for Employment
   7.2. Candidates For The Substitute List
   7.3. Candidates for Extracurricular Activity Advisor
   7.4. Resignations for Retirement

7.5. Resignations

7.6. Public Comment

8. **Technology Committee**

8.1. Public Comment

9. **Safety & Wellness Committee**

9.1. School Meals and A La Carte Items

9.2. 2026-2027 Bus Stops

9.3. Public Comment

10. **Miscellaneous**

10.1. Library Agreement

10.2. Policy 010 Procedure

11. **Communications**

11.1. Public Comment

11.2. Adjournment

LEHIGHTON AREA SCHOOL DISTRICT 2026-2027 SCHOOL CALENDAR

3-6 – Independence Day Holiday

July 2026

Su	M	Tu	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

11-14 – New Teacher Induction
17 - Teacher In-Service for Professional Development
18-20- Professional Development Day

24 - First Student Day

6 – Student (6)
10- Teacher (10)
9 – Para (9)

August 2026

Su	M	Tu	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

4-7 – Labor Day Holiday
21 – Teacher In-Service for Professional Development

19 -Student (25)
20- Teacher (30)
19 - Para (28)

September 2026

Su	M	Tu	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

12 – Columbus Day - No School

21–Student (46)
21–Teacher (51)
21–Para (49)

October 2026

Su	M	Tu	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

6 – Act 80 Day/Parent/Teacher Conf
25 - Early Dismissal
26–30 Thanksgiving Holiday

17–Student (63)
18 –Teacher (69)
18–Para (67)

November 2026

Su	M	Tu	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

18 – Early Dismissal
21-31- Winter Holiday

14–Student (77)
14–Teacher (83)
14–Para (81)

December 2026

Su	M	Tu	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1 – Winter Holiday
18 – Martin Luther King Holiday
22 – Professional Development Day

18– Student (95)
19–Teacher (102)
19–Para (100)

January 2027

Su	M	Tu	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/ 31	25	26	27	28	29	30

12-15 – President's Holiday

18-Student (113)
18–Teacher (120)
18–Para (118)

February 2027

Su	M	Tu	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21/ 28	22	23	24	25	26	27

24 – Early Dismissal
25-29 Spring Holiday

20-Student (133)
20-Teacher (140)
20–Para (138)

March 2027

Su	M	Tu	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

22–Student (155)
22–Teacher (162)
22–Para (160)

April 2027

Su	M	Tu	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

7 – Teacher In-Service for Professional Development
28-31 – Memorial Day Holiday

18-Student (173)
19-Teacher (181)
18–Para (178)

May 2027

Su	M	Tu	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

8 - Early Dismissal
8 –Tentative Last Student Day
9 – Teacher In-Service for Professional Development

6-Student (179) – Act 80 days (1)
7–Teacher (188)
6–Para (184)

June 2027

Su	M	Tu	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

End of Marking Period – 10/28, 1/15, 3/24
Early Dismissal – 11/25, 12/18, 3/24, 6/8
First/Last Student Days -8/24, Tentatively 6/8
184 Para Days – 188 Teacher Days – 180 Student Days
1502 Days (OLSDH) – 11/30, 12/21, 12/22, 12/28, 12/29
Board Approved: March 23, 2026 Revised:

Prof Development –8/17, 8/18, 8/19, 8/20, 9/21, 1/22, 5/7, 6/9
Act 80 Day – 11/6
Snow Make-up Days – 1/18, 2/12, 3/25, 5/28, 6/9
New Teacher Induction Days – 8/11, 8/12, 8/13, 8/14
Paras off – 8/17, 9/21, 5/7, 6/9

INTERGOVERNMENTAL AGREEMENT
For Title I Equitable Services
Between
LEHIGHTON SCHOOL DISTRICT
And
THE CARBON LEHIGH INTERMEDIATE UNIT #21

This Intergovernmental Agreement is made and entered into as of the 25th day of August, 2026, by and between **LEHIGHTON SCHOOL DISTRICT** (hereinafter referred to as the "School District") and the **CARBON LEHIGH INTERMEDIATE UNIT #21** (hereinafter referred to as the "CLIU #21"), for provision of the bundled remedial instructional services, as described in Section 4 of this Agreement, to School District students in Non-Public schools in accordance with Title I Equitable Services requirements and funding allocations.

1. **TERM**

This Agreement shall commence on the first day of instruction and terminate on the last day of instruction for Non-Public school students for the **2026-2027** school year.

2. **DESCRIPTION**

2.1 Upon the terms and conditions set forth herein, the School District requests that the CLIU #21 provide bundled remedial instructional services as per district's request for services (chart listed below) and as described in Section 4 of this Agreement in accordance with the Title I Equitable Services requirements for its eligible students enrolled in:

Non-Public School(s)	Grade Level
St John Neuman	Reading K-5

2.2 The School District and the CLIU #21 agree to pool funds for Remedial Reading and Math Instructional Services in the identified Non-Public schools. The pooled funds shall be used to serve the Non-Public school students most at risk who reside in the School District attendance areas regardless of the amount of funds generated based on the number of children from low-income families attending the Non-Public schools.

3. **FEES AND PAYMENT**

3.1 In consideration of the bundled services mutually agreed upon as noted in section 2.1 and described in Section 4 of this Agreement, the School District shall pay the CLIU #21 the amount of its final Title I Equitable Services funding allocation for the 2026-2027 school year for students in the Non-Public school(s) identified in Section 2.1with no administrative costs.

3.2 The CLIU #21 will invoice the School District fifty percent of the Preliminary Allocation by January 31, 2027. The final bill will be based on a reconciliation utilizing the final Title I Equitable Services allocation. Total billing will not exceed the amount of the final allocation and district will be billed by July 31, 2027. Payment is due to the CLIU #21 within 90 days of the invoice date.

3.3 The School District shall provide CLIU #21 notice of its ***preliminary*** and ***final*** Title I Equitable Services funding allocation for the 2026-2027 school year within 10 business days of receiving notice of their Title I allocation. Services will not begin until notice of preliminary allocation is received by CLIU and the agreement is executed.

Preliminary Allocation:
Instructional Services: $ 1186.00 Parental Involvement: $ 0

3.4 The School District and the CLIU #21 acknowledge that an increase or decrease between the preliminary and final Title I Equitable Services funding allocations may increase or decrease the Title I services provided under this Agreement.

4. **CLIU #21 RESPONSIBILITIES**

4.1 To provide remedial instructional services by certified instructional staff as required by Title I: two (2) thirty-minute instructional sessions per student (each week) as school calendar and student attendance permits and as specified in the School District request for services noted in 2.1.

4.2 To use Acadience evaluative testing/screening procedures and materials.

4.3 To provide small group supplemental instruction for eligible Non-Public school students.

4.4 To complete the following activities or resources is involved in providing the instruction:

4.4.1 Employ certified instructional staff, including, but not limited to certified Reading Specialists.

4.4.2 Provide instructional materials which supplement regular instruction.

4.4.3 Provide diagnostic testing instruments.

4.4.4 Supervise the instruction.

4.5 To require the CLIU #21 certified instructional staff to complete the following requirements in addition to providing the weekly instructional periods:

4.5.1 Conduct diagnostic and benchmark testing as needed on eligible Non-Public school students.

4.5.2 Provide records of assessment data, instructional activities, and dates of service for students served.

4.5.3 Meet with parents for conferences as requested.

4.5.4 Provide progress reports at the end of the year for each student served, including performance goal data.

4.5.5 Provide two (2) parent engagement activities per school year.

4.6 To be responsible for the following:

4.6.1 Provide the School District with the names and addresses of the students served.

4.6.2 Provide the School District with the data necessary to complete its Title I responsibilities including assessment data and related data.

4.6.3 Meet with Non-Public school administrators a minimum of once a year to review services provided to their students.

4.6.4 Provide the School District access to the student information at any time.

5. SCHOOL DISTRICT RESPONSIBILITIES

5.1 To assist the CLIU #21 in identifying names and addresses of students eligible for Title I Equitable Services who reside in the School District attendance areas and attend a Non-Public school listed in Section 2.1.

5.2 To inform the CLIU #21 of any and all circumstances which may directly or indirectly affect the performance of this Agreement, including changes in the Title I Equitable Services funding allocation.

5.3 The School District shall provide CLIU #21 notice of its ***preliminary*** and ***final*** Title I Equitable Services funding allocation for the 2026-2027 school year within 10 business days of receiving notice of their Title I allocation.

6. MISCELLANEOUS

6.1 CLIU #21 will provide staff training on CLIU Policies and Procedures including confidentiality of records and compliance with FERPA.

6.2 The CLIU #21 shall maintain and keep in force such insurance as Workers Compensation, Liability, and Property Damage.

6.3 The School District agrees to indemnify and hold harmless the CLIU #21 and its officers, agents, and employees against all liability, losses, and costs imposed on the CLIU #21, including attorney fees, attributable to acts or omissions of the School District arising out of the conduct and/or responsibilities to be carried out by the School District under this agreement with the understanding that nothing herein shall be construed to waive the immunities or expand the limitations on liability granted to the School District under state law. The CLIU #21 agrees to indemnify and hold harmless the School District and its officers, agents, and employees against all liability, losses, and costs imposed on the School District, including attorney fees, attributable to acts or omissions of the CLIU #21 arising out of the conduct and/or responsibilities to be carried out by the CLIU #21 under this agreement with the understanding that nothing herein shall be construed to waive the immunities or expand the limitations on liability granted to the CLIU #21 under state law.

6.4 It is mutually understood and agreed that the CLIU #21 is an independent Contractor rendering services pursuant to this Agreement through its own providers. The CLIU #21 shall perform the services pursuant to this Agreement in accordance with the accepted methods and standards of its professional specialties. The School District shall have the right to request services, but not to control the manner in which the services are performed. Nothing contained in this Agreement shall be construed to make the CLIU #21 the employee or servant of the School District. The CLIU #21 shall pay all compensation, benefits, payroll, and related taxes, including workers' compensation, related to the personnel furnishing the services pursuant to this Agreement.

6.5 Either the CLIU #21 or the School District may cancel this contract with or without cause at any time by giving the other party sixty (60) days written notice of intent to terminate this contract.

The parties have entered into this Agreement as of the Effective Date first above written:

Lehighton School District		**Carbon Lehigh Intermediate Unit #21**	
By:	________________________	By:	________________________
	________________________		Dr. Gregory Koons
Title:	Superintendent	Title:	Executive Director CLIU #21
Date:	________________________	Date:	________________________

PUBLIC SCHOOL/DUAL STATUS ORGANIZATION
PRE-APPROVED 403(b) PLAN
BASIC PLAN DOCUMENT #12

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SECTION 1
PLAN DEFINITIONS

This Section 1 contains definitions for common terms that are used throughout the Plan. All capitalized terms under the Plan are defined in this Section 1 or in the relevant section of the Plan document where such term is used.

[***Note:*** *This Plan is a Governmental Plan and not subject to Title I of ERISA or the coverage, nondiscrimination and certain other rules applicable under Code §403(b). All Plan definitions and provisions of the Plan should be interpreted consistent with the rules applicable to Governmental Plans*.]

1.01 **Account.** The separate Account that the Plan Administrator, Custodian or Insurance Company maintains for each Participant, Beneficiary or Alternate Payee under the Plan. A Participant may have any (or all) of the following separate Accounts under the Plan:

- Pre-Tax Deferral Account
- Roth Deferral Account
- Employer Contribution Account
- Matching Contribution Account
- After-Tax Employee Contribution Account
- Mandatory Contribution Account
- Rollover Contribution Account
- Roth Rollover Account
- In-Plan Roth Conversion Account
- Transfer Account

The Plan Administrator will maintain separate Accounts for the vested and non-vested portions of any Employer Contribution Account and Matching Contribution Account and the excess amounts under Code §415.

The Plan Administrator may establish other Accounts, as it deems necessary, for the proper administration of the Plan.

1.02 **Account Balance.** Account Balance shall mean a Participant's (or Beneficiary's or Alternate Payee's) account balances in all of the Accounts that the Plan Administrator, Custodian or Insurance Company maintains for the Participant (or Beneficiary or Alternate Payee) under any Investment Arrangement under the Plan. The Account Balance includes any part of the Participant's (or Beneficiary's or Alternate Payee's) Account that is treated under the Plan as a separate contract to which Code §403(c) (or another applicable Code provision) applies.

1.03 **Accumulated Benefit.** The total benefit to which a Participant, Beneficiary or Alternate Payee is entitled under an Investment Arrangement, taking into account all contributions made to the Investment Arrangement and all earnings or losses (including expenses) that are allocable to the Participant's Account, any Rollover Contributions or transfers held under the Participant's Account, and any distribution made to the Participant, a Beneficiary, or an Alternate Payee. The Account Balance includes any part of the Participant's Account this treated under the Plan as a separate contract to which Code Section 403(c) (or other applicable provision of the Code) applies.

1.04 **Adoption Agreement (AA).** The Adoption Agreement contains the elective provisions that an Employer may complete to supplement or modify the provisions under the Plan. Each adopting Employer must complete and execute the Adoption Agreement. Employers adopting the Plan (other than the Employer that executes the Signature Page of the Adoption Agreement) must execute a Participating Employer Signature Page under the Adoption Agreement. (See Section 16 for rules applicable to adoption by multiple Employers.) An Employer may adopt more than one Adoption Agreement associated with this Plan document. Each executed Adoption Agreement is treated as a separate Plan. All elections the Employer makes under the Adoption Agreement are subject to the terms of the governing Investment Arrangement(s).

1.05 **After-Tax Employee Contributions.** Employee Contributions that may be made to the 403(b) Plan by a Participant that are included in the Participant's gross income in the year such amounts are contributed to the Plan and are maintained under a separate After-Tax Employee Contribution Account to which earnings and losses are allocated. (For this purpose, Roth Deferrals are not considered as After-Tax Employee Contributions.)

1.06 **Age 50 Catch-Up Contributions.** Salary Deferrals made to the Plan that are in excess of an otherwise applicable Plan or IRS limit and that are made by Participants who are age 50 or over by the end of the Taxable Year.

1.07 **Age 50 Catch-Up Contribution Limit.** The annual limit applicable to Age 50 Catch-Up Contributions.

1.08 **Alternate Payee.** A person designated to receive all or a portion of the Participant's benefit pursuant to a QDRO.

1.09 **Anniversary Years.** An alternative period for measuring Eligibility Computation Periods (under Section 2.03(a)(3)) and Vesting Computation Periods (under Section 7.04). An Anniversary Year is any 12-month period which commences with the Employee's Employment Commencement Date or which commences with the anniversary of the Employee's Employment Commencement Date.

1.10 **Annual Additions.** The amounts taken into account under a defined contribution plan for purposes of applying the limitation on allocations under Code §415. (See Section 5.)

1.11 **Annuity Contract.** A nontransferable group annuity or account or individual contract as defined in Code §§403(b)(1) and 401(g), established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in a State and that includes payment in the form of an annuity.

1.12 **Annuity Starting Date.** The date a Participant, Beneficiary or Alternate Payee commences distribution from the Plan. If distribution commences with respect to only a portion of such Participant's Account Balance, a separate Annuity Starting Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Annuity Starting Date may be treated as the first day of the first period for which annuity payments are made.

1.13 **ASC Institute.** The mass submitter of this Pre-Approved Plan as defined in Revenue Procedure 2021-37.

1.14 **Automatic Contribution Arrangement.** An arrangement is a Plan that provides for automatic deferrals for eligible Participants who do not make an affirmative election to defer (or not to defer) under the Plan. The Employer may elect under AA §6A-8 to designate the Plan as an Automatic Contribution Arrangement. If the Employer designates the Plan as an Automatic Contribution Arrangement, the Employer will automatically withhold the amount designated under AA §6A-8 from a Participant's Plan Compensation, unless the Participant completes a Salary Reduction Agreement electing a different deferral amount (including a zero deferral amount).

1.15 **Automatic Rollover.** For Involuntary Cash-Out Distributions (as defined in Section 8.05(b)), the Plan Administrator will make a Direct Rollover to an individual retirement plan (IRA) designated by the Plan Administrator. (See Section 8.05.)

1.16 **Beneficiary.** A person or entity designated by the Participant (or by the terms of the Plan) to receive a benefit under the Plan upon the death of the Participant, as identified under the terms of the Plan or the applicable Investment Arrangement. (See Section 8.07(c) for the applicable rules for determining a Participant's Beneficiaries under the Plan.)

1.17 **Break in Service.** The Computation Period (as defined in Section 2 for purposes of eligibility and Section 7 for purposes of vesting) during which an Employee does not complete more than five hundred (500) Hours of Service with the Employer. However, if the Employer elects under the AA to require less than 1,000 Hours of Service to earn a Year of Service for eligibility or vesting purposes, a Break in Service will occur for any Computation Period during which the Employee does not complete more than one-half (1/2) of the Hours of Service required to earn a Year of Service for eligibility or vesting purposes, as applicable. However, if the Elapsed Time method applies under AA §4-3(d) (for purposes of eligibility) or AA §8-5(c) (for purposes of vesting), an Employee will incur a Break in Service if the Employee incurs at least a one year Period of Severance.

1.18 **Cash-Out Distribution.** A total distribution made to a Participant who has a Severance from Employment in accordance with Section 8.

1.19 **Code.** The Internal Revenue Code of 1986, as amended.

1.20 **Code §415 Limitation.** The limit on the amount of Annual Additions a Participant may receive under the Plan during a Limitation Year. (See Section 5.03.)

1.21 **Collectively Bargained Employee.** An Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining. Such Employees may be excluded from the Plan if designated under AA §3-1(b). (See Section 2.02(b)(1) for additional requirements related to the exclusion of Collectively Bargained Employees.)

1.22 **Compensation Limit.** The Compensation Limit is $345,000 for 2024, as adjusted for cost-of-living increased in accordance with Code §401(a)(17)(B). In determining the Compensation Limit for any applicable period (the "determination period"), the cost-of-living adjustment in effect for a calendar year applies to any determination period that begins with or within such calendar year.

If a determination period consists of fewer than 12 months, the Compensation Limit for such period is an amount equal to the otherwise applicable Compensation Limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. A determination period will not be considered to be less than 12 months merely because compensation is taken into account only for the period the Employee is a Participant. If Salary Deferrals, Matching Contributions, or After-Tax Employee Contributions are separately determined on the basis of specified periods within the determination period (e.g., on the basis of payroll periods), no proration of the Compensation Limit is required with respect to such contributions.

If compensation for any prior determination period is taken into account in determining a Participant's allocations for the current Plan Year, the compensation for such prior determination period is subject to the applicable Compensation Limit in effect for that prior period.

In determining the amount of a Participant's Salary Deferrals, a Participant may defer on Plan Compensation that exceeds the Compensation Limit, provided the total deferrals made by the Participant satisfy the Elective Deferral Dollar Limit and any other limitations under the Plan.

For a Governmental Plan, this Section 1.22 will not apply to an eligible Participant to the extent it would reduce the Participant's Plan Compensation taken into account to an amount less than the amount allowed under the Plan as in effect on July 1, 1993, as provided under Treas. Reg. §1.401(a)(17)-1(d)(4)(ii). An "eligible Participant" is a Participant who first became a Participant during a Plan Year beginning before January 1, 1996 (or, if earlier, the first Plan Year in which the Employer amended the Plan to reflect the limitation of Code §401(a)(17)).

1.23 **Computation Period.** The 12-consecutive month period used for measuring whether an Employee completes a Year of Service for eligibility or vesting purposes.

(a) **Eligibility Computation Period.** The 12-consecutive month period used for measuring Years of Service for eligibility purposes. (See Section 2.03(a)(3) .)

(b) **Vesting Computation Period.** The 12-consecutive month period used for measuring Years of Service for vesting purposes. (See Section 7.04.)

1.24 **Custodial Account.** The group or individual custodial account or accounts, as defined in Code §403(b)(7), established for each Participant by the Employer (or by a Plan service provider), or by each Participant individually, to hold assets of the Plan.

1.25 **Custodian.** The entity that holds Custodial Accounts held under the Plan.

1.26 **Direct Rollover.** A rollover, at the Participant's direction, of all or a portion of the Participant's vested Account Balance directly to an Eligible Retirement Plan. (See Section 8.05.)

1.27 **Disabled.** Unless provided otherwise under AA §2-8 or under the terms governing the applicable Investment Arrangement, an individual is considered Disabled for purposes of applying the applicable provisions of this Plan if the individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled. If the Plan references a third-party determination of the Participant being Disabled, the Plan administrator may rely on such determination. Notwithstanding the foregoing Plan definition of "Disabled," eligibility for a Plan Distribution from a Custodial Account or Salary Deferral account shall be determined using the definition of "disabled" used in Code §72(m) determined in accordance with Treas. Reg. 1.72-17(f).

1.28 **Dual Status Code §501(c)(3)/Governmental Organization.** A governmental organization that also is recognized as a tax-exempt under Code §501(c)(3). A Plan that is established by a Dual Status Code §501(c)(3)/Governmental Organization is considered a Governmental Plan.

1.29 **Early Retirement Age.** The age and/or Years of Service set forth in AA §7-2. Early Retirement Age may be used to determine distribution rights and/or vesting rights. Unless otherwise described under the Adoption Agreement, if a Participant separates from service before satisfying the age requirement for early retirement, but has satisfied the service requirement, the Participant will be entitled to elect an early retirement benefit upon satisfaction of such age requirement. The Plan is not required to have an Early Retirement Age.

1.30 **Effective Date.** The date this Plan, including any restatement or amendment of this Plan, is effective. (See the Employer Signature Page of the Adoption Agreement.)

1.31 **Elapsed Time.** A special method for crediting service for eligibility or vesting. (See Section 2.03(a)(6) for more information on the Elapsed Time method of crediting service for eligibility purposes and Section 7.03(b) for more information on the Elapsed Time method of crediting service for vesting purposes.)

1.32 **Elective Deferral Dollar Limit.** The maximum amount of Elective Deferrals a Participant may make for any calendar year. (See Section 5.02.)

1.33 **Elective Deferrals.** A Participant's Elective Deferrals is the sum of all Salary Deferrals and other contributions made pursuant to a Salary Reduction Agreement under a plan described under Code §401(k), a SARSEP described in Code §408(k)(6), a SIMPLE IRA plan described in Code §408(p), a plan described under Code §501(c)(18) (i.e., certain trusts created before June 25, 1959 funded by employee contributions), and a custodial account or other arrangement described in Code §403(b). A contribution that is made pursuant to an Employee's one-time irrevocable election made on or before the Employee's first becoming eligible to participate under the Plan and a contribution made as a condition of employment that reduces an Employee's compensation is not an Elective Deferral and is treated as an Employer Contribution to the Plan.

1.34 **Eligible Automatic Contribution Arrangement (EACA).** An Automatic Contribution Arrangement that satisfies the requirements for an EACA under Section 3.03(c)(1).

1.35 **Eligible Employee.** An Employee who is not excluded from participation under Section 2.02 of the Plan or AA §3-1.

1.36 **Eligible Employer.** An Eligible Employer is an organization that is qualified to maintain a plan under Code §403(b) as provided under Treas. Reg. §1.403(b)-2(b)(8), including for purposes of this Plan:

(a) A Public School; or

(b) A Dual Status 501(c)(3) Governmental Organization.

1.37 **Eligible Retirement Plan.** A retirement plan or IRA that may receive a rollover contribution, including: a qualified plan described in Code §401(a); an individual retirement account described in Code §408(a); an individual retirement annuity described in Code §408(b); an annuity plan described in Code §403(a); an annuity contract described in Code §403(b); effective for rollover distributions occurring after December 18, 2015, a simple retirement account to the extent rollovers are allowed under Code §408(p)(1)(B); or an eligible plan under Code §457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

1.38 **Eligible Rollover Distribution.** An amount distributed from the Plan that is eligible for rollover to an Eligible Retirement Plan.

1.39 **Employee.** Any individual employed by the Employer (including any Related Employers) as a common law employee. An independent contractor is not an Employee. An Employee is not eligible to participate under the Plan if the individual is not an Eligible Employee under Section 2.02.

For a Public School, Employee means each individual who is a common law employee of a State performing services for a Public School of the State, including an individual who is appointed or elected. This definition is not applicable unless the Employee's compensation for performing services for a Public School is paid by the State. Further, a person occupying an elective or appointive public office is not an Employee performing services for a Public School unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a State.

1.40 **Employer.** Except as otherwise provided, Employer means the Employer that adopts this Plan and any Related Employer.

1.41 **Employer Contributions.** Contributions the Employer makes pursuant to AA §6 . Employer Contributions also include a contribution that is made pursuant to an Employee's onetime irrevocable election made on or before the Employee's first becoming eligible to participate under the Plan and a contribution made as a condition of employment that reduces an Employee's compensation.

1.42 **Employment Commencement Date.** The date the Employee first performs an Hour of Service for the Employer.

1.43 **Entry Date.** The date on which an Employee becomes a Participant upon satisfying any minimum age and service conditions applicable to a contribution type under the Plan (for example, Salary Deferrals, Matching Contributions, and Employer Contributions). An Entry Date may vary with respect to different contribution types depending on any minimum age and service conditions applicable to the contribution type.

1.44 **Equivalency Method.** An alternative method for crediting Hours of Service for purposes of eligibility, vesting and allocations, as provided under Department of Labor (DOL) Reg. §§2530.200b-3(c).

1.45 **ERISA.** The Employee Retirement Income Security Act of 1974, as amended.

1.46 **Excess Amount.** Amounts which exceed the Code §415 Limitation.

1.47 **Excess Deferrals.** Elective Deferrals that exceed the Elective Deferral Dollar Limit (as defined in Section 5.02).

1.48 **Favorable IRS Letter.** An opinion ed by the IRS to a Pre-Approved Plan Provider as to the qualified status of a Pre-Approved Plan.

1.49 **FICA Replacement Plan.** A plan that qualifies as a FICA Replacement Plan under Code §3121(b)(7)(F). The Employer may designate this Plan as a FICA Replacement Plan. (See Section 6.04.)

1.50 **Governmental Plan.** A Governmental Plan is a Plan established and maintained for its Employees by the U.S. government, any State or political subdivision of a State, or any Federal or State agency or instrumentality, as defined under Code §414(d). A Governmental Plan is exempt from certain Code requirements and from the Title I requirements of ERISA.

1.51 **Hardship.** A heavy and immediate financial need which meets the requirements of Section 8.08(e).

1.52 **Hour of Service.** Each Employee of the Employer will receive credit for each Hour of Service such Employee works for purposes of applying the eligibility, vesting and allocation rules under the Plan. An Employee will not receive credit for the same Hour of Service under more than one category listed below.

(a) **Performance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours will be credited to the Employee for the computation period in which the duties are performed. In the case of Hours of Service to be credited to an Employee in connection with a period of no more than 31 days which extends beyond one computation period, all such Hours of Service may be credited to the first computation period or the second computation period. Hours of Service under this subsection (a) must be credited consistently for all Employees within the same job classifications.

(b) **Nonperformance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 hours of service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single Computation Period). Hours under this paragraph will be calculated and credited pursuant to §2530.200b-2 of the Department of Labor Regulations which is incorporated herein by this reference.

(c) **Back pay award.** Hours of Service include each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service will not be credited both under subsection (a) or subsection (b), as the case may be, and under this subsection (c). These hours will be credited to the Employee for the Computation Period(s) to which the award or agreement pertains rather than the Computation Period in which the award, agreement or payment is made.

(d) **Related Employers.** Hours of Service will be credited for employment with any Related Employer.

(e) **Maternity/paternity/FMLA/military leave.** Solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work for maternity or paternity reasons will receive credit for the Hours of Service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 Hours of Service per day for such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence:

(1) by reason of the pregnancy of the individual;

(2) by reason of a birth of a child of the individual;

(3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual; or

(4) for purposes of caring for such child for a period beginning immediately following such birth or placement.

The Hours of Service credited under this paragraph will be credited in the Computation Period in which the absence begins if the crediting is necessary to prevent a Break in Service in that period, or in all other cases, in the following Computation Period.

In addition, solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work due to events described under the Family and Medical Leave Act (FMLA) and as required under DOL Reg. §825.215 will receive credit for the Hours of Service which would have been credited to such individual but for the absence. In addition, solely for purposes of determining whether a Break in Service has occurred in a Computation Period, an individual who is absent from work due to military leave described under the Uniformed Services Employment and Reemployment Rights Act and as required under Code §414(u)(8)(A) and DOL Reg. 20

CFR §1002.259 will receive credit for the Hours of Service which would have been credited to such individual but for the absence.

As a Governmental Plan, the Employer may modify the definition of Hour of Service in AA §4-3(h).

1.53 **In-Plan Roth Conversion Account.** An Account to hold amounts that are converted to Roth Deferrals as part of an In-Plan Roth Conversion.

1.54 **Indian Tribal Government.** The governing body of any tribe, band, community, village, or group of Indians, or (if applicable) Alaska Natives, which is determined by the Secretary of Treasury, after consultation with the Secretary of Interior, to exercise governmental functions, as defined under Code §7701(a)(40) and regulations thereunder.

1.55 **Insurance Company.** A life insurance company that issues an Annuity Contract on behalf of a Participant under the Plan.

1.56 **Integration Level.** The amount used for purposes of applying the permitted disparity allocation formula. The Integration Level is the Taxable Wage Base, unless the Employer designates a different amount under the Adoption Agreement.

1.57 **Investment Arrangement.** An Annuity Contract or Custodial Account that satisfies the requirements of Treas. Reg. §1.403(b)-3 and that is issued or established for funding amounts held under the Plan. A list of Vendors and Investment Arrangements approved for use under the Plan, including sufficient information to identify the approved Investment Arrangements, shall be maintained in an appendix to the Plan, which appendix may be revised from time to time by the Employer or, in the case of a Plan with Related Employers and/or unrelated Employers, the Plan sponsor. The terms governing each Investment Arrangement under the Plan, excluding those terms that are inconsistent with Code §403(b), are hereby incorporated by reference into the Plan. In the event of any conflict between the terms of the Plan and the terms of the Investment Arrangement, the terms of the Plan shall control, except that the terms of the Plan may not enlarge the investment provider's obligations under the Investment Arrangement by expanding a Participant's rights or giving to the Plan sponsor, Employer, Plan Administrator, or Participant a right not provided under the Investment Arrangement.

1.58 **Limitation Year.** The measuring period for determining whether the Plan satisfies the Code §415 Limitation under Section 5 of the Plan.

1.59 **Mandatory Contribution.** A contribution made as a condition of employment that reduces an Employee's compensation, pursuant to an employment contract or otherwise, in order for the Employee to participate in the 403(b) Plan. Mandatory Contributions are not Salary Deferrals and are treated as Employer Contributions to the Plan. These contributions will be 100% vested and maintained under a separate Mandatory Contribution Account to which earnings and losses are allocated.

1.60 **Matching Contributions.** Matching Contributions are contributions made by the Employer on behalf of a Participant on account of Salary Deferrals or After-Tax Employee Contributions made by such Participant, as designated under AA §6B or AA §6C (if applicable).

1.61 **Maximum Disparity Rate.** The maximum amount that may be allocated with respect to Excess Compensation under the permitted disparity allocation formula.

1.62 **Multiple Employer Plan.** A Plan that covers Employees of an Employer that does not qualify as a Related Employer. To be a Multiple Employer Plan, an unrelated Employer must execute a Participating Employer Adoption Page. (See Section 16 for special rules that apply to Multiple Employer Plans.)

1.63 **Mutual Fund.** A "regulated investment company" within the meaning of Code §851(a).

1.64 **Nonvested Participant Break in Service.** Break in Service rule that applies for eligibility purposes under Section 2.07(b) and for vesting purposes under Section 7.01(c).

1.65 **Normal Retirement Age.** The age selected under AA §7-1. If a Participant's Normal Retirement Age is determined wholly or partly with reference to an anniversary of the date the Participant commenced participation in the Plan and/or the Participant's Years of Service, Normal Retirement Age is the Participant's age when such requirements are satisfied. If the Employer enforces a mandatory retirement age, the Normal Retirement Age is the lesser of that mandatory age or the age specified in the Adoption Agreement.

1.66 **Part-Time Employee.** Unless designated otherwise under AA §4-1(a)(5)(ii), a Part-Time Employee is an Employee who is normally scheduled to work 20 or fewer hours per week. Notwithstanding the foregoing, if the Employer is a post-secondary educational institution, an Employee who is a teacher shall not be considered a Part-Time Employee if such Employee normally has classroom hours of one-half or more of the number of classroom hours designated by the Employer as constituting full-time employment, provided that such designation is reasonable under all of the facts and circumstances.

1.67 **Participant.** Except as provided under AA §3-1, a Participant is an Employee (or former Employee) who has satisfied the conditions for participating under the Plan, as described in Section 2.03 and AA §4-1 and who has reached the applicable Entry Date, which may vary depending on the contribution type. A Participant also includes any Employee (or former Employee) who has an Account Balance under the Plan, including an Account Balance derived from a rollover or transfer from another plan or IRA. A Participant is entitled to share in an allocation of contributions or forfeitures under the Plan for a given year only if the Participant is an Eligible Employee as defined in Section 2.02, and satisfies the applicable allocation conditions.

1.68 **Participating Employer.** An Employer that adopts this Plan by executing the Participating Employer Adoption Page under the Adoption Agreement. (See Section 16 for the rules applicable to contributions made by a Participating Employer.)

1.69 **Period of Severance.** A continuous period of time during which the Employee is not employed by the Employer and which is used to determine an Employee's Participation under the Elapsed Time method.

1.70 **Plan.** The Plan is the retirement plan established or continued by the Employer for the benefit of its Employees under this Plan document. The Employer must be an Eligible Employer to establish the Plan and the Plan must satisfy the requirements of Treas. Reg. §1.403(b)-3. The Plan consists of this basic plan document and the elections made under the Adoption Agreement and the terms and conditions of any Investment Arrangement to the extent made applicable by basic plan document or the Adoption Agreement that are incorporated herein by reference. The basic plan document is the portion of the Plan that contains the non-elective provisions. The Employer may supplement or modify the basic plan document through its elections in the Adoption Agreement or by separate governing documents that are expressly authorized by the Plan. If the Employer adopts more than one Adoption Agreement under this Plan, then each executed Adoption Agreement represents a separate Plan. This Plan is a Pre-Approved Plan under Revenue Procedure 2021-37.

1.71 **Plan Administrator.** The Plan Administrator is the person or entity designated to be responsible for the administration and operation of the Plan. Unless otherwise designated by the Employer and until such designation is accepted by the designee, the Plan Administrator is the Employer. If another Employer has executed a Participating Employer Adoption Page, the Employer referred to in this Section is the Employer that executes the Employer Signature Page of the Adoption Agreement. Functions of the Plan Administrator, including those described in the Plan, may be performed by Vendors, designated agents of the Plan Administrator, or others (including Employees a substantial portion of whose duties is administration of the Plan) pursuant to the terms of Investment Arrangements, written service agreements or other documents under the Plan. For this purpose, an Employee is treated as having a substantial portion of his or her duties devoted to administration of the Plan if the Employee's duties with respect to administration of the Plan are a regular part of the Employee's duties and the Employee's duties relate to Participants and Beneficiaries generally (and the Employee only performs those duties for himself or herself as a consequence of being a Participant, Beneficiary or Alternate Payee).

1.72 **Plan Compensation.** Plan Compensation is Total Compensation, as modified under AA §5-3, which is actually paid to an Employee during the determination period. In determining Plan Compensation, the Employer may elect under AA §5-3(b) to exclude all Elective Deferrals, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code§132(f)(4). In addition, the Employer may elect under AA §5-3 to exclude other designated elements of compensation.

Plan Compensation generally includes amounts an Employee earns with a Participating Employer and amounts earned with a Related Employer (even if the Related Employer has not executed a Participating Employer Adoption Page under the Adoption Agreement). However, the Employer may elect under AA §5-3 to exclude all amounts earned with a Related Employer that has not executed a Participating Employer Adoption Page.

Notwithstanding the Plan Compensation definition elected under the AA §5-3, for purposes of determining Salary Deferrals, the Plan Administrator may administratively exclude items of compensation that are not regularly paid in cash (e.g., non-cash fringe benefits) and/or items for which the Employer has no ability to withhold as cash Salary Deferrals pursuant to a Participant's Salary Reduction Agreement.

In no case may Plan Compensation for any Participant exceed the Compensation Limit.

(a) **Determination period.** The Employer must elect under AA §5-4 to determine Plan Compensation on the basis of the Plan Year, the calendar year ending in the Plan Year or any other 12-month period ending in the Plan Year. If the determination period is the calendar year or other 12-month period ending in the Plan Year, for any Employee whose date of hire is less than 12 months before the end of the designated 12-month period, Plan Compensation will be determined over the Plan Year.

(b) **Partial period of participation.** If an Employee is a Participant for only part of a Plan Year, Plan Compensation may be determined over the entire Plan Year or over the period during which such Employee is a Participant. In determining whether an Employee is a Participant for purposes of applying this subsection, the Employee's status will be determined solely with respect to the contribution type for which the definition of Plan Compensation is being determined. To the extent this subsection applies to Salary Deferrals, any limitations on the amount of Salary Deferrals permitted under AA §6A-2 will be determined using the definition of Plan Compensation as determined under AA §5-

4. However, this subsection does not affect the amount of Salary Deferrals elected under the Salary Reduction Agreement which is generally determined for each separate payroll period. Plan Compensation does not include any amounts earned for any period while an individual is not an Eligible Employee.

1.73 **Plan Year.** The 12-consecutive month period designated under AA §2 on which the records of the Plan are maintained. If the Plan Year is amended to create a Short Plan Year or if a new Plan has an initial Short Plan Year, the Employer may document such Short Plan Year under AA §2-4(c).

1.74 **Predecessor Employer.** An employer that previously employed the Employees of the Employer.

1.75 **Pre-Approved Plan.** A Code § 403(b) plan that is made available by a Provider for adoption by Eligible Employers, as provided under §4.27 of Revenue Procedure 2021-37.

1.76 **Pre-Tax Deferrals.** Pre-tax Deferrals are a Participant's Salary Deferrals that are not includible in the Participant's gross income at the time deferred.

1.77 **Provider.** An entity defined under §4.21 of Revenue Procedure 2021-37, or its successor, that provides this Plan to adopting Employers.

1.78 **Public School.** A State-sponsored educational organization described under Code §170(b)(1)(A)(ii). Public Schools include educational organizations sponsored by Indian Tribal Governments.

1.79 **Qualified Domestic Relations Order (QDRO).** A domestic relations order that provides for the payment of all or a portion of the Participant's benefits to an Alternate Payee and satisfies the requirements under Code §414(p).

1.80 **Qualified Joint and Survivor Annuity (QJSA).** A QJSA is an immediate annuity payable over the life of the Participant with a survivor annuity payable over the life of the Spouse. If the Participant is not married as of the Annuity Starting Date, the QJSA is an immediate annuity payable over the life of the Participant. As a Governmental Plan, this Plan is not subject to the QJSA requirements.

1.81 **Qualified Organization.** An Eligible Employer that is an educational organization described under Code §170(b)(1)(A)(ii); a hospital, a health and welfare service agency (including a home health service agency) described under Treas. Reg. §1.403(b)-4(c)(3)(ii)(C); a Church-Related Organization; or any organization described under Code §414(e)(3)(B)(ii).

1.82 **Qualifying Longevity Annuity Contract (QLAC).** An annuity contract that is purchased from an insurance company for an Employee and that satisfies the requirements under Treas. Reg. §1.401(a)(9)-6, Q&A-17.

1.83 **Reemployment Commencement Date.** The first date upon which an Employee is credited with an Hour of Service following a Break in Service (or Period of Severance, if the Plan is using the Elapsed Time method of crediting service).

1.84 **Related Employer.** A Related Employer means any entity which is under common control with the Employer under Code §§414(b), (c), (m) or (o). This determination is made consistent with the principles set forth under Treas. Reg.§1.414(c)-5 and any other guidance issued by the IRS relating to control groups of tax-exempt organizations or Electing Churches. For a Code §403(b) Pre-Approved Plan that is a Governmental Plan, Employee means an employee of the Employer maintaining the Plan or any other employer aggregated with the Employer in a manner consistent with IRS Notice 89-23.. For purposes of applying the provisions under this Plan, the Employer and any Related Employers are treated as a single Employer, unless specifically stated otherwise. (See Section 16.06 for operating rules that apply when the Employer is a member of a Related Employer group. Also, see Section 16 for rules regarding participation of Employees of Related Employers.)

1.85 **Retirement Income Account.** A defined contribution program established and maintained by a church or other church-related organization that is allowed to provide benefits under Code §403(b)(9) as described under Treas. Reg. §1.403(b)-9. This Plan is NOT intended to be a Retirement Income Account.

1.86 **Rollover Contribution.** A contribution made by an Employee to the Plan attributable to an Eligible Rollover Distribution (as defined in Section 8.04(a)(1)) from another retirement plan or IRA.

1.87 **Roth Deferrals.** Roth Deferrals are Salary Deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Deferrals in the Participant's Salary Reduction Agreement. A Participant's Roth Deferrals will be maintained in a separate Account containing only the Participant's Roth Deferrals and gains and losses attributable to those Roth Deferrals.

1.88 **Salary Deferrals.** Amounts contributed to the Plan at the election of the Participant, in lieu of cash compensation, which are made pursuant to a Salary Reduction Agreement or other deferral mechanism. Salary Deferrals include Roth Deferrals and Pre-Tax Deferrals. Salary Deferrals shall not include any amounts properly distributed as an Excess Annual Addition under Code §415. An Employee's Salary Deferrals are treated as employer contributions for all purposes under this Plan, except as otherwise provided under the Code or Treasury Regulations. A contribution that is made pursuant to an Employee's one-time irrevocable election made on or before the Employee's first becoming eligible to participate under the Plan or a Mandatory Contribution is not a Salary Deferral and is treated as an Employer Contribution to the Plan.

1.89 **Salary Reduction Agreement.** A written agreement (including, where applicable, using electronic or other means recognized as sufficient) between a Participant and the Employer, whereby the Participant elects to have a specific percentage or dollar amount withheld from such Participant's Plan Compensation and the Employer agrees to contribute such amount into the Plan. The Salary Reduction Agreement shall take effect as soon as administratively practicable following the date indicated under the Employee's election.

1.90 **Seasonal Employee.** An Employee who normally works on a full-time basis less than five months during any year.

1.91 **Section 403(b) Contract.** A contract that satisfies the requirements of Treas. Reg. §1.403(b)-3.

1.92 **Severance from Employment.** Severance from Employment occurs when the Employee ceases to be employed by the Employer maintaining the Plan or a Related Employer that is eligible to maintain a §403(b) plan under Treas. Reg. §1.403(b)-2(b)(8) (an "Eligible Employer"), even if the Employee remains employed with another entity that is a Related Employer where either (a) such Related Employer is not an Eligible Employer or (b) the Employee is employed or in a capacity that is not employment with an Eligible Employer.

1.93 **Short Plan Year.** Any Plan Year that is less than 12 months long, either because of the amendment of the Plan Year, or because the Effective Date of a new Plan is less than 12 months prior to the end of the first Plan Year. (See Section 11.09 for the operational rules that apply if the Plan has a Short Plan Year.)

1.94 **Special Catch-Up Contributions.** A special catch-up contribution allowed for certain Employees of Qualified Organizations as permitted under Treas. Reg. §1.403(b)-4(c)(3).

1.95 **Spouse.** Subject to any additional guidance by the IRS or other agency or court, a Spouse is any individual who is lawfully married to the Participant under a state or foreign jurisdiction. However, a former Spouse of the Participant will be treated as the Spouse or surviving Spouse and any current Spouse will not be treated as the Spouse or surviving Spouse to the extent provided under a valid QDRO. Effective June 26, 2013, any requirement for a Code §403(b) plan set forth in the Internal Revenue Code that applies because a Participant is married must be applied with respect to a Participant who is married to an individual of the same sex. See Notice 2014-19, Rev. Rul. 2013-17, and the decision in U.S. v Windsor, 570 U.S. 12 (2013). Accordingly, under the general rule in Treas. Reg. §301.7701-18(b)(1), a marriage of two individuals is recognized for federal tax purposes if the marriage is recognized by the State, possession, or territory of the United States in which the marriage is entered into, regardless of the married couple's place of domicile.

1.96 **State.** A State, a political subdivision of a State, or any agency or instrumentality of a State. "State" includes the District of Columbia (pursuant to Code §7701(a)(10)). An Indian tribal government is treated as a State pursuant to Code §7871(a)(6)(B) for purposes of Code §403(b)(1)(A)(ii).

1.97 **Student Employee.** A student enrolled and regularly attending classes at the school, college or university, and performing services for such school, college or university as described in Code §3121(b)(10).

1.98 **Taxable Wage Base.** The maximum amount of wages taken into account for Social Security purposes. The Taxable Wage Base is used to determine the Integration Level for purposes of applying the permitted disparity allocation formula.

1.99 **Taxable Year.** The annual accounting period for keeping records and reporting income and expenses. A Taxable Year may be a calendar year - 12 consecutive months beginning January 1 and ending December 31 or a fiscal year - 12 consecutive months ending on the last day of any month except December.

1.100 **Temporary Employee.** Any Employee performing services for the Employer under a contractual arrangement having a term of two years or less.

1.101 **Total Compensation.** A Participant's compensation for services with the Employer. Total Compensation may be defined in AA §5-1 to be either W-2 Wages, Wages under Code §3401(a), Code §415 Compensation or "Simplified" Code §415 Compensation. Each definition of Total Compensation includes Elective Deferrals, elective contributions to a cafeteria plan under Code §125 or to an eligible deferred compensation plan under Code §457, and elective contributions that are not includible in the Employee's gross income as a qualified transportation fringe under Code §132(f)(4). Total Compensation does not include nontaxable amounts paid to Ministers as a housing allowance under Code §107.

(a) **Total Compensation definitions.** The Employer may elect under AA §5-1 to define Total Compensation as any of the following definitions:

(1) **W-2 Wages.** Wages within the meaning of Code §3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §6041(d), 6051(a)(3), and 6052, determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

(2) **Wages under Code §3401(a).** Wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed.

(3) **Code §415 Compensation.** Remuneration received by the Employee from the Employer as defined under Treas. Reg. §1.415-2(b) and (c).

(i) Code §415 Compensation includes:

(A) Wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer, to the extent that the amounts are includible in gross income. These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. §1.62-2(c));

(B) Medical or disability benefits that are includible in gross income under Code §§104(a)(3), 105(a), or 105(h), including income disability benefits that are paid through insurance to the extent the insurance premiums were paid by the Employer;

(C) Amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Code §217;

(D) The value of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. §1.421-1(b)) granted to an Employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the Employee for the taxable year in which granted;

(E) The amount includible in the gross income of an Employee upon making the election described in Code §83(b); and

(F) Amounts that are includible in the gross income of an Employee under the rules of Code §§409A or 457(f)(1)(A) or because the amounts are constructively received by the Employee.

(ii) Code §415 Compensation does not include the following:

(A) Employer contributions (other than elective contributions described in Code §402(e)(3), §408(k)(6), §408(p)(2)(A)(i), or §457(b)) to a plan of deferred compensation (including a SEP described in Code §408(k) or a SIMPLE IRA described in Code §408(p), and whether or not qualified) to the extent such contributions are not includible in the Employee's gross income for the Taxable Year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified); and

(B) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(C) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(D) Other amounts which received special tax benefits, or contributions made by the Employer (other than Elective Deferrals) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

(4) **"Simplified" Code §415 Compensation.** Remuneration received by the Employee from the Employer as defined under Treas. Reg. §1.415(c)-2(d)(2).

(i) "Simplified" Code §415 Compensation includes:

(A) Wages, salaries, fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer, to the extent that the amounts are includible in gross income. These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. §1.62-2(c)); and

(B) Medical or disability benefits that are includible in gross income under Code §§104(a)(3), 105(a), or 105(h), including income disability benefits that are paid through insurance to the extent the insurance premiums were paid by the Employer.

(ii) "Simplified" Code §415 Compensation does not include the following:

(A) Amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Code §217;

(B) The value of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. §1.421-1(b)) granted to an Employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the Employee for the taxable year in which granted;

(C) The amount includible in the gross income of an Employee upon making the election described in Code §83(b);

(D) Amounts that are includible in the gross income of an Employee under the rules of Code §§409A or 457(f)(1)(A) or because the amounts are constructively received by the Employee;

(E) Employer contributions (other than elective contributions described in Code §402(e)(3), §408(k)(6), §408(p)(2)(A)(i), or §457(b)) to a plan of deferred compensation (including a SEP described in Code §408(k) or a SIMPLE IRA described in Code §408(p), and whether or not qualified) to the extent such contributions are not includible in the Employee's gross income for the taxable year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);

(F) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(G) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(H) Other amounts which received special tax benefits, or contributions made by the Employer (other than Elective Deferrals) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

(b) **Post-severance compensation.** Total Compensation includes compensation that is paid after an Employee' Severance from Employment with the Employer, provided the compensation is paid by the later of 2½ months after Severance from Employment with the Employer maintaining the Plan or the end of the Limitation Year that includes such date of Severance from Employment. For this purpose, compensation paid after Severance of Employment may only be included in Total Compensation to the extent such amounts would have been included as compensation if they were paid prior to the Participant's Severance from Employment.

For purposes of applying this subsection (b), unless designated otherwise under AA §5-2, the following amounts that are paid after a Participant's Severance of Employment are included in Total Compensation:

(1) **Regular pay.** Compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments;

(2) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued; and

(3) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

Other post-severance payments (such as severance pay, parachute payments within the meaning of Code §280G(b)(2), or post-severance payments under a nonqualified unfunded deferred compensation plan that would not have been paid if the Employee had continued in employment) are not included as Total Compensation, even if such amounts are paid within the time period described in this subsection (b).

In determining the amount of a Participant's Employer Contributions, Matching Contributions, Salary Deferrals or After-Tax Employee Contributions, Plan Compensation may not include any amounts that do not satisfy the requirements of this subsection (b) or subsection (c). If Total Compensation is defined to include post-severance compensation, the Employer may elect to exclude all such compensation paid after Severance from Employment from the definition of Plan Compensation or may elect to exclude any of the specific types of post-severance compensation defined in subsections (1), (2) and/or (3) above under AA §5-3(j).

(c) **Continuation payments for disabled Participants.** Unless designated otherwise under AA §5-2(b), Total Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)). If elected under AA §5-2(b), the Plan may take into account compensation the Participant would have received for the year if the Participant was paid at the rate of compensation paid immediately before becoming permanently and totally disabled (if such compensation is greater than the Participant's compensation determined without regard to this subsection (c)), provided contributions made with respect to amounts treated as compensation under this subsection (c) are nonforfeitable when made.

If so elected under AA §5-2(b), payment to disabled Participants will be included as Total Compensation, notwithstanding the rules under subsection (b).

(d) **Deemed §125 compensation.** A reference to elective contributions under a Code §125 cafeteria plan includes any amounts that are not available to a participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. Such deemed §125 compensation will be treated as an amount under Code §125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan. If the Employer elects under AA §5-3(i) to exclude deemed §125 compensation from the definition of Plan Compensation, such exclusion also will apply for purposes of determining Total Compensation under this Section and Includible Compensation.

(e) **Differential Pay.** In the case of an individual who receives Differential Pay from the Employer:

(1) such individual will be treated as an Employee of the Employer making the payment, and

(2) the Differential Pay shall be treated as wages and will be included in calculating an Employee's Total Compensation under the Plan.

If all Employees performing service in the Uniformed Services are entitled to receive Differential Pay on reasonably equivalent terms and are eligible to make contributions based on the payments on reasonably equivalent terms, the Plan shall not be treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) by reason of any contribution or benefit based on Differential Pay. However, for purposes of applying this subparagraph, the provisions of Code §§410(b)(3), (4), and (5) shall apply. The Employer may elect to exclude Differential Pay from the definition of Plan Compensation.

For purposes of this subsection (e), Differential Pay means any payment which is made by an Employer to an individual while the individual is performing service in the Uniformed Services while on active duty for a period of more than 30 days, and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing services for the Employer. In applying the provisions of this subsection (e), Uniformed Services are services as described in Code §3401(h)(2)(A).

(f) **Special rules for difficulty of care payments.** Effective for Plan Years beginning after December 31, 2015, in the case of a Participant who for a Taxable Year excludes from gross income under Code §131 a qualified foster care payment which is a difficulty of care payment, the Participant's Total Compensation shall be increased by the amount of the excludable difficulty of care payments made by the Employer. Any contribution that is allowable due to such increase shall be treated as an After-Tax Employee Contribution and shall not cause the Plan to be treated as failing applicable plan requirements under Code §403(b).

1.102 **Valuation Date.** The date or dates upon which the Plan is valued. The Plan will be valued as of the last day of each Plan Year. In addition, the Employer may elect under AA §11-1 to establish additional Valuation Dates. Notwithstanding any election under AA §11-1, the Custodian and the Employer and/or the Plan Administrator may agree to more frequent valuation dates.

1.103 **Vendor.** The provider of an Annuity Contract or Custodial Account under the Plan.

1.104 **Year of Service.** For purposes of determining Includible Compensation or Special Catch-Up Contributions, "Year of Service" means each full year during which an individual is a full-time Employee of the Employer, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer. The Employee must be credited with a full Year of Service for each year during which the Employee is a full-time Employee and a fraction of a year for each part of a work period during which the Employee is a full-time or part-time Employee of the Employer. An Employee's number of Years of Service equals the aggregate of the annual work periods during which the Employee is employed by the Employer. The work period is the Employer's annual work period.

For purposes of applying the eligibility, vesting and allocation rules, a "Year of Service" is a 12-consecutive month period ("Computation Period") during which an Employee completes 1,000 Hours of Service. For purposes of applying the eligibility rules under Section 2.03 of the Plan, an Employee will earn a Year of Service if such Employee completes 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in Section 2.03(a)(3)). For purposes of applying the vesting rules under Section 7.03, an Employee will earn a Year of Service if such Employee completes 1,000 Hours of Service with the Employer during a Vesting Computation Period (as defined in Section 7.04). The Employer may elect under AA §4-3(a) (for eligibility purposes) and AA §8-5(a) (for vesting purposes) to require the completion of any lesser number of Hours of Service to earn a Year of Service. Alternatively, the Employer may elect to apply the Elapsed Time method (for eligibility and/or vesting purposes) in calculating an Employee's Years of Service under the Plan.

SECTION 2
ELIGIBILITY AND PARTICIPATION

2.01 **Eligibility.** In order to participate in the Plan, an Employee must be an Eligible Employee (as defined in Section 2.02) and must satisfy the Plan's minimum age and service conditions (as defined in Section 2.03). Once an Employee satisfies the Plan's minimum age and service conditions for any contribution type, such Employee shall become a Participant on the applicable Entry Date (as selected in AA §4-2). An Employee who meets the minimum age and service requirements set forth herein, but who is not an Eligible Employee, will be eligible to participate in the Plan only upon becoming an Eligible Employee.

(a) **Salary Deferrals.** Each Employee (other than an Employee excluded from participation under Section 2.02(b)) is an Eligible Participant, without regard to any age or service conditions applicable to other types of contributions to the Plan. An Eligible Participant shall be eligible to make Salary Deferrals as of such Participant's Employment Commencement Date. The Employer will contribute a Participant's Salary Deferrals to the Plan on behalf of the Participant. To be eligible to make Salary Deferrals, an Eligible Participant must complete a Salary Reduction Agreement. The Employer has a reasonable period of time to begin withholding Salary Deferrals with respect to an Eligible Participant.

(b) **Employer Contributions and Matching Contributions.** An Employee who is not excluded from participation under Section 2.02(b) will become an Eligible Participant under the Plan for purposes of receiving Employer Contributions and Employer Matching Contributions (as applicable) as of the applicable Entry Date elected in the AA §4-2 following the satisfaction of the age and service conditions specified in AA §4-1. If the Employer is an educational organization described in Code §170(b)(1)(A)(ii) exempt from tax under Code §501(a), the maximum age cannot exceed age 26, provided the Plan does not require more than one Year of Service to participate and all Participants are immediately vested in their Accounts.

(c) **After-Tax Employee Contributions.** If the Plan provides for After-Tax Employee Contributions, the same eligibility conditions that apply with respect to Salary Deferrals will also apply to the After-Tax Employee Contributions. The Employer may elect to provide different eligibility conditions for After-Tax Employee Contributions under the AA §6C-2.

2.02 **Eligible Employees.** Unless specifically excluded under AA §3-1 or this Section 2.02, all Employees of the Employer are Eligible Employees. AA §3-1 lists various classes of Employees that may be excluded from Plan participation. If an Employee is not an Eligible Employee (e.g., such Employee is a member of a class of Employees excluded under AA §3-1), that individual may not participate under the Plan, unless such Employee subsequently becomes an Eligible Employee.

(a) **Only Employees may participate in the Plan.** To participate in the Plan, an individual must be an Employee. If an individual is not an Employee (e.g., the individual performs services for the Employer as an independent contractor) such individual may not participate under the Plan. If an individual's status as a non-Employee is challenged by the IRS, the reclassification of such individual as an Employee will not create retroactive rights to participate in the Plan. Thus, for example, if the IRS should find that an independent contractor is really an Employee, such individual will be eligible to participate in the Plan as of the date the IRS issues a final determination declaring such individual to be an Employee (provided the individual has satisfied all conditions for participating in the Plan (as described in Section 2.01). For periods prior to the date of such final determination, the reclassified Employee will not have any rights to accrued benefits under the Plan, except as agreed to by the Employer and the IRS, or as set forth in an amendment adopted by the Employer.

(b) **Excluded Employees.** The Employer may elect under AA §3-1 to exclude designated classes of Employees. The Employer may elect to exclude different classes of Employees for different contribution types under the Plan.

(1) **Collectively Bargained Employees.** Unless the applicable collective bargaining agreement provides otherwise, the Employer may elect under AA §3-1(b) to exclude Collectively Bargained Employees with respect to Employer Contributions and Matching Contributions. For this purpose, a Collectively Bargained Employee is an Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining. For this purpose, an Employee will not be considered a Collectively Bargained Employee for a Plan Year if more than two percent of the Employees who are covered pursuant to the collective bargaining agreement are professionals as defined in Treas. Reg. §1.410(b)-9. For this purpose, the term "Employee representatives" does not include any organization more than half of whose members are Employees who are owners, officers, or executives of the Employer. If Collectively Bargained Employees are excluded under the Plan, an Employee who performs services for the Employer as both a Collectively Bargained Employee and a non-Collectively Bargained Employee will receive benefits under the Plan, if otherwise eligible, with respect to the Employee's non-Collectively Bargained Employee service, unless excluded under AA §3-1.

(2) **Nonresident aliens.** The Employer may elect under AA §3-1(c) to exclude Employees who are nonresident aliens with respect to Salary Deferrals, Employer Contributions and Matching Contributions. For this purpose, a nonresident alien is neither a citizen of the United States nor a resident of the United States for U.S. tax purposes (as defined in Code §7701(b)), and who does not have any earned income (as defined in Code §911) for the Employer that constitutes U.S. source income (within the meaning of Code §861). If a nonresident alien Employee has U.S. source income, such Employee is treated as satisfying this definition if all of such Employee's U.S. source income from the Employer is exempt from U.S. income tax under an applicable income tax treaty.

(3) **Student Employees.** The Employer may elect under AA §3-1(d) (subject to the conditions in Code §410(b)(4)) to exclude Employees who are Student Employees with respect to Salary Deferrals, Employer Contributions and Matching Contributions. A Student Employee is an Employee of the Employer who is a student enrolled and regularly attending classes at the school, college or university, and performs services for the school, college or university as described in Code §3121(b)(10).

(4) **Employees who normally work fewer than 20 hours per week.** The Employer may elect under AA §3-1(e) (subject to the conditions in Code §410(b)(4)) to exclude Employees who normally work fewer than 20 hours per week (or such lower number of hours per week as elected in the Adoption Agreement) with respect to Salary Deferrals, Employer Contributions and Matching Contributions. An Employee normally works fewer than 20 hours per week if, for the 12-month period beginning on the Employee's Employment Commencement Date, the Employer reasonably expects the Employee to work fewer than 1,000 Hours of Service in such period, and, for each Exclusion Year ending after the close of that 12-month period, the Employee has worked fewer than 1,000 Hours of Service in the preceding 12-month period. Under this provision, an Employee who works 1,000 or more Hours of Service in the 12-month period beginning on the Employee's Employment Commencement Date or in any Exclusion Year beginning immediately after the 12-month period beginning on the Employee's Employment Commencement Date shall then be eligible to participate in the Plan. Once an Employee becomes eligible to have Salary Deferrals made under the Plan under this standard, the Employee cannot be excluded from eligibility to have Salary Deferrals made on such Employee's behalf in any later year.

For purposes of this subsection (4), an Exclusion Year is based on the Eligibility Computation Period applicable under the Plan, unless the Employer elects otherwise under AA §4-3(c).

(5) **Additional exclusions for Salary Deferral contributions.** With respect to Employees eligible to make Salary Deferrals, the Employer may elect to exclude from the Plan any person:

(i) who participates in an eligible governmental deferred compensation plan within the meaning of Code §457(b) sponsored by the Employer; or

(ii) who is eligible to participate in a 401(k) plan or another 403(b) plan sponsored by the Employer which provides for contributions pursuant to a Salary Reduction Agreement.

(6) **Inclusion of excludable Employee.** If the Employer does not exclude an individual excludable from participation under categories in Sections 2.02(b)(3) and 2.02(b)(4), then all Employees within the same category must be eligible to participate in the Plan.

(7) **Puerto Rican Employees.** Unless designated otherwise in AA §§3-1(n) or 3-1(o) , Employees who are residents of Puerto Rico are not Eligible Employees and may not participate in the Plan. Thus, unless elected otherwise under AA §3-1, no contributions will be made to the Plan by, or on behalf of, residents of Puerto Rico. In addition, unless elected otherwise under AA §5-3, Plan Compensation does not include any amounts paid to a Puerto Rican Employee who is not covered under the Plan. If Puerto Rican Employees are permitted to participate under AA §§3-1(n) or 3-1(o), additional requirements may apply to ensure the Plan is qualified under Puerto Rican law. See ERISA §1022(i). The exclusion of Employees who are residents of Puerto Rico does not violate the universal availability rule under Section 6.01 of the Plan

(8) **Leased Employees.** Leased employees as defined in Code §414(n) are not common law employees of the Employer and not eligible to participate in the Plan.

(c) **Employees of Related Employers.** If the Employer is a member of a Related Employer group, Employees of each member of the Related Employer group may participate under this Plan, provided the Related Employer executes a Participating Employer Adoption Page under the Adoption Agreement. If a Related Employer does not execute a Participating Employer Adoption Page, any Employees of such Related Employer are not eligible to participate in the Plan. (See Section 16.06 for operating rules that apply when the Employer is a member of a Related Employer group. Also see Section 16 for rules regarding participation of Employees of Related Employers.)

(d) **Ineligible Employee becomes Eligible Employee.** If an Employee changes status from an ineligible Employee to an Eligible Employee, such Employee will become a Participant immediately on the date such Employee changes status to an Eligible Employee, provided the Employee has satisfied the Plan's minimum age and service conditions (with respect to Employer Contributions and Employer Matching Contributions) and has passed the Entry Date (as defined in AA §4-2) that would otherwise have applied had the Employee been an Eligible Employee. If the Employee's original Entry Date (determined as if the Employee was always an Eligible Employee) has not passed as of the date the Employee becomes an Eligible Employee, the Employee will not become a Participant until such Entry Date. This requirement is deemed satisfied with respect to Salary Deferrals under the Plan if the Employee is permitted to commence making deferrals under the Plan within a reasonable period of time after the Employee becomes an Eligible Employee. If an ineligible Employee has not satisfied the Plan's minimum age and service conditions applicable to Employer Contributions and Employer Matching Contributions at the time such Employee becomes an Eligible Employee, such Employee will become a Participant on the appropriate Entry Date following satisfaction of the Plan's minimum age and service requirements.

(e) **Eligible Employee becomes ineligible Employee.** If an Employee ceases to qualify as an Eligible Employee (i.e., the Employee changes status from an eligible class to an ineligible class of Employees), such Employee will immediately cease to be eligible for contributions under the Plan. If such Employee should subsequently become an Eligible Employee, such Employee will be able to participate in the Plan in accordance with subsection (d) above.

(f) **Improper exclusion of eligible Participant.** If the Plan improperly excludes a Participant who has satisfied the requirements under this Section 2 for participating under the Plan, the Employer may take reasonable action to correct such violation, provided such corrective action is consistent with the requirements of the Employee Plans Compliance Resolution System (EPCRS) program. For example, the violation may be corrected by making an additional contribution to the Plan on behalf of the omitted Participant or by allocating any available forfeitures under the Plan to such Participant to restore any missed contributions under the Plan. (See Revenue Procedure 2013-12 or subsequent IRS guidance for a description of the EPCRS program.)

2.03 **Minimum Age and Service Conditions.** AA §4-1 contains specific elections as to the minimum age and service conditions which an Employee must satisfy prior to becoming eligible to participate under the Plan. **The Employer may not impose age or service conditions on an Employee's ability to make Salary Deferrals.**

As a Governmental Plan, this Plan is not subject to the minimum age and service under the Code and Title I of ERISA.

(a) **Application of age and service conditions.** The Employer may elect under AA §4-1 to impose minimum age and service conditions that an Employee must satisfy in order to participate under the Plan. The Plan may not require an Employee to attain an age older than age 21 (or 26 for a qualified educational institution as provided under Code §410(a)(1)(B)(ii)) or to complete more than two Years of Service.

(1) **Year of Service.** In applying the minimum service requirements under AA §4-1, an Employee will earn a Year of Service if the Employee completes at least 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in subsection (3) below). The Employer may modify the definition of Year of Service under AA §4-3(a) to require a lesser number of Hours of Service to earn a Year of Service. An Employee will receive credit for a Year of Service, as of the end of the Eligibility Computation Period during which the Employee completes the required Hours of Service needed to earn a Year of Service. An Employee need not be employed for the entire Eligibility Computation Period to receive credit for a Year of Service, provided the Employee completes the required Hours of Service during such period.

(2) **Months of service.** The Employer may elect under AA§4-1(a) to require a specific number of Hours of Service during a designated number of months of employment. If an Employee is required under AA §4-1(a) to complete a certain number of Hours of Service during a designated period, an Employee generally will satisfy the eligibility conditions as of the end of the designated period, regardless of whether the Employee is employed during the entire period. Alternatively, the Employer may elect under AA §4-1(a)(3)(ii) to require an Employee to be employed continuously throughout the designated period, provided the Employee is eligible to participate in the Plan upon completing a Year of Service.

If an Employee does not complete the required Hours of Service during the designated period or does not work continuously during the designated period, if required under AA §4-1(a)(3)(ii), the Employee will satisfy eligibility upon completion of a Year of Service. For purposes of applying the Year of Service requirement, an Employee need not be employed during the entire measuring period as long as the Employee completes the required Hours of Service. For example, an Employee who is not employed throughout the designated period, if required under AA §4-1(a)(3)(ii), would still satisfy the eligibility conditions as of the end of the Eligibility Computation Period if the Employee completes a Year of Service, regardless of whether the Employee is employed during the entire period.

(3) **Eligibility Computation Periods.** In determining whether an Employee has earned a Year of Service for eligibility purposes, an Employee's initial Eligibility Computation Period is the 12-month period beginning on the Employee's Employment Commencement Date. Subsequent Eligibility Computation Periods will either be based on Plan Years or Anniversary Years (as set forth in AA §4-3(b)).

(i) **Plan Years.** If the Employer bases subsequent Eligibility Computation Periods on Plan Years, the Plan will begin measuring Years of Service on the basis of Plan Years beginning with the first Plan Year commencing after the Employee's Employment Commencement Date. Thus, for the first Plan Year following the Employee's Employment Commencement Date, the initial Eligibility Computation Period and the first Plan Year Eligibility Computation Period may overlap.

(ii) **Anniversary Years.** If the Employer elects under AA §4-3(b) to base subsequent Eligibility Computation Periods on Anniversary Years, the Plan will measure Years of Service after the initial Eligibility Computation Period on the basis of 12-month periods commencing with the anniversaries of the Employee's Employment Commencement Date.

(iii) **Two Years of Service requirement.** If a two Years of Service eligibility condition applies under AA §4-1(a)(6), subsequent Eligibility Computation Periods will be based on Anniversary Years as defined in subsection (ii) above. However, if an Employee fails to earn a Year of Service during the first or second Eligibility Computation Period, subsequent Eligibility Computation Periods will be determined on the basis of the Plan Year commencing within the first or second Eligibility Computation Period, as applicable, and subsequent Plan Years. The Employer may elect under AA §4-3(b) to determine subsequent Eligibility Computation Periods on the basis of Anniversary Years, rather than Plan Years.

(iv) **Rehired Employee.** If an Employee is rehired following a Break in Service, the Employee's initial Eligibility Computation Period following the Employee's return to employment will be measured from the Employee's Reemployment Commencement Date. Subsequent Eligibility Computation Periods will be measured based on the Plan Year or anniversaries of the Reemployment Commencement Date, as designated under subsection (i) or (ii) above. For this purpose, an Employee's Reemployment Commencement Date is the first day the Employee is entitled to be credited with an Hour of Service after the first Eligibility Computation Period in which the Employee incurs a Break in Service.

(4) **Hours of Service.** In calculating an Employee's Hours of Service for purposes of applying the eligibility rules under this Section 2.03, the Employer will count the actual Hours of Service an Employee works during the year. The Employer may elect under AA §4-3(d) or (e) to use the Elapsed Time Method or Equivalency Method (instead of counting the actual Hours of Service an Employee works). (See subsections (5) and (6) below for a description of the Equivalency Method and Elapsed Time method of crediting service.)

(5) **Equivalency Method.** Instead of counting actual Hours of Service in applying the minimum service conditions under this Section 2.03, the Employer may elect under AA §4-3(e) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period worked with the Employer.

(i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.

(ii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.

(iii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.

(iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.

(6) **Elapsed Time method.** Instead of counting actual Hours of Service in applying the minimum service requirements under this Section 2.03, the Employer may elect under AA §4-3(e) to apply the Elapsed Time method for calculating an Employee's service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or reemployment, if applicable) and ending on the date the Employee begins a Period of Severance which lasts at least 12 consecutive months. In calculating an Employee's aggregate period of service, an Employee receives credit for any Period of Severance that lasts less than 12 consecutive months. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days.

(i) **Period of Severance.** For purposes of applying the Elapsed Time method, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge.

In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child of the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

(ii) **Related Employers.** For purposes of applying the Elapsed Time method, service will be credited for employment with any Related Employer.

(7) **Amendment of age and service requirements.** If the Plan's minimum age and service conditions are amended, an Employee who is a Participant immediately prior to the effective date of the amendment is deemed to satisfy the amended requirements. This provision may be modified in the Adoption Agreement or under a separate amendment implementing the updated minimum age and service provisions.

(i) **Change to Elapsed Time method.** If the service crediting method is changed from an Hours of Service method to the Elapsed Time method, the amount of service credited to an Employee will equal the sum of the service under subsections (A) and (B) below. For this purpose, a change in service crediting method will occur if the Plan is amended to change the service crediting method or if the service crediting method is changed as a result of an Employee's change in employment status.

(A) The number of Years of Service equal to the number of Years of Service credited under the Hours of Service method before the Eligibility Computation Period during which the change to the Elapsed Time method occurs.

(B) For the Eligibility Computation Period in which the change occurs, the greater of:

(I) the period of service that would be credited under the Elapsed Time method from the first day of that Eligibility Computation Period through the date of the change, or

(II) the service that would be taken into account under the Hours of Service method for the Eligibility Computation Period which includes the date of the change.

If the period of service described in subsection (I) is the greater amount, then subsequent periods of service are credited under the Elapsed Time method beginning with the date of the change. If the period of service described in subsection (II) applies, the Elapsed Time method will be used beginning with the first day of the Eligibility Computation Period that would have followed the Eligibility Computation Period in which the change to the Elapsed Time method occurred.

If the change to the Elapsed Time method occurs as of the first day of an Eligibility Computation Period, the use of the Elapsed Time method begins as of the date of the change, and the calculation in subsection (B) above does not apply. In such case, the Employee's service is determined under subsection (A) above plus the subsequent periods of service determined under the Elapsed Time method, starting with the effective date of the change.

(ii) **Change to Hours of Service method.** If the service crediting method is changed from the Elapsed Time method to an Hours of Service method, the Employee's Elapsed Time service earned as of the date of the change is converted into Years of Service under the Hours of Service method, determined as the sum of subsections (A) and (B), below. For this purpose, a change in service crediting method will occur if the Plan is amended to change the service crediting method or if the service crediting method is changed as a result of an Employee's change in employment status.

(A) A number of Years of Service is credited that equals the number of 1-year periods of service credited under the Elapsed Time method as of the date of the change.

(B) For the Eligibility Computation Period which includes the date of the change, the Employee is credited with an equivalent number of Hours of Service, using one of the Equivalency Methods defined in subsection (5) above for any fractional year that was credited under the Elapsed Time method as of the date of the change.

(8) For the portion of the Eligibility Computation Period following the date of the change, actual Hours of Service are counted. The Hours of Service credited for the portion of the Eligibility Computation Period in which the Elapsed Time method was in effect are added to the actual Hours of Service credited for the remaining portion of the Eligibility Computation Period to determine if the Employee has a Year of Service for that Eligibility Computation Period.

(b) **Entry Dates for Employer Contributions and Matching Contributions.** Once an Eligible Employee satisfies the minimum age and service conditions (as set forth in AA §4-1), the Employee will become a Participant under the Plan as of such Employee's Entry Date (as set forth in AA §4-2). The Employer may elect different Entry Dates with respect to Matching Contributions and Employer Contributions.

2.04 **Participation on Effective Date of Plan.** An Employee who has satisfied the minimum age and service conditions and reached such Employee's Entry Date as of the Effective Date of the Plan will be eligible to participate in the Plan as of such Effective Date. If an Employee has satisfied the minimum age and service conditions as of the Effective Date of the Plan but has not yet reached such Employee's Entry Date, the Employee will be eligible to participate on the appropriate Entry Date. The Employer may modify this rule under AA §4-2 by electing to treat all Employees employed on the Effective Date of the Plan as Participants (regardless of whether they have satisfied the Plan's minimum age and service conditions) or by designating a specific date as of which all Eligible Employees will be deemed to be a Participant, (regardless of whether the Employee has otherwise satisfied the minimum age and service conditions).

2.05 **Rehired Employees.** Subject to the Break in Service rules under Section 2.07, if an Employee who has a Severance from Employment is subsequently rehired, such Employee will be eligible to participate in the Plan on such Employee's reemployment date, if the Employee is an Eligible Employee and the Employee had satisfied the Plan's minimum age and service conditions and reached such Employee's Entry Date prior to Severance from Employment. If the Employee had satisfied the Plan's minimum age and service conditions but had a Severance from Employment prior to reaching such Employee's Entry Date, the Employee will be eligible to participate on such Employee's reemployment date or the original Entry Date, if later. If a rehired Employee had not satisfied the Plan's minimum age and service conditions prior to Severance from Employment, such Employee is eligible to participate in the Plan on the appropriate Entry Date following satisfaction of the eligibility requirements under this Section 2. For purposes of Salary Deferrals, the requirement to participate on the reemployment date is deemed satisfied if a rehired Employee is permitted to commence making Salary Deferrals within a reasonable period following reemployment.

2.06 **Service with Predecessor Employers.** If the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer may be treated as service with the Employer for purposes of applying the provisions of this Plan. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for eligibility purposes under this Section 2, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer for eligibility. Unless designated otherwise under AA §4-5, if the Employer takes into account service with a Predecessor Employer, such service will count for purposes of eligibility under this Section 2, vesting under Section 7 (see Section 7.06) and for purposes of the minimum allocation conditions under Section 3.07.

The Employer may designate under AA §4-5(a)(1) to count service with all Employers acquired *as part of a Code §410(b)(6)(C) transaction* or may elect specific Employers for whom service will not be credited. Alternatively, the Employer may designate under AA §4-5(a)(2) specific Predecessor Employers for which service will be credited. The Employer may designate to credit predecessor service only for purposes of eligibility, vesting and/or any minimum allocation conditions under the Plan.

Governmental Plans are not subject to coverage and nondiscrimination rules applicable to the crediting of service with Predecessor Employers under Title I of ERISA.

2.07 **Break in Service Rules.** Generally, an Employee will be credited with all service earned for the Employer, including service earned prior to the effective date of the Plan and service earned while the Employee is an ineligible Employee. However, the Employer may elect under AA §4-3 to disregard an Employee's service with the Employer under the Break in Service rules set forth in this Section 2.07. Governmental and Church Plans are not subject to the break in service rules applicable under Title I of ERISA.

(a) **Break in Service.** An Employee incurs a Break in Service for any Eligibility Computation Period (as defined in Section 2.03(a)(3)) during which the Employee does not complete more than five hundred (500) Hours of Service with the Employer. However, if the Employer elects under AA §4-3(a) to require less than 1,000 Hours of Service to earn a Year of Service for eligibility purposes, a Break in Service will occur for any Eligibility Computation Period during which the Employee does not complete more than one-half (1/2) of the Hours of Service required to earn an eligibility Year of Service.

(b) **Nonvested Participant Break in Service rule.** Under the Nonvested Participant Break in Service rule, if a Participant is totally nonvested (i.e., 0% vested) in such Participant's entire Account Balance, and such Participant incurs five (5) or more consecutive one-year Breaks in Service (or, if greater, a consecutive period of Breaks in Service at least equal to the Participant's aggregate number of Years of Service with the Employer), the Plan will disregard all service earned prior to such consecutive Breaks in Service for purposes of determining eligibility to participate in the Plan. If the Employee returns to employment with the Employer, such Employee will be treated as a new Employee for purposes of determining eligibility under the Plan. For this purpose, a Participant who has made Salary Deferrals under the Plan will be treated as having a vested interest in the Plan. Thus, the Nonvested Participant Break in Service rule may not be used with respect to any contributions under the Plan (even if such Employee is totally nonvested in such contributions) for a Participant who has made Salary Deferrals under the Plan. The Employer must elect to apply the Nonvested Participant Break in Service rule under AA §4-3(f).

(c) **Special Break in Service rule for Plans using two Years of Service for eligibility.** If the Employer has elected under AA §4-1(a)(6) to require Employees to complete two Years of Service to become eligible to participate in the Plan, any Employee who incurs a one-year Break in Service before satisfying the two Years of Service eligibility condition will not be credited with service earned before such one-year Break in Service.

(d) **One-Year Break in Service rule.** Under the One-Year Break in Service rule, if an Employee incurs a one-year Break in Service, such Employee will not be credited with any service earned prior to such one-year Break in Service for purposes of determining eligibility to participate under the Plan until the Employee has completed a Year of Service after the Employee's return to employment. The Employer must elect to apply the One-Year Break in Service rule under AA §4-3(g).

(1) **Temporary disregard of service.** If a Participant has service disregarded under the One-Year Break in Service rule, such Participant will have such Participant's service reinstated upon returning to employment as of the first day of the Eligibility Computation during which the Participant completes a Year of Service. For this purpose, the Eligibility Computation Period is the 12-month period commencing on the date the Employee first performs an Hour of Service following the Break in Service. If a Participant does not complete a Year of Service during the first Eligibility Computation Period following such Participant's return to employment, subsequent Eligibility Computation Periods will be determined based on Plan Years beginning with the first Plan Year following the Employee's return to employment (unless the Employer selects Anniversary Years as the Eligibility Computation Period under AA §4-3(b).

(2) **Application to Salary Deferrals.** The One-Year Break in Service rule will not apply to Salary Deferrals under the Plan.

2.08 **Waiver of Participation.** An Employee may not waive participation under the Plan unless specifically permitted under AA §11-5. For this purpose, the mere failure to make Salary Deferrals or After-Tax Employee Contributions under the Plan is not a waiver of participation. Waiver of participation by an Employee does not violate the universal availability rule. The Employer may elect under AA §11.5 to permit Employees to make a one-time irrevocable election to not participate under the Plan. Such election must be made upon inception of the Plan or at any time prior to the time the Employee first becomes eligible to participate under any plan maintained by the Employer. An Employee, in accordance with the regulations under Code §403(b), who makes a one-time irrevocable election not to participate may not subsequently elect to participate under the Plan. Waiver of participation by an Employee who makes a one-time irrevocable election does not violate the universal availability rule.

SECTION 3
PLAN CONTRIBUTIONS

This Section 3 describes the type of contributions that may be made to the Plan. The type of contributions that may be made to the Plan and the method for allocating such contributions may vary depending on the type of Plan involved. (See Section 5 for a discussion of the limits that apply to any contributions made under the Plan.)

3.01 Types and Timing of Contributions.

(a) Types of Contributions. An Employer may designate under the AA the amount and type of contributions that may be made under this Plan. To share in a contribution under the Plan, an Employee must satisfy all of the conditions for being a Participant (as described in Section 2) and must satisfy any allocation conditions applicable to the particular type of contribution. A contribution that is made pursuant to an Employee's one-time irrevocable election made on or before the Employee's first becoming eligible to participate under the Plan and a Mandatory Contribution made as a condition of employment that reduces an Employee's compensation are treated as Employer Contributions to the Plan. All types of contributions are subject to the terms of the governing Investment Arrangement(s).

(b) Timing of Contributions. The Employer must make contributions to the Plan within a reasonable period of time for the proper administration of the Plan. With regard to Salary Deferrals, a reasonable period of time is no longer than 15 business days following the month in which the Employer otherwise would have paid the Salary Deferrals to the Employee.

(c) Contributions for former Employees. If so provided under AA §6-5(a), the Employer may continue to make Employer Contributions on behalf of a former Employee. For purposes of determining Employer Contributions for a former Employee, the former Employee is deemed to have monthly Includible Compensation for the period through the end of the Taxable Year of the Employee in which he or she ceases to be an Employee and through the end of each of the next five Taxable Years. The amount of monthly Includible Compensation is equal to 1/12 of the former Employee's Includible Compensation during the former Employee's most recent year of service, as defined in Treas. Reg. §1.403(b)-4(e).

(d) Contributions of Accrued Unpaid Sick, PTO and/or Vacation Leave. If so provided under AA §6-5(b), the Employer may make Employer Contributions of amounts of accrued unpaid sick and/or vacation leave to the Plan. The Employer must describe the manner in which such Employer Contributions will be made to the Plan under AA §6-5(b).

3.02 Employer Contribution Formulas. If permitted under AA §6 and subject to the terms of the applicable Investment Arrangement(s), the Employer may make an Employer Contribution to the Plan, in accordance with the contribution formula selected under AA §6-2. To receive an allocation of Employer Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described below.

As a Governmental Plan, the Plan is not subject to the nondiscrimination and coverage rules (other than the universal availability rule under Code §403(b)(12)(A)(ii)) under the Code and Title I of ERISA.

(a) Employer Contribution formulas. The Employer may elect under AA §6-2 to make any of the following Employer Contributions. If the Employer elects more than one Employer Contribution formula, each formula is applied separately. The Employer's aggregate Employer Contribution for a Plan Year will be the sum of the Employer Contributions under all such formulas.

(1) Discretionary Employer Contribution. If a discretionary contribution is selected under AA §6-2(a), the Employer may decide on an annual basis how much (if any) it will contribute to the Plan as an Employer Contribution. If the Employer elects to make a discretionary contribution, such amount may be allocated under the pro rata, permitted disparity, Employee group, age-based or uniform points allocation method (as selected in AA §6-3).

(i) Pro rata allocation formula. Under the pro rata allocation formula, a pro rata share of the Employer Contribution is allocated to each Participant's Employer Contribution Account. A Participant's pro rata share may be determined based on the ratio such Participant's Plan Compensation bears to the total Plan Compensation of all Participants or as a uniform dollar amount, as designated in AA §6-3(a).

(ii) Permitted disparity allocation formula. Under the permitted disparity allocation formula, the Employer Contribution is allocated to Participants' Employer Contribution Accounts using a two-step method.

Notwithstanding any other provision under this subsection, for any Plan Year this Plan benefits any Participant who benefits under another Code §403(b) plan maintained by the Employer that provides for permitted disparity (or imputes disparity), Employer Contributions and forfeitures will be allocated to the account of each Participant who either completes more than 500 Hours of Service during the Plan Year or who is employed on the last day of the Plan Year in the ratio that such Participant's Total Compensation bears to the Total Compensation of all Participants.

(A) **Two-step method.** Under the two-step method, the discretionary Employer Contribution is allocated under the following method:

(I) **Step one.** The Employer Contribution is allocated to each Participant's Employer Contribution Account in the ratio that the sum of each Participant's Plan Compensation plus Excess Compensation (as defined in subsection (B) below) bears to the sum of the total Plan Compensation plus Excess Compensation of all Participants, but not in excess of the Maximum Disparity Rate (as defined in subsection (D) below).

(II) **Step two.** Any Employer Contribution remaining after the allocation in subsection (I) above one will be allocated in the ratio that each Participant's Plan Compensation bears to the total Plan Compensation of all Participants.

(B) **Excess Compensation.** The amount of Plan Compensation that exceeds the Integration Level.

(C) **Integration Level.** The Taxable Wage Base, unless specified otherwise under AA §6-3(c)(1).

(D) **Maximum Disparity Rate.** The Maximum Disparity Rate is the maximum amount that may be allocated with respect to Excess Compensation. The amount allocated as a percentage of Plan Compensation and Excess Compensation may not exceed the following percentage:

Integration Level (as a percentage of the Taxable Wage Base)	Maximum Disparity Rate
100%	5.7%
More than 80% but less than 100%	5.4%
More than 20% and not more than 80%	4.3%
20% or less	5.7%

(E) **Taxable Wage Base.** The maximum amount of wages that are considered for Social Security purposes as in effect at the beginning of the Plan Year.

(F) **Annual overall permitted disparity limit.** Notwithstanding the preceding paragraphs, for any Plan Year this Plan benefits any Participant who benefits under another 403(b) plan or simplified employee pension, as defined in § 408(k) of the Code, maintained by the Employer that provides for permitted disparity (or imputes disparity), Employer Contributions and forfeitures will be allocated to the account of each Participant who either completes more than 500 hours of service during the Plan Year, or who is employed on the last day of the Plan Year, in the ratio that such Participant's Total Compensation bears to the Total Compensation of all Participants.

(G) **Cumulative permitted disparity limit.** The cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted years means the number of years credited to the Participant for allocation under this Plan, any other 403(b) plan or simplified employee pension plan (whether or not terminated) ever maintained by the employer. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the participant has no cumulative disparity limit.

(iii) **Uniform points allocation.** Under the uniform points allocation, the Employer will allocate the discretionary Employer Contribution on the basis of each Participant's total points for the Plan Year, as determined under AA §6-3(d). A Participant's allocation of the Employer Contribution is determined by multiplying the Employer Contribution by a fraction, the numerator of which is the Participant's total points for the Plan Year and the denominator of which is the sum of the points for all Participants for the Plan Year.

A Participant will receive points for each year(s) of age and/or each Year(s) of Service designated under AA §6-3(d). In addition, a Participant also may receive points based on such Participant's Plan Compensation. Each Participant will receive the same number of points for each designated year of age and/or service and the same number of points for each designated level of Plan Compensation.

(iv) **Employee group allocation.** Under the Employee group allocation method, the Employer may make a different discretionary contribution to each Participant's Employer Contribution Account based on the Employee allocation groups designated under AA §6-3(e). The Employer Contribution made for an allocation group will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount. If the Employer Contribution is allocated as a percentage of Plan Compensation, the amount that will be allocated to each Participant within an allocation group is determined by multiplying the Employer Contribution made for that allocation group by the following fraction:

$$\frac{\text{Participant's Plan Compensation}}{\text{Plan Compensation of all Participants in the allocation group}}$$

Alternatively, the Employer may set forth in the description of the Employee groups under AA §6-3(e)(2) a fixed contribution amount for a designated Employee group. If a fixed contribution is provided for a specific Employee group, the amount designated as the fixed contribution will be allocated to each Participant within the designated Employee group.

(v) **Age-based allocation formula.** Under the age-based allocation formula, the Employer will allocate the discretionary Employer Contribution on the basis of each Participant's adjusted Plan Compensation.

(A) **Adjusted Plan Compensation.** For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in subsection (B) below).

(B) **Actuarial Factor.** Unless designated otherwise under AA §6-3(f), a Participant's Actuarial Factor is determined based on an 8.5% interest rate and the UP-1984 mortality table. (See Appendix A of the Plan for the Actuarial Factors associated with an 8.5% interest rate and the UP-1984 mortality table and a testing age of 65.

(2) **Fixed Employer Contribution.** The Employer may elect under AA §6-2(b) to make a fixed contribution to the Plan. The Employer may elect under AA §6-2(b) to make a fixed contribution as a designated percentage of Plan Compensation or as a uniform dollar amount. If a fixed contribution is selected under AA §6-2(b), the Employer Contribution will be allocated under the fixed contribution formula under AA §6-3 in accordance with the selections made in AA §6-2(b).

(3) **Contributions under collective bargaining agreement, employment contract or equivalent arrangement.** The Employer may elect under AA §6-2(c) to determine contributions in accordance with any collective bargaining agreement(s) addressing retirement benefits of Collectively Bargained Employees under the Plan, or in accordance with any applicable employment contract or other arrangement the Employer has with the Participant(s). The Employer may attach an addendum incorporating the collective bargaining agreement, employment agreement or equivalent arrangement. Any contribution based on the provisions of a collective bargaining agreement or employment contract will be allocated in accordance with the provisions of the collective bargaining agreement(s), employment contract or equivalent arrangement.

(4) **Service-based Employer Contribution.** If elected in AA §6-2(d), the Employer may make a contribution based on an Employee's service with the Employer during the Plan Year (or other period designated under AA §6-4). The Employer may elect to make the service-based contribution as a discretionary contribution or as a fixed contribution. Any such contribution will be allocated on the basis of Participants' Hours of Service, weeks of employment or other measuring period selected under AA §6-2(d). The Employer Contribution will be allocated under the service-based allocation formula under AA §6-3(g).

(5) **Year of Service Employer Contribution.** The Employer may elect under AA §6-2(e) to provide an Employer Contribution based on an Employee's Years of Service with the Employer. Unless designated otherwise under AA §6-2(e), an Employee earns a Year of Service for each Plan Year during which the Employee completes at least 1,000 Hours of Service. The Employer may designate an alternative definition of Year of Service under

AA §6-2(e). The Employer Contribution will be allocated under the Year of Service allocation formula under AA §6-3(h).

(6) **Frozen Plan.** The Employer may designate under AA §2-5 that the Plan is a frozen Plan. As a frozen Plan, the Employer will not make any Employer Contributions with respect to Plan Compensation earned after the date identified in AA §2-5. In addition, if the Plan allows Salary Deferrals, no Participant will be permitted to make Elective Deferrals or After-Tax Employee Contributions to the Plan for any period following the effective date of the freeze as identified in AA §2-5. All amounts credited to an affected Participant's Account become 100% vested, regardless of the Participant's vested percentage. If the Plan holds any unallocated forfeitures at the time of the freeze, such forfeitures may be allocated to all eligible Participants in the year of the freeze, regardless of any contrary selections under AA §8-6.

(b) **Mandatory Contributions.** The Employer may elect under AA §6C-3 to have Mandatory Contributions under the Plan. Mandatory Contributions are treated as Employer Contributions under the Plan.

(c) **Period for determining Employer Contributions.** In determining the amount of Employer Contributions to be allocated to Participants under the Plan, the Plan will take into account Plan Compensation for the Plan Year. The Employer may designate under the AA alternative periods for determining the allocation of Employer Contributions. If alternative periods are designated, a Participant's allocation of Employer Contributions will be determined separately for each designated period based on Plan Compensation earned during such period. If an alternative period is designated, the Employer need not actually make the Employer Contribution during the designated period, provided the total Employer Contribution for the Plan Year is allocated based on the proper Plan Compensation.

(d) **Offset of Employer Contributions.** If the Employer maintains any other qualified plan(s) which cover any Participants under this Plan, the Employer may elect under the AA to reduce such Participants' allocation under this Plan to take into account the benefits provided under the Employer's other qualified plan(s). The Employer may attach an addendum to the Adoption Agreement describing how the offset will be applied.

3.03 **Salary Deferrals.** Subject to the terms of the applicable Investment Arrangement(s), the Employer may elect under AA §6A to authorize Participants to make Salary Deferrals under the Plan. A Participant's total Salary Deferrals under this Plan may not exceed the Elective Deferral Dollar Limit described under Section 5.02 or the amount permitted under the Code §415 Limitation described under Section 5.03. Subject to the universal availability requirements, the Employer may elect under AA §6A-2 to apply a different limit on Salary Deferrals.

(a) **Salary Reduction Agreement.** In order to make Salary Deferrals under the Plan, a Participant must enter into a Salary Reduction Agreement which authorizes the Employer to withhold a specific dollar amount or a specific percentage from the Participant's Plan Compensation. The Salary Reduction Agreement may permit a Participant to specify a different percentage or dollar amount be withheld from specified components of Plan Compensation, such as base pay, bonuses, commissions, etc. The Employer may apply special limits on the amount of Salary Deferrals that may be deferred from bonus payments or may apply special deferral limits applicable to bonus payments under the Salary Reduction Agreement, without regard to any limitations selected under the AA. In addition, the Salary Reduction Agreement may provide the conditions on which an Employee's affirmative Salary Reduction Agreement will expire. If an Employee's Salary Reduction Agreement expires, such Employee can always complete a new affirmative election and designate a new deferral percentage. Also, if an Employee's affirmative election expires, the Salary Reduction Agreement may provide that the Employee's expiring deferral election remains in effect and may increase by a designated amount unless the Employee affirmatively elects otherwise, except as otherwise required by State law.

The Employer will deposit any amounts withheld from a Participant's Plan Compensation as Salary Deferrals into the Participant's Salary Deferral Account under the Plan. A Salary Reduction Agreement may only relate to Plan Compensation that is not currently available at the time the Salary Reduction Agreement is completed. The Salary Reduction Agreement may provide that the Employee's deferral election will increase by a designated amount unless the Employee affirmatively elects otherwise. In determining the amount to be withheld from a Participant's Plan Compensation, the Plan Administrator may round any Salary Reduction Agreement election to the next highest or lowest whole dollar amount and may require that any Salary Reduction Agreement election must designate a whole percentage of Plan Compensation for a Salary Deferral. The Employer may designate under AA §6A-9 to apply a special effective date as of which Participants may begin making Salary Deferrals under the Plan. Regardless of any special effective date designated under AA §6A-9, a Salary Reduction Agreement may not be effective prior to the later of:

(1) the date the Employee becomes a Participant;

(2) the date the Participant executes the Salary Reduction Agreement; or

(3) the date the Plan is first adopted or effective.

For this purpose, Salary Deferrals may be taken into account for a Plan Year only if the Salary Deferrals are allocated to the Employee's Account as of a date within that Plan Year. For this purpose, Salary Deferrals are considered allocated as of a date within a Plan Year only if the allocation is not contingent on the Employee's participation in the Plan or performance of services on any subsequent date and the Salary Deferrals are actually paid to the Plan no later than the end of the 12-month period immediately following the year to which the contribution relates. In addition, the Salary Deferrals must relate to Plan Compensation that either would have been received by the Employee in the Plan Year but for the Employee's election to defer or are attributable to services performed by the Employee in the Plan Year and, but for the Employee's election to defer, would have been received by the Employee within 2½ months after the close of the Plan Year.

Salary Deferrals made pursuant to a Salary Reduction Agreement may not be made earlier than the date the Participant performs the services to which such Salary Deferrals relate or the date the compensation subject to such Salary Reduction Agreement would be currently available to the Participant absent the deferral election (if earlier). Regardless of when a Participant elects to commence making Salary Deferrals, the Employer may delay commencement for a reasonable period of time in order to implement the Salary Reduction Agreement.

A Salary Reduction Agreement is valid even though it is executed by an Employee before such Employee actually has qualified as a Participant, so long as the Salary Reduction Agreement is not effective before the date the Employee is a Participant.

The Employer, through the Salary Reduction Agreement or in administrative procedures, may require that an Eligible Employee elect to defer more than $200 for a Plan Year.

Unless a Salary Reduction Agreement is otherwise revised, if an Employee is absent from work by leave of absence, Salary Deferrals under the Plan shall continue to the extent that Plan Compensation continues.

In order to be effective, a Salary Reduction Agreement and any changes thereto must comply with any conditions or restrictions that may be applicable under State law, as well as the terms of the applicable Investment Arrangement.

(b) **Change in deferral election.** An Employee must be permitted to enter into a new Salary Reduction Agreement or to modify or terminate an existing Salary Reduction Agreement at least once a year. The Employer may designate additional dates on the Salary Reduction Agreement form (or other written procedures) as to when a Participant may modify or terminate a Salary Reduction Agreement. Any election to modify or terminate a Salary Reduction Agreement will take effect within a reasonable period following such election and will apply only on a prospective basis. The Employer may allow an Employee to increase such Employee's deferral election up to the Elective Deferral Dollar Limit at any time during the last two months of the Plan Year. The rules for modifying a Salary Reduction Agreement are subject to the terms governing the applicable Investment Arrangement.

(c) **Automatic Contribution Arrangement.** The Employer may elect under AA §6A-8 to provide for an automatic deferral election under the Plan. If the Employer elects to apply an automatic deferral election, the Employer will automatically withhold the amount designated under AA §6A-8 from Participants' Plan Compensation, unless the Participant completes a Salary Reduction Agreement electing a different deferral amount (including a zero deferral amount). Unless provided otherwise under AA §6A-8, an Employee who is automatically enrolled under a prior plan document will continue to be automatically enrolled under the current Plan document. If a Participant's Salary Reduction Agreement expires and the Participant fails to complete a new affirmative Salary Reduction Agreement subsequent to the prior Salary Reduction Agreement expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, the Participant can always complete a new affirmative election and designate a new deferral percentage.

(1) **Automatic Contribution Arrangement (ACA) other than an EACA.** The Employer may elect under AA §6A-8(a) to provide for an automatic deferral election under the requirements of an ACA that is not intended to be an EACA. Such an ACA must meet the requirements for automatic enrollment under applicable regulations under Code §403(b), but is not required to meet the requirements of an EACA as described in (2) below. A Participant in an ACA must receive notice of the right to make a different election (including an election not to defer) and must have a reasonable period of time to make such an election.

(2) **Eligible Automatic Contribution Arrangement (EACA).** The Employer may elect under AA §6A-8(a) to provide for an automatic deferral election under the requirements of an EACA. If a Plan does not satisfy the requirements for an EACA for an entire Plan Year, the Plan will not be eligible for the special EACA provisions under subsection (ii) for such Plan Year, but will still be treated as an Automatic Contribution Arrangement. The failure to qualify as an EACA has no impact on the qualified status of the Plan or on the Employer's ability to rely on the Favorable IRS Letter issued with respect to the Plan. Thus, the provisions under subsection (i) will continue to apply as selected in AA 6A-8 for the Plan Year, even if the Automatic Contributions Arrangement does not qualify as an EACA for the entire Plan Year.

(i) **Definition of Eligible Automatic Contribution Arrangement (EACA).** The Plan will qualify as an EACA if the Plan provides for an automatic deferral election (as described in subsection (A)) and provides an annual written notice as described in subsection (D) below. Any Salary Deferrals withheld pursuant to an automatic deferral election will be deposited into the Participant's Salary Deferral Account.

(A) **Automatic deferral election.** To qualify as an EACA, each Employee eligible to participate in the Plan must have a reasonable opportunity after receipt of the notice described in subsection (D) to make an affirmative election to defer (or an election not to defer) under the Plan before any automatic deferral election goes into effect. If an automatic deferral election applies under the Plan, such election will not apply to Participants who have entered into a Salary Reduction Agreement for an amount equal to or greater than the automatic deferral amount designated under AA §6A-8. The Employer also may elect to apply the automatic deferral election only to Participants who become eligible to participate after a specified date. If the Plan otherwise qualifies as an EACA but the automatic contribution arrangement does not apply to all eligible Employees (who have not entered into an affirmative deferral election), the Plan will not qualify for the extended 6-month correction period described in subsection (ii)(B) below.

An automatic deferral election ceases to apply with respect to any Employee who makes an affirmative election (that remains in effect) to make Salary Deferrals or to not have any Salary Deferrals made on such Employee's behalf. Salary Deferrals made pursuant to an automatic deferral election will cease as soon as administratively feasible after an Eligible Employee makes an affirmative deferral election. In addition, automatic deferrals will be reduced or stopped to meet the limitations under Code §§401(a)(17), 402(g), and 415 and to satisfy any suspension period required after a distribution.

Unless elected otherwise under AA §6A-7, a Participant's affirmative election to defer (or to not defer) will cease upon Severance from Employment. If a Participant's affirmative election to defer (or to not defer) ceases upon Severance from Employment, the Participant will be subject to the automatic deferral provisions of this subsection (A) upon rehire, including the default election provisions and the notice requirements under subsection (D) below.

(B) **Uniformity requirement.** If an Eligible Employee does not make an affirmative deferral election, such Employee will be treated as having elected to make Salary Deferrals in an amount equal to a uniform percentage of Plan Compensation as set forth in AA §6A-8. For this purpose, an automatic deferral election will not fail to be a uniform percentage of Plan Compensation merely because:

(I) The deferral percentage varies based on the number of years an eligible Employee has participated in the Plan (e.g., due to the application of an automatic increase provisions);

(II) The automatic deferral election does not reduce a Salary Reduction Agreement election in effect immediately prior to the effective date of the automatic deferral election; or

(III) The rate of Salary Deferrals is limited so as not to exceed the limits of Code §§401(a)(17), 402(g) (determined with or without Catch-Up Contributions) and 415.

(C) **Automatic increase.** The Plan may provide under AA §6A-8 that the automatic deferral amount will automatically increase by a designated percentage each Plan Year. Unless designated otherwise under AA §6A-8(b)(4), in applying any automatic deferral increase under AA §6A-8, the initial deferral amount will apply for the period that begins when the employee first participates in the automatic contribution arrangement and ends on the last day of the following Plan Year. The automatic increase will apply for each Plan Year beginning with the Plan Year immediately following the initial deferral period and for each subsequent Plan Year. For example, if an Employee makes such Employee's first automatic deferral for the period beginning July 1, 2024, and no special election is made under AA §6A-8(b)(4), the first automatic increase would take effect on January 1, 2026 (assuming the Plan is using a calendar Plan Year) which is the first day of the Plan Year beginning after the first Plan Year following the period for which the Employee makes such Employee's first automatic deferral under the Plan. Automatic increases must also comply with any applicable State law requirements.

(D) **Annual notice requirement.** Each eligible Employee must receive a written notice describing the Participant's rights and obligations under the Plan which is sufficiently accurate and comprehensive to apprise the Employee of such rights and obligations and is written in a manner calculated to be understood by the average Plan Participant. The annual notice only needs to be provided to those Employees who are covered under the Automatic Contribution Arrangement. If it is impractical to provide the annual notice to a newly eligible Participant before the date such individual becomes eligible to participate under the Plan, the notice will be treated as timely if it is provided as soon as practicable after such date and the Employee is permitted to defer from Plan Compensation earned beginning on the date of participation.

(I) **Contents of annual notice.** To qualify as an EACA, the annual notice must include a description of:

(a) the level of Salary Deferrals which will be made on the Employee's behalf if the Employee does not make an affirmative election;

(b) the Employee's right under the EACA to elect not to have Salary Deferrals made on the Employee's behalf (or to elect to have such Salary Deferrals made in a different amount or percentage of Plan Compensation);

(c) how contributions under the EACA will be invested and, if the Plan provides for Participant direction of investment, how Salary Deferrals made pursuant to an automatic deferral election will be invested in the absence of an investment election by the Employee; and

(d) the Employee's right to make a permissible withdrawal (as described under subsection (ii)(A) below), if applicable, and the procedures to elect such a withdrawal.

(II) **Timing of annual notice.** The annual notice must be provided within a reasonable period before the beginning of each Plan Year (or, in the year an Employee becomes an eligible Employee, within a reasonable period before the Employee becomes an eligible Employee). In addition, a notice satisfies the timing requirements only if it is provided sufficiently early so that the Employee has a reasonable period of time after receipt of the notice and before the first Salary Deferral made under the arrangement to make an alternative deferral election.

The annual notice will be deemed timely if it is provided to each eligible Employee at least 30 days (and no more than 90 days) before the beginning of each Plan Year. In the case of an Employee who does not receive the notice within such period because the Employee becomes an eligible Employee after the 90th day before the beginning of the Plan Year, the timing requirement is deemed to be satisfied if the notice is provided no more than 90 days before the Employee becomes an eligible Employee (and no later than the date the Employee becomes an eligible Employee).

(E) **Timing of automatic deferral.** Generally, the automatic deferral will commence as of the date the Employee is otherwise eligible to make Salary Deferrals under the Plan, if the Employee had completed a Salary Reduction Agreement. However, an automatic deferral will be treated as timely if the deferral is made pursuant to reasonable administrative procedures established by the Plan Administrator. If the Plan provides an Employee with a written notice as described in Section 3.03(c)(2)(i)(D) above no later than 30 days after such Employee's Entry Date, provides the Employee with the opportunity to make an affirmative Salary Reduction Agreement up to 30 days after the notice is provided, and in the absence of the Employee's affirmative Salary Reduction Agreement, provides that automatic deferrals will commence as soon as administratively practicable following the last day of the 30 day period, then the Plan will be treated as having a reasonable administrative procedure.

(ii) **Special Rules for Eligible Automatic Contribution Arrangement (EACA).** If the Plan provides for an automatic deferral election provision under AA §6A-8 and such automatic deferral election qualifies as an EACA, the Employer may elect to offer special permissible withdrawals (as set forth in subsection

(A) below) and will qualify for the special delayed testing date for purposes of making refunds of Excess Aggregate Contributions (as described in subsection (B) below). To qualify as an EACA, the Plan must satisfy the provisions of subsection (i) for the entire Plan Year.

(A) **Permissible Withdrawals under EACA.** If so elected under AA §6A-8(c), any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under an EACA may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of this subsection (A). A permissible withdrawal under this subsection (A) may be made without regard to any elections under AA §10 and will not cause the Plan to fail the prohibition on in-service distribution applicable to Salary Deferrals under Section 8.08(c). In addition, such withdrawal may be made without regard to any notice or consent otherwise required under the Plan. Any Salary Deferrals that are distributed under this subsection (A) are not counted toward the Elective Deferral Dollar Limit.

(I) **Amount of distribution.** A distribution satisfies the requirement of this subsection (A) if the distribution is equal to the amount of Salary Deferrals made pursuant to the automatic deferral election through the effective date of the withdrawal election (as described in subsection (III)), adjusted for allocable gains and losses as of the date of the distribution.

The distribution amount determined under this subsection (I) may be reduced by any generally applicable fees. However, the Plan may not charge a greater fee for a permissible distribution under this subsection (A) than applies with respect to other Plan distributions.

(II) **Timing of permissible withdrawal election.** An election to withdraw Salary Deferrals under this subsection (A) must be made no later than 90 days after the date of the first default Salary Deferral under the EACA. The date of the first default Salary Deferral is the date that the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. The Employer may designate an alternative period for making permissible withdrawals under AA §6A-8(c)(3).

(III) **Effective date of permissible withdrawal.** The effective date of a permissible withdrawal election cannot be later than the pay date for the second payroll period that begins after the election is made or, if earlier, the first pay date that occurs at least 30 days after the election is made. If an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to Severance from Employment), the Plan may allow such Employee to take a permissible withdrawal, but only with respect to default contributions made after the Employee's return to employment.

(IV) **Consequences of permissible withdrawal.** Any amount distributed under this subsection (A) is includible in the Employee's gross income for the Taxable Year in which the distribution is made. However, the portion of any distribution consisting of Roth Deferrals is not included in an Employee's gross income a second time. In addition, a permissible withdrawal under this subsection (A) is not subject to any penalty tax under Code §72(t). Unless the Employee affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to stop having Salary Deferrals made on the Employee's behalf as of the date specified in subsection (III) above.

(V) **Forfeiture of Matching Contributions.** In the case of any withdrawal made under this subsection (A), any Matching Contributions made with respect to such withdrawn Salary Deferrals must be forfeited. Any forfeiture of Matching Contributions under this subsection (V) will be made in accordance with the requirements of Section 7.13.

(B) **Expansion of corrective distribution period for EACAs.** If the Plan qualifies as an EACA (as defined in subsection (i) above), the corrective distribution provisions applicable to Excess Aggregate Contributions are modified to allow a corrective distribution no later than 6 months (instead of 2½ months) after the last day of the Plan Year in which such excess amounts arose.

(d) **Age 50 Catch-Up Contributions.** Unless otherwise elected under AA §6A-4 and subject to the terms of the applicable Investment Arrangement(s), a Participant who is aged 50 or over by the end of such Participant's taxable year beginning in the calendar year may make Age 50 Catch-Up Contributions under the Plan, provided such Age 50 Catch-Up Contributions are in excess of an otherwise applicable limit under the Plan. For this purpose, an otherwise applicable Plan limit is a limit in the Plan that applies to Salary Deferrals without regard to Age 50 Catch-up

Contributions, such as the Code §415 Limitation (described in Section 5.03) and the Elective Deferral Dollar Limit (described in Section 5.02).

(1) **Age 50 Catch-Up Contribution Limit.** Age 50 Catch-up Contributions for a Participant for a calendar year may not exceed the Age 50 Catch-Up Contribution Limit. The Age 50 Catch-Up Contribution Limit for calendar years beginning in 2024 is $7,500. For calendar years beginning after 2024 , the Age 50 Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C).

(2) **Special treatment of Catch-Up Contributions.** Age 50 Catch-up Contributions are not subject to the Elective Deferral Dollar Limit or the Code §415 Limitation.

(e) **Special Catch-Up Contributions for certain Employees of Qualified Organizations.** Unless otherwise elected under AA §6A-4 and subject to the terms of the applicable Investment Arrangement(s) and Treas. Reg. §1.403(b)-4(c)(3), solely for a Participant who is an Employee with 15 years of service (as defined in Treas. Reg. §1.403(b)-4(c)(3)) with an Employer that is a Qualified Organization (a "Qualified Employee"), the limit under Code §402(g) for a Participant's taxable year is increased by the least of the following:

(1) $3,000;

(2) The excess of:

(i) $15,000, reduced by

(ii) The total Special §403(b) Catch-up Contributions made for the Qualified Employee by the Qualified Organization for prior years; or

(3) The excess of:

(i) $5,000 multiplied by the number of Years of Service of the Employee with the Qualified Organization, reduced by

(ii) The total Salary Deferrals made for the Employee by the Qualified Organization for prior years.

(f) **Coordination of Age 50 Catch-Up Contributions and Special Catch-Up Contributions.** The Plan will treat any catch-up amount that is contributed by an Employee who is eligible for both the Age 50 Catch-Up Contribution and Special Catch-Up Contribution first as a Special Catch-Up Contribution to the extent permitted and then as an Age 50 Catch-Up Contribution. However, in no event may the amount of Salary Deferrals for a year exceed the Participant's Plan Compensation for the year.

(g) **Roth Deferrals.** If permitted under AA §6A-5 and subject to the terms of the applicable Investment Arrangement(s), a Participant may designate all or a portion of such Participant's Salary Deferrals as Roth Deferrals. For this purpose, a Roth Deferral is a Salary Deferral that satisfies the following conditions.

(1) **Irrevocable election.** The Participant makes an irrevocable election (at the time the Participant enters into such Participant's Salary Reduction Agreement) designating all or a portion of such Participant's Salary Deferrals as Roth Deferrals. The irrevocable election applies with respect to Salary Deferrals that are made pursuant to such election. A Participant may modify or change a Salary Reduction Agreement to increase or decrease the amount of Salary Deferrals designated as Roth Deferrals, provided such change or modification applies only with respect to Salary Deferrals made after such change or modification. (See subsection (b) above for rules regarding the timing of permissible changes or modifications to a Participant's Salary Reduction Agreement.)

(2) **Subject to immediate taxation.** To the extent a Participant designates all or a portion of such Participant's Salary Deferrals as Roth Deferrals, such amounts will be includible in the Participant's income at the time the Participant would have received the contribution amounts in cash if the Employee had not made the Salary Reduction Agreement election.

(3) **Separate account.** Any amounts designated as Roth Deferrals will be maintained by the Plan in a separate Roth Deferral Account. The Plan will credit and debit all contributions and withdrawals of Roth Deferrals to such separate Account. The Plan will separately allocate gains, losses, and other credits and charges to the Roth Deferral Account on a reasonable basis that is consistent with such allocations for other Accounts under the Plan. However, in no event may the Plan allocate forfeitures under the Plan to the Roth Deferral Account. The Plan will separately track Participants' accumulated Roth Deferrals and the earnings on such amounts.

(4) **Satisfaction of Salary Deferral requirements.** Roth Deferrals are subject to the same requirements as apply to Salary Deferrals. Thus, Roth Deferrals are subject to the following requirements:

(i) Roth Deferrals are always 100% vested;

(ii) Roth Deferrals are subject to the Elective Deferral Dollar Limit. For this purpose, all Salary Deferrals (both Pre-Tax Deferrals and Roth Deferrals) are aggregated in applying the Elective Deferral Dollar Limit;

(iii) Roth Deferrals are subject to the same distribution restrictions as apply to Salary Deferrals under Section 8.08(c); and

(iv) Roth Deferrals are subject to the required minimum distribution requirements under Code §401(a)(9).

(5) **Rollover of Roth Deferrals.**

(i) **Rollovers from this Plan.** For purposes of the rollover rules under Section 8.04, a Direct Rollover of a distribution from a Participant's Roth Deferral Account will only be made to another Roth Deferral Account under a qualified plan described in Code §401(a) or an annuity contract or custodial account described in Code §403(b) or to a Roth IRA described in §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).

(ii) **Rollovers to this Plan.** Subject to the provisions under Article 4, a Participant may make a Rollover Contribution to such Participant's Roth Deferral Account only if the rollover is a Direct Rollover from another Roth Deferral Account under a qualified retirement plan (as described in Article 4) and only to the extent the rollover is permitted under the rules of Code §402(c). A rollover of Roth Deferrals may not be made to this Plan from a Roth IRA. Any rollover of Roth Deferrals to this Plan will be held in a separate Roth Rollover Account.

(iii) **Minimum rollover amount.** The Plan will not provide for a Direct Rollover (including an Automatic Rollover) for distributions from a Participant's Roth Deferral Account if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than $200. In addition, any distribution from a Participant's Roth Deferral Account is not taken into account in determining whether distributions from a Participant's other Accounts are reasonably expected to total less than $200 during a year. However, Eligible Rollover Distributions from a Participant's Roth Deferral Account are taken into account in determining whether the total amount of the Participant's Account Balances under the Plan exceeds the applicable threshold for purposes of applying the Automatic Rollover provisions under Section 8.05.

(iv) **Separate treatment of Roth Deferrals.** The provisions under Section 8.04 that allow a Participant to elect a Direct Rollover of only a portion of an Eligible Rollover Distribution but only if the amount rolled over is at least $500 is applied by treating any amount distributed from the Participant's Roth Deferral Account as a separate distribution from any amount distributed from the Participant's other Accounts in the Plan, even if the amounts are distributed at the same time.

(h) **In-Plan Roth Conversions.** Effective on or after January 1, 2013, the Employer may elect under the §6-5(c) to permit In-Plan Roth Conversions under the Plan. For this purpose, an In-Plan Roth Conversion is a conversion of amounts held in a Participant's Plan Account, other than a Roth Deferral Account or Roth Rollover Account, into the Participant's In-Plan Roth Conversion Account under the Plan, pursuant to Code §402A(c)(4). Any election to make an In-Plan Roth Conversion during a Taxable Year may not be changed after the In-Plan Roth Conversion is completed. (For In-Plan Roth Conversions completed prior to January 1, 2013, a Participant had to be eligible to receive a distribution of the converted amounts at the time of the In-Plan Roth Conversion. The provisions of this Section 3.03 (f) do not affect an In-Plan Roth Conversion completed prior to January 1, 2013.)

An In-Plan Roth Conversion may be elected by a Participant, a Spousal beneficiary, or an Alternate Payee who is a Spouse or former Spouse. To the extent the term "Participant" is used for purposes of determining eligibility to make an In-Plan Roth Conversion, such term will also include a Spousal beneficiary and an Alternate Payee who is a Spouse or former Spouse.

(1) **Amounts Eligible for In-Plan Roth Conversion.** If permitted under the Adoption Agreement, a Participant may convert any portion of such Participant's vested Account Balance (other than amounts attributable to Roth Deferrals or Roth Deferral rollovers) to an In-Plan Roth Conversion Account. Unless elected otherwise under the Adoption Agreement, a Participant need not be eligible to receive a distribution from the Plan at the time of the In-Plan Roth Conversion. Any In-Plan Roth Conversion of otherwise nondistributable amounts can only occur via a Direct Rollover (unlike distributable amounts which may instead use a 60-day rollover method).

In addition, an In-Plan Roth Conversion will not be treated as a distribution for the following purposes:

(i) **Participant loans.** A Participant loan directly transferred into an In-Plan Roth Conversion without changing the repayment schedule is not treated as a new loan. The Employer may elect in the Adoption Agreement to not permit Participant loans to be distributed as part of an In-Plan Roth Conversion.

(ii) **Spousal consent.** An In-Plan Roth Conversion is not treated as a distribution for purposes of applying the spousal consent requirements applicable to the Plan. Thus, a married Plan Participant is not required to obtain spousal consent in connection with an election to make an In-Plan Roth Conversion.

(iii) **Participant consent.** An In-Plan Roth Conversion is not treated as a distribution for purposes of applying the Participant consent requirements applicable under the Plan. Thus, amounts that are converted as part of an In-Plan Roth Conversion continue to be taken into account in determining whether the Participant's vested Account Balance exceeds $5,000 for purposes of applying the Involuntary Cash-Out Distribution provisions and will not trigger the requirement for a notice of the Participant's right to defer receipt of the distribution.

(iv) **Protected benefits.** An In-Plan Roth Conversion is not treated as a distribution under the Plan. Thus, a Participant who had a distribution right (such as a right to an immediate distribution) prior to the In-Plan Roth Conversion cannot have that distribution right eliminated solely as a result of the election to make an In-Plan Roth Conversion. The Employer may have to maintain separate accounts with respect to different contribution types within the In-Plan Roth Conversion Account in order to protect distribution options related to such different contribution types.

(v) **Mandatory withholding.** An In-Plan Roth Conversion is not subject to 20% mandatory withholding under Code §3405(c).

(vi) **Distribution restrictions.** Generally, a distribution will be permitted from the In-Plan Roth Conversion Account to the extent permitted for regular Roth Deferrals under AA §10-1. However, as described in subsection (iv) above, additional distribution options may need to be protected with respect to specific contribution types. The distribution restrictions normally applicable to Roth Deferrals, as described in Section 8.09(c) of the Plan, do not apply to the extent the conversion is from a contribution type that is not otherwise subject to the distribution restrictions applicable to Roth Deferrals. In addition, distribution restrictions that otherwise apply with respect to a specific contribution type will continue to apply if such contribution type is converted to Roth Deferrals.

(2) **Contribution types.** Unless elected otherwise under the AA, an In-Plan Roth Conversion may be made from any contribution type under the Plan, other than a Roth Deferral Account or Roth Rollover Account. The Employer may elect in AA §6A-5(c)(3) to limit the contribution types that are eligible for In-Plan Roth Conversion. In addition, the Employer may elect in AA §6A-5(c)(4) to limit In-Plan Roth Conversions to contribution accounts that are 100% vested.

3.04 **Matching Contributions.** The Employer may elect under AA §6B to authorize Matching Contributions under the Plan. If the Employer elects more than one Matching Contribution formula under AA §6B-2, each formula is applied separately. A Participant's aggregate Matching Contributions will be the sum of the Matching Contributions under all such formulas. Any Matching Contribution made under the Plan will be allocated to Participants' Matching Contribution Account. To receive an allocation of Matching Contributions, a Participant must satisfy any allocations conditions designated under the Plan.

A contribution will not be considered a Matching Contribution if such contribution is contributed before the underlying Salary Deferral or After-Tax Employee Contribution election is made or before an Employee performs the services with respect to which the underlying Salary Deferrals or After-Tax Employee Contributions are made (or when the cash that is subject to such election would be currently available, if earlier). A Matching Contribution will not be treated as failing to satisfy the requirements of this paragraph merely because contributions are occasionally made before the Employee performs the services with respect to which the underlying Salary Deferral or After-Tax Employee Contribution election is made (or when the cash that is subject to such elections would be currently available, if earlier) in order to accommodate bona fide administrative considerations (and such amounts are not paid early for the principal purpose of accelerating deductions).

(a) **Contributions eligible for Matching Contributions.** The Matching Contribution formula(s) apply to Salary Deferrals made under the Plan, to the extent authorized under the Adoption Agreement. The Employer may elect under AA §6C-2(c) to include After-Tax Employee Contributions in the Matching Contribution formula(s). If the Matching

Contribution formula(s) applies to both Salary Deferrals and After-Tax Employee Contributions, such contributions are aggregated to determine the Matching Contributions under the Plan. Any reference to Salary Deferrals under the Matching Contribution formula(s) includes After-Tax Employee Contributions to the extent such amounts are eligible for Matching Contributions under the Plan.

In addition, the Employer may elect under AA §6B-3(b) to match Elective Deferrals under another 403(b) plan, a qualified plan under Code §401(a) or qualifying 457 plan maintained by the Employer. If the Employer elects to make a Matching Contribution based on the Employee's Elective Deferrals or Roth Deferrals under another 403(b) plan, a qualified plan under Code §401(a) or §457 plan, the Employer shall make a Matching Contribution on behalf of any eligible Participant who makes Elective Deferrals or Roth Deferrals to the plan designated under AA §6B-3(b). Any such Matching Contribution made to the Plan will be allocated in accordance with any special provisions added under AA §6B-3(b). Any such Matching Contributions will be in addition to any Matching Contributions made with respect to Salary Deferrals or After-Tax Employee Contributions under this Plan.

(b) **Period for determining Matching Contributions.** AA §6B-5 sets forth the period for which the Matching Contribution formula(s) applies. For this purpose, the period designated in AA §6B-5 applies for purposes of determining the amount of Salary Deferrals (and After-Tax Employee Contributions, if applicable) taken into account in applying the Matching Contribution formula(s) and in applying any limits on the amount of Salary Deferrals that may be taken into account under the Matching Contribution formula(s).

If the Employer elects a discretionary Matching Contribution under AA §6B-2, the Employer may elect to make a different Matching Contribution for each period designated in AA §6B-5. Thus, for example, if the discretionary Matching Contribution is based on the Plan Year quarter under AA §6B-5, the Employer may elect to make a different level of Matching Contribution for each Plan Year quarter.

(c) **True-up contributions.** If the Employer makes Matching Contributions more frequently than annually, the Employer may have to make true-up contributions for Participants. True-up contributions will be required if the Employer actually contributes Matching Contributions to the Plan on a more frequent basis than the period that is used to determine the amount of the Matching Contributions under AA §6B-5. For example, if Matching Contributions apply with respect to Salary Deferrals made for the Plan Year, but the Employer contributes the Matching Contributions on a quarterly basis, the Employer may have to make a true-up contribution to any Participant based on Salary Deferrals for the Plan Year. If a true-up contribution is required under this subsection, the Employer may make such additional contribution as required to satisfy the contribution requirements under the Plan.

If a period other than the Plan Year is selected under AA §6B-5, the Employer may make an additional discretionary Matching Contribution equal to the true-up contribution that would otherwise be required if Plan Year was selected under AA §6B-5. If an additional discretionary Matching Contribution is made under this subsection (c), such contribution must be provided to all eligible Participants who would otherwise be entitled to a true-up contribution based on Plan Compensation for the Plan Year.

3.05 **After-Tax Employee Contributions.** The Employer may elect under AA §6C-2 to allow Participants to make After-Tax Employee Contributions under the Plan. If permitted under AA §6C-2, as applicable, a Participant's compensation will be reduced by the amount the Participant elects to contribute as an After-Tax Employee Contribution. Any After-Tax Employee Contributions made under the Plan will be held in Participants' After-Tax Employee Contribution Account, which are always 100% vested. The Employer has a reasonable period of time to begin withholding After-Tax Employee Contributions with respect to an Eligible Participant.

A Participant may increase, decrease, discontinue or resume such Participant's After-Tax Employee Contributions as set forth in AA §6C-2(d), as applicable. An Employee must be permitted to modify or terminate an existing After-Tax Employee Contribution election at least once a year. The Employer may designate additional dates on the After-Tax Employee Contribution election form (or other written procedures) as to when a Participant may commence, modify or terminate After-Tax Employee Contributions. Alternatively, the Employer may designate under the Adoption Agreement, specific dates as of which a Participant may commence, modify or terminate After-Tax Employee Contributions. Any election to modify or terminate an After-Tax Employee Contribution election will take effect within a reasonable period following such election and will apply only on a prospective basis.

A Participant may withdraw amounts from such Participant's After-Tax Employee Contribution Account at any time, in accordance with the distribution rules under Section 8.08(a), except as otherwise provided under AA §10. No forfeitures will occur solely as a result of an Employee's withdrawal of After-Tax Employee Contributions. The Employer may collect Participants' After-Tax Employee Contributions using payroll reduction or other collection procedures. The Employer may designate in the Adoption Agreement or in separate administrative procedures any special rules regarding the acceptance of After-Tax Employee Contributions.

3.06 **<u>Allocation Conditions.</u>** In order to receive an allocation of Employer Contributions (other than Salary Deferrals) or an allocation of Matching Contributions, a Participant must satisfy any allocation conditions designated under AA §6-7 or AA §6B-7, as applicable. If the Employer elects under AA §6-7(c) or AA §6B-7(c) to apply a minimum service requirement, the Employer may elect to base such minimum service requirement on the basis of Hours of Service or on the basis of consecutive days of employment under the Elapsed Time method.

(a) **<u>Application to designated period.</u>** Instead of applying the allocation conditions on the basis of the Plan Year, the Employer may elect in AA §6-7(d) or AA §6B-7(d) to apply the allocation conditions on the basis of designated periods. If the Employer elects to apply a last day of employment condition on the basis of designated periods, a Participant will not be entitled to an allocation of Employer Contributions or Matching Contributions for any period designated under AA §6-7(d)(1) or AA §6B-7(d)(1), as applicable, unless the Participant is employed by the Employer at the end of such designated period. If the Employer elects to apply an Hours of Service allocation condition on the basis of designated periods, a Participant will not be entitled to an allocation of Employer Contributions or Matching Contributions for any period designated under AA §6-7(d)(1) or AA §6B-7(d)(1), as applicable, unless the Participant satisfies the required service condition before the end of such designated period.

If the Employer elects to apply the allocation conditions on the basis of designated periods, the Employer may elect to apply any Hours of Service condition using the cumulative method (as described in subsection (1) below) or the period-by-period method (as described in subsection (2) below). The Employer may elect operationally to use either method in applying the Hours of Service condition, provided the Employer uses the same method for all affected Employees during any given period.

(1) **<u>Cumulative method.</u>** Under the cumulative method, the Hours of Service condition is applied with respect to each designated period on a cumulative basis for the Plan Year. The required service condition for any period is determined by multiplying the required Hours of Service (or days of employment, if applicable) by a fraction, the numerator of which is the total number of periods completed during the Plan Year (including the current period) and the denominator of which is the total number of periods during the Plan Year. For example, if a Participant must complete 1,000 Hours of Service to receive an Employer Contribution or Matching Contribution under the Plan, and the Employer elects to apply such condition on the basis of Plan Year quarters under AA §6-7(d)(1)(i) or AA §6B-7(d)(1)(i), as applicable, a Participant would have to complete 250 Hours of Service by the end of the first Plan Year quarter [1/4 x 1,000], 500 Hours of Service by the end of the second Plan Year quarter [2/4 x 1,000], 750 Hours of Service by the end of the third Plan Year quarter [3/4 x 1,000] and 1,000 Hours of Service by the end of the Plan Year [4/4 x 1,000] to receive an allocation of the Employer Contribution or Matching Contribution for such period. If a Participant does not satisfy the required service condition for any designated period during the Plan Year, no Employer Contribution or Matching Contribution will be allocated to that Participant for such period.

(2) **<u>Period-by-period method.</u>** Under the period-by-period method, the minimum service allocation condition is applied separately for each designated period. The required service condition for any period is determined by multiplying the required Hours of Service (or days of employment, if applicable) by a fraction, the numerator of which is one (1) and the denominator of which is the total number of periods during the Plan Year. For example, if a Participant must complete 1,000 Hours of Service to receive an Employer Contribution or Matching Contribution under the Plan, and the Employer elects to apply such condition on the basis of Plan Year quarters under AA §6-7(d)(1)(i) or AA §6B-7(d)(1)(i), as applicable, a Participant would have to complete 250 Hours of Service in each Plan Year quarter [1/4 x 1,000] to receive an allocation of the Employer Contribution or Matching Contribution for such period. If a Participant does not satisfy the required service condition for any designated period during the Plan Year, no Employer Contribution or Matching Contribution will be allocated to that Participant for such period.

(b) **<u>Special rule for year of Plan termination.</u>** A last day employment condition automatically applies for any Plan Year in which the Plan is terminated, regardless of whether the Employer has elected to apply a last day employment condition under AA §6-7(b) or AA §6B-7(b), as applicable. Thus, the Employer will not be obligated to make an Employer Contribution or Matching Contribution for the Plan Year in which the Plan terminates, unless the Employer provides for an Employer Contribution and/or Matching Contribution in its termination amendment. If there are unallocated forfeitures at the time of Plan termination, such forfeitures will be allocated to Participants under the Plan's procedures for allocating forfeitures.

3.07 **<u>Service with Predecessor Employers.</u>** If the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the allocation conditions under this Section. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for purposes of applying the allocation conditions under this Section, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer. Unless designated otherwise under AA §4-5, if the Employer takes into account service with a Predecessor Employer, such service will count for purposes of eligibility under Section 2 (see

Section 2.06), vesting under Section 7 (see Section 7.06) and for purposes of the minimum allocation conditions under this Section.

SECTION 4
ROLLOVER CONTRIBUTIONS AND TRANSFERS

This Section 4 provides the rules regarding Rollover Contributions and transfers that may be made under this Plan, subject to any limitations under the applicable Investment Arrangement,. The Plan Administrator has the authority under Section 11 to accept Rollover Contributions under this Plan and to enter into transfer agreements concerning the transfer of assets from another plan to this Plan.

4.01 **Rollover Contributions.** Subject to the terms governing the applicable Investment Arrangement, an Employee (or former Employee) may make a Rollover Contribution to this Plan from a qualified retirement plan or from an IRA, if the acceptance of rollovers is permitted under AA §C-2 or if the Plan Administrator adopts administrative procedures regarding the acceptance of Rollover Contributions. Any Rollover Contribution an Employee (or former Employee) makes to this Plan will be held in the Employee's Rollover Contribution Account (or Roth Rollover Account), which is always 100% vested. Subject to the terms governing the applicable Investment Arrangement a Participant may withdraw amounts from such Participant's Rollover Contribution Account at any time, in accordance with the distribution rules under Section 8, except as prohibited under AA §10. Any amounts received as a Rollover Contribution under this Section 4.01 will not be treated as an Annual Addition for purposes of applying the Code §415 Limitation.

For purposes of this Section 4.01, a qualified retirement plan is a tax-qualified retirement plan described in Code §401(a) or Code §403(a), a Code §403(b) plan, or an eligible plan under §457(b) of the Code which is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State. To qualify as a Rollover Contribution under this Section, the Rollover Contribution must be transferred directly from the qualified retirement plan or IRA in a Direct Rollover or must be transferred to the Plan by the Employee within sixty (60) days following receipt of the amounts from the qualified plan or IRA. The Plan will not accept rollovers of non-deductible IRA contributions.

If Rollover Contributions are permitted, an Employee (or former Employee) may make a Rollover Contribution to the Plan even if the Employee is not a Participant with respect to any or all other contributions under the Plan, unless otherwise prohibited under AA §C-2 or separate administrative procedures adopted by the Plan Administrator. An Employee who makes a Rollover Contribution to this Plan prior to becoming a Participant shall be treated as a Participant only with respect to such Rollover Contribution Account but shall not be treated as a Participant with respect to other contribution types under the Plan until such Participant otherwise satisfies the eligibility conditions for participation under the Plan. To the extent Participant loans are authorized under the Plan, a "limited Participant" under this paragraph may request a Participant loan from the Rollover Contribution Account, unless provided otherwise under AA §B-3 or separate administrative procedures adopted by the Plan Administrator.

The Plan Administrator may refuse to accept a Rollover Contribution if the Plan Administrator reasonably believes the Rollover Contribution:

(a) is not being made from a proper plan or IRA;

(b) is not being made within sixty (60) days from receipt of the amounts from a qualified retirement plan or IRA;

(c) could jeopardize the tax-exempt status of the Plan; or

(d) could create adverse tax consequences for the Plan or the Employer.

Prior to accepting a Rollover Contribution, the Plan Administrator may require the Employee to provide satisfactory evidence establishing that the Rollover Contribution meets the requirements of this Section 4.01. The Plan Administrator may only accept a Rollover Contribution that includes After-Tax Employee Contributions or Roth Deferrals if the Plan Administrator obtains information regarding the Participant's tax basis (as determined under Code §72) on such amounts.

Under Treas. Reg. §1.401(a)(31)-1, Q&A-14, if the Plan accepts an invalid Rollover Contribution, the contribution will be treated, for purposes of applying the qualification requirements of Code §401(a) to the Plan, as if it were a valid Rollover Contribution if two conditions are satisfied:

(a) When accepting the amount from the Employee as a Rollover Contribution, the Plan Administrator must reasonably conclude that the contribution is a valid Rollover Contribution; and

(b) If the Plan Administrator later determines that the contribution was an invalid Rollover Contribution, the Plan Administrator must distribute the amount of the invalid Rollover Contribution, plus any earnings attributable thereto, to the Employee within a reasonable time after such determination.

The Plan Administrator may use reasonable criteria in determining whether a Rollover Contribution is valid. Thus, the Plan Administrator may access the EFAST2 database maintained by the DOL to assist in determining whether a potential Rollover

Contribution was distributed by a plan intended to be a qualified plan. If the Plan Administrator later determines that the Rollover Contribution was not valid, the Plan Administrator must have the amount rolled over plus any attributable earnings distributed within a reasonable period of time after such determination.

Effective for Taxable Years beginning after December 31, 2017, the period during which a Qualified Plan Loan Offset Amount may be contributed to the Plan as a Rollover Contribution is extended from 60 days after the date of the offset to the due date (including extensions) for filing the individual's Federal income tax return for the Taxable Year in which the Plan loan offset occurs. A Qualified Plan Loan Offset Amount is a Plan loan offset amount that is treated as distributed from a tax-qualified retirement plan described in Code §401(a) or Code §403(a), a Code §403(b) plan, or a governmental plan under Code §457(b) solely by reason of termination of the Plan or failure to meet the repayment terms of the loan because of Severance from Employment.

Notwithstanding any other provision of the Plan, the Plan Administrator may accept any Rollover Contribution that satisfies the requirements, including the time period to make Rollover Contributions, under Code §402(c) and applicable IRS regulations and other guidance. Thus, for example, the Plan Administrator may accept a Rollover Contribution as provided under Revenue Procedure 2016-47 relating to the waiver of the 60-day rollover period and acceptable self-certification by an Employee.

The Plan Administrator may apply different conditions for accepting Rollover Contributions from qualified retirement plans and IRAs. For example, the Plan Administrator may decide in its discretion whether to accept a Direct Rollover of a loan note from another retirement plan. Any conditions on Rollover Contributions must be applied uniformly to all Employees under the Plan.

4.02 **Contract Exchanges and Transfers.** Provided that the Plan allows contract exchanges or plan-to-plan transfers and subject to the terms governing the applicable Investment Arrangement, the Plan Administrator may accept such exchange or transfer from one Code §403(b) investment to another investment, provided the requirements under Sections 14.04 and 14.05 are satisfied. The Employer may set forth restrictions on contract exchanges and transfers in Addendum B of the Adoption Agreement.

SECTION 5
LIMITS ON CONTRIBUTIONS

5.01 **Limits on Employer Contributions.** Any contributions the Employer makes under the Plan are subject to the limitations set forth in this Section 5.

(a) **Limitation on Salary Deferrals.** Any Salary Deferrals made under the Plan are subject to the Elective Deferral Dollar Limit, as described in Section 5.02 below.

(b) **Limitation on total Employer Contributions.** All Employer Contributions the Employer makes under the Plan are subject to the Code §415 Limitation, as described in Section 5.03 below. For purposes of applying the Code §415 Limitation, Employer Contributions include any Employer Contributions, Salary Deferrals, or Matching Contributions made under the Plan.

5.02 **Elective Deferral Dollar Limit.** No Participant may contribute as Elective Deferrals to this Plan (and any other plan, contract or arrangement maintained by the Employer) during any calendar year, an amount that exceeds the Elective Deferral Dollar Limit in effect for the Participant's taxable year beginning in such calendar year. Additional restrictions apply if a Participant participates in a plan maintained by an unrelated employer.

The Elective Deferral Dollar Limit is $23,000 for calendar years beginning in 2024. For calendar years beginning after 2024, the Elective Deferral Dollar Limit will be adjusted for cost-of-living increases under Code §402(g)(4). Any such adjustments will be in multiples of $500.

The Elective Deferral Dollar Limit is increased by the Age 50 Catch-Up Contribution Limit and the Special Catch-Up Contribution Limit for eligible Participants. If the Plan does not provide for Age 50 Catch-up Contributions or the Special Catch-Up Contributions under AA §6A-4, the Elective Deferral Dollar Limit is not increased.

(a) **Excess Deferrals.** Excess Deferrals are Elective Deferrals made during the Participant's taxable year that exceed the Elective Deferral Dollar Limit (as described above) for such year; counting only Elective Deferrals made under this Plan and any other plan, contract or arrangement maintained by the Employer. (See subsection (b)(6) below for provisions that apply when a Participant makes Elective Deferrals to a plan of an unrelated Employer.)

(b) **Correction of Excess Deferrals.** If a Participant makes Excess Deferrals (i.e., Elective Deferrals in excess of the Elective Deferral Dollar Limit) under this Plan and any other plan maintained by the Employer, such Excess Deferrals (plus allocable income or loss) shall be distributed to the Participant no later than April 15 of the following calendar year.

(1) **Amount of corrective distribution.** The amount to be distributed from this Plan as a correction of Excess Deferrals equals the amount of Elective Deferrals the Participant contributes during the taxable year to this Plan and any other plan maintained by the Employer in excess of the Elective Deferral Dollar Limit, reduced by any corrective distribution of Excess Deferrals the Participant receives during the calendar year from this Plan or other plan(s) maintained by the Employer.

(2) **Allocable gain or loss.** A corrective distribution of Excess Deferrals must include any allocable gain or loss for the taxable year in which the Excess Deferrals are contributed to the Plan. The gain or loss allocable to Excess Deferrals may be determined in any reasonable manner, provided the manner used to determine allocable gain or loss is applied consistently for all Participants and in a manner that is reasonably reflective of the method used by the Plan for allocating income to Participants' Accounts.

(3) **Taxation of corrective distribution.** If a corrective distribution of Excess Deferrals is made by April 15 of the following calendar year, amounts attributable to the Excess Deferrals will be includible in the Participant's gross income in the Taxable Year in which such amounts are deferred under the Plan and amounts attributable to income or loss on the Excess Deferrals will be includible in gross income in the year of distribution. If a corrective distribution of Excess Deferrals is made after April 15, the amount of the corrective distribution attributable to Excess Deferrals will be includible in the Participant's gross income in both the Taxable Year in which such amounts are deferred under the Plan and the Taxable Year in which such amounts are distributed.

(4) **Coordination with other provisions.** A corrective distribution of Excess Deferrals made by April 15 of the following calendar year may be made without consent of the Participant or the Participant's Spouse, and without regard to any distribution restrictions applicable under Section 8. A corrective distribution of Excess Deferrals made by the appropriate April 15 also is not treated as a distribution for purposes of applying the required minimum distribution rules.

(5) **<u>Suspension of Salary Deferrals.</u>** If a Participant's Salary Deferrals under this Plan, in combination with any Elective Deferrals the Participant makes during the calendar year under any other plan maintained by the Employer, equal or exceed the Elective Deferral Dollar Limit, the Employer may suspend the Participant's Salary Deferrals under this Plan for the remainder of the calendar year without the Participant's consent.

(6) **<u>Correction of Excess Deferrals under plans not maintained by the Employer.</u>** The correction provisions under this subsection (b) apply only if a Participant makes Excess Deferrals under this Plan (or under this Plan and other plans maintained by the Employer). However, if a Participant has Excess Deferrals for a calendar year on account of making Elective Deferrals to a plan of an unrelated employer, the Participant may assign to this Plan any portion of such Participant's Elective Deferrals made under all plans during the calendar year to the extent such Elective Deferrals exceed the Elective Deferral Dollar Limit. The Participant must notify the Plan Administrator in writing on or before March 1 of the following calendar year of the amount of the Excess Deferrals to be assigned to this Plan. Upon receipt of a timely notification, the Excess Deferrals assigned to this Plan will be distributed (along with any allocable income or loss) to the Participant in accordance with the corrective distribution provisions under this subsection (b). A Participant is deemed to notify the Plan Administrator of Excess Deferrals to the extent such Excess Deferrals arise only under this Plan and any other plan maintained by the Employer.

5.03 **<u>Code §415 Limitation on Annual Additions.</u>**

(a) **<u>General limitation on Annual Additions.</u>** A Participant's Annual Additions under the Plan for a Limitation Year may not exceed the Maximum Annual Addition as set forth below.

(b) **<u>Aggregation of §403(b) plans of the Employer.</u>** If Annual Additions are credited to a Participant under any §403(b) plans of the Employer in addition to this Plan for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan and such other §403(b) plans may not exceed the Maximum Annual Addition as set forth below.

(c) **<u>Aggregation where Participant is in control of any Employer.</u>** If a Participant is in control of any employer for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan, any other §403(b) plans of the Employer, any defined contribution plans maintained by controlled employers, and any §403(b) plans of any other employers may not exceed the Maximum Annual Addition as set forth below. For purposes of this paragraph, a Participant is in control of an employer based upon the rules of Code §§414(b), 414(c), and 415(h); and a defined contribution plan means a defined contribution plan that is qualified under Code §401(a) or §403(a), a §403(b) plan, or a simplified employee pension within the meaning of Code §408(k).

(d) **<u>Annual notice to Participants.</u>** The Plan Administrator will provide written or electronic notice to Participants that explains the limitation in Section 5.03(c) in a manner calculated to be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy Section 5.03(c). The notice will advise Participants that the application of the limitations in Section 5.03(c) will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code §403(b). The notice will be provided annually, beginning no later than the year in which the Employee becomes a Participant.

(e) **<u>Coordination of limitation on Annual Additions where Employer has another §403(b) Pre-Approved Plan or Participant is in control of Employer.</u>** Unless otherwise provided in AA §11-3, the Annual Additions which may be credited to a Participant under this Plan for any Limitation Year will not exceed the Maximum Annual Addition, reduced by the Annual Additions credited to the Participant under any other §403(b) Pre-Approved Plans of the Employer in addition to this Plan and, if the Participant is in control of an employer, any defined contribution plans maintained by controlled employers and §403(b) plans of any other employers. Contributions to the Participant's Accounts under this Plan will be reduced to the extent necessary to prevent this limitation from being exceeded.

(f) **<u>Excess Annual Additions.</u>**

(1) If, notwithstanding Sections 5.03(a)-(e), a Participant's Annual Additions under this Plan, or under this Plan and plans aggregated with this Plan under Sections 5.03(b) and (c), result in an Excess Annual Addition for a Limitation Year, the Excess Annual Addition will be deemed to consist of the Annual Additions last credited, except Annual Additions to a defined contribution plan qualified under §401(a) of the Internal Revenue Code or a simplified employee pension maintained by an employer controlled by the Participant will be deemed to have been credited first.

(2) If an Excess Annual Addition is credited to a Participant under this Plan and another Section 403(b) pre-approved plan of the Employer on the same date, the Excess Annual Addition attributable to this Plan will be the product of:

(i) the total Excess Annual Addition credited as of such date, times

(ii) the ratio of (i) the Annual Additions credited to the Participant for the Limitation Year as of such date under this Plan to (ii) the total Annual Additions credited to the Participant for the Limitation Year as of such date under this Plan and all other §403(b) Pre-Approved Plans of the Employer.

(3) Any Excess Annual Addition attributable to this Plan will be corrected in the manner described in Section 5.03(h).

(g) **Coordination of limitation on Annual Additions where Employer has another §403(b) plan that is not a Pre-Approved Plan.** If Annual Additions are credited to the Participant for the Limitation Year under another §403(b) plan of the Employer which is not a §403(b) Pre-Approved Plan, the Annual Additions which may be credited to the Participant under this Plan for the Limitation Year will be limited in accordance with Sections 5.03(e) and (f) as though the other plan were a §403(b) Pre-Approved Plan unless the Employer provides other limitations in the Adoption Agreement.

(h) **Correction of Excess Annual Additions**. A Participant's Excess Annual Additions for a Taxable Year are includible in the Participant's gross income for that taxable year. A Participant's Excess Annual Additions attributable to this Plan will be credited in the year of the excess to a separate account under the Plan for such Excess Annual Additions which will be maintained by the Vendor until the Excess Annual Additions are distributed. This separate account will be treated as a separate contract to which Code §403(c) (or another applicable provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

(i) **Coordination of limitation on Annual Additions.** All Code §403(b) annuity contracts purchased by an Employer for a Participant are treated as one Code §403(b) annuity contract for purposes of applying the limitations of Code §415. For these purposes, a 403(b) annuity contract includes Annuity Contracts, Custodial Accounts and Retirement Income Accounts.

(j) **Definitions.**

(1) **Annual Additions.** The sum of the following amounts credited to a Participant's Account for the Limitation Year:

(i) Employer Contributions, including Matching Contributions, Salary Deferrals, Special Catch-Up Contributions, Mandatory Contributions, but not including Age 50 Catch-Up Contributions and contributions that have been distributed to the Participant as Excess Elective Deferrals;

(ii) After-Tax Employee Contributions;

(iii) Forfeitures;

(iv) Amounts allocated to an individual medical account, as defined in Code§415(l)(2), which is part of a pension or annuity plan, and amounts derived from contributions paid or accrued which are attributable to post-retirement medical benefits, allocated to the separate account of a key employee, as defined in Code §419A(d)(3), under a welfare benefit fund, as defined in Code §419(e); and

(v) Allocations under a simplified employee pension.

Amounts described in (i), (ii), (iii), and (v) are annual additions for purposes of both the dollar limitation under Section 5.03(i)(6)(i) and the percentage of compensation limitation under Section 5.03(i)(6)(ii). Amounts described in (iv) are annual additions solely for purposes of the dollar limitation under Section 5.03(i)(6)(i).

For this purpose, any Excess Amount applied in the Limitation Year to reduce Employer Contributions will be considered Annual Additions for such Limitation Year.

An Annual Addition is credited to a Participant's Account for a particular Limitation Year if such amount is allocated to the Participant's Account as of any date within that Limitation Year. An Annual Addition will not be deemed credited to a Participant's Account for a particular Limitation Year unless such amount is actually contributed to the Plan no later than 30 days after the time prescribed by law for filing the Employer's income tax return (including extensions) for the taxable year with or within which the Limitation Year ends. In the case of After-Tax Employee Contributions, such amount shall not be deemed credited to a Participant's Account for a particular Limitation Year unless the contributions are actually contributed to the Plan no later than 30 days after the close of that Limitation Year.

(2) **Employer.** For purposes of this Section 5.03, Employer shall mean the Employer that adopts this Plan, and all members of a controlled group of corporations (as defined in §414(b) of the Code as modified by §415(h)), all commonly controlled trades or businesses (as defined in §414(c) of the Code as modified by §415(h)) or affiliated service groups (as defined in §414(m)) of which the adopting Employer is a part, and any other entity required to be aggregated with the Employer pursuant to regulations under §414(o) of the Code.

(3) **Excess Annual Addition.** The excess of the Annual Additions credited to the Participant for the Limitation Year under the Plan and plans aggregated with the Plan under Sections 5.03(b) and (c) over the Maximum Annual Addition for the Limitation Year under Section 5.03(i)(6).

(4) **Includible Compensation.** An Employee's compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to Code §91, relating to United States citizens or residents living abroad). Includible Compensation for a minister who is self-employed means the minister's earned income as defined in Code §401(c)(2) (computed without regard to Code §911). Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in gross income but for the rules of Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). Includible Compensation does not include any compensation received during a period when the Employer was not an eligible employer within the meaning of Treas. Reg. §1.403(b)-2(b)(8). Includible Compensation is increased by differential wage payments under Code §3401(h) for the most recent period that is a Year of Service and difficulty of care payments under Code §131(c)(1)(A) that are otherwise excludible from income. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in Treas. Reg. §1.401(a)(17)-1(d)(4)(ii) with respect to eligible participants in governmental plans, the amount of Includible Compensation of each Participant taken into account in determining contributions for any year shall not exceed the Compensation Limit.

(5) **Limitation Year.** The Plan Year, unless the Employer elects another 12-consecutive month period under AA §11. All retirement plans under Code §403(b) maintained by the Employer must use the same Limitation Year. If there is a change of Limitation Year, a "short" Limitation Year exists for the period beginning with the first day of the Limitation Year and ending on the day before the change in Limitation Year is effective. For this purpose, if the Plan is terminated effective as of a date other than the last day of the Limitation Year, the Plan is treated as if it were amended to change its Limitation Year.

If the Plan has an initial Plan Year that is less than 12 months, the Limitation Year for such first Plan Year is the 12-month period ending on the last day of that Plan Year, unless otherwise specified in AA §11.

If the Participant is in control of an Employer pursuant to Section (c) above, the Limitation Year shall be the Limitation Year in the defined contribution plan controlled by the Participant.

(6) **Maximum Annual Addition.** The Annual Addition that may be contributed or allocated to a Participant's account under the Plan for any Limitation Year shall not exceed the lesser of:

(i) $69,000 for 2024, as adjusted for increases in the cost-of-living under Code §415(d) for periods after 2024, or

(ii) 100 percent of the Participant's Includible Compensation for the Limitation Year.

The Includible Compensation limit referred to in (ii) shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code §§401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition.

(7) **§403(b) Pre-Approved Plan.** A §403(b) plan the form of which is the subject of a Favorable IRS Letter.

(8) **Year of service.** For purposes of determining Includible Compensation under this Section 5.03, the year of service used to determine Includible Compensation is based on the most recent period during which the Employee is credited with a year of service under the following rules. For this purpose, such period may not end after the close of the Employee's taxable year and may not precede the taxable year by more than five years. The period used to calculate a year of service under this subsection may not exceed 12 months.

(i) An Employee is credited with a year of service for each full year during which the individual is a full-time Employee of the Employer. For this purpose, a full year of service for a particular position is based on the usual annual work period of individuals employed full-time in that general type of employment at the place of employment.

(ii) An Employee is credited with a fractional year of service for each full year during which the individual is a part-time Employee of the Employer and for each part of a year during which the individual is a full-time or part-time Employee of the Employer. (See Treas. Reg. §1.403(b)-4(e) for additional rules for determining years of service.)

(iii) If at the close of a taxable year, an Employee has a period of service less than one year, such Employee will be considered as having one year of service for purposes of determining Includible Compensation.

(k) **Few weeks rule.** If elected under the Adoption Agreement, Includible Compensation for a Limitation Year may include amounts earned during that Limitation Year but not paid during that Limitation Year solely because of the timing of pay periods and pay dates if:

(1) These amounts are paid during the first few weeks of the next Limitation Year;

(2) The amounts are included on a uniform and consistent basis with respect to all similarly situated Employees; and

(3) No compensation is included in more than one Limitation Year.

SECTION 6
SPECIAL RULES AFFECTING GOVERNMENTAL 403(b) PLANS

6.01 **Universal Availability for Salary Deferrals.** No special nondiscrimination rules apply to Salary Deferrals, other than the universal availability requirements set forth under Treas. Reg. §1.403(b)-5(b)(2), to make such Salary Deferrals as provided under Section 2.01(a) and this Section 6.01. The Employer will timely provide Eligible Participants with any applicable notice relating to the universal availability requirement.

(a) **Eligible Participants.** Each Employee (other than an Employee excluded from participation under Section 2.02(b)) is an Eligible Participant, without regard to any age or service conditions applicable to other types of contributions to the Plan. An Eligible Participant shall be eligible to make Salary Deferrals as of such Participant's Employment Commencement Date.

(b) **Implementation of Participant's election to make Salary Deferrals.** The Plan Administrator may establish reasonable administrative procedures to implement a Participant's election to make Salary Deferrals. Such reasonable procedures will not cause the plan to violate the universal availability rule under Treas. Reg. §1.403(b)-5(b)(2). If the Plan provides notice of the right to defer no later than 30 days after such Participant's Employment Commencement Date, allows the Participant to make an election up to 30 days after notice is provided, and provides that the Participant's election will be effective as soon as administratively practicable, then the Plan will be treated as having reasonable administrative procedures that do not cause the plan to fail to satisfy Treas. Reg. §1.403(b)-5(b)(2).

(c) **Effective opportunity.** For purposes of the universal availability requirement, an Eligible Participant is not treated as being permitted to make Salary Deferrals to the Plan unless the Eligible Participant is provided an effective opportunity to make Salary Deferrals to the Plan. Whether an Eligible Participant has an effective opportunity is determined based on all the relevant facts and circumstances, including notice of the availability of the election, the period of time during which an election may be made, and any other conditions on elections. An effective opportunity is not considered to exist if there are any other rights or benefits (other than rights or benefits listed in Treas. Reg. §1.401(k)-1(e)(6)(i)(A), (B), or (D)) that are conditioned (directly or indirectly) upon an Eligible Participant making or failing to make a cash or deferred election with respect to a contribution to the Plan.

(d) **Special Rules.**

(1) **Code §501(c)(3) Organizations.** In the case of a Plan that covers the employees of more than one Code §501(c)(3) Organization, the universal availability requirement of this paragraph (d) applies separately to each common law entity (that is, applies separately to each Code §501(c)(3) Organization).

(2) **State entities.** In the case of a Plan that covers the employees of more than one State entity, the universal availability requirement applies separately to each entity that is not part of a common payroll.

(3) **Historical Treatment.** For purposes of the universal availability requirement, an Employer that historically has treated one or more of its various geographically distinct units as separate for Employee benefit purposes may treat each unit as a separate organization if the unit is operated independently on a day-to-day basis. Units are not geographically distinct if such units are located within the same Standard Metropolitan Statistical Area (SMSA).

6.02 **Governmental Plan.** Provided the Plan is properly adopted by an entity that meets the requirements for establishing and maintaining a Governmental Plan under Code §414(d), this Plan is a Governmental Plan and qualifies under Code §403(b).

(a) **Governmental Plan exemptions.** As a Governmental Plan, this Plan is exempt from Title I of ERISA and certain rules under Code §403(b), including (but not limited to):

(1) The minimum age and service rules.

(2) The minimum vesting requirements.

(3) The minimum coverage requirements under Code §410(b) and the nondiscrimination requirements under Code §401(a)(4), and 401(m).

(4) The joint and survivor annuity rules.

(5) The requirements for protecting benefits pursuant to a plan merger or a transfer of plan assets and liabilities.

(6) The anti-assignment rules.

(7) The commencement of benefit requirements other than the rules relating to required minimum distributions under Code §401(a)(9).

(b) **Adoption Agreement elections.** An Employer's election of provisions similar to requirements applicable to plans covered under Title I of ERISA or to otherwise inapplicable qualification requirements under Code §403(b) will not affect the Plan's status as a Governmental Plan. Provided the Employer is qualified to maintain a Governmental Plan, the Plan remains exempt from ERISA and certain Code requirements as a Governmental Plan.

6.03 **Public School Plan of Indian Tribal Government Treated as Governmental Plan.** A Plan of a Public School established and maintained by:

(a) an Indian Tribal Government, as defined in Code §7701(a)(40),

(b) a subdivision of an Indian Tribal Government, determined in accordance with Code §7871(d), or

(c) an agency or instrumentality of either subsection (a) or (b) is treated as a Governmental Plan, provided the following conditions are satisfied.

The Plan must cover only Employees substantially all of whose services are in the performance of essential government functions, but not in the performance of commercial activities (whether or not essential government functions). The interpretation of these conditions, including the meaning of essential government function and commercial activities, is determined under applicable regulations. Provided the requirements of this Sections 6.03 are satisfied, the Plan may include a cash or deferred arrangement as provided under Code §403(b).

6.04 **FICA Replacement Plan.** An Employee who satisfies the requirements as a Qualified Participant under subsection (b) will be exempt from FICA tax as provided under Code §3121(b)(7)(F) if the requirements under this Section 6.04 are satisfied. The Plan may be identified as a FICA Replacement Plan under AA §2-3(d).

(a) **Minimum benefit requirement.** The Plan must provide a minimum retirement benefit as set forth under this subsection (a). For this purpose, the Plan satisfies the minimum retirement benefit requirement with respect to an Employee if allocations to the Employee's Account (without regard to any earnings allocated to the Employee's Account) are at least 7.5% of the Employee's Plan Compensation for service with the Employer. Matching Contributions by the Employer may be taken into account for this purpose.

(1) **Definition of Plan Compensation.** The definition of Plan Compensation used in determining whether the minimum retirement benefit requirement under this subsection (a) is satisfied must be at least equal to the Employee's base pay, provided such designation is reasonable under all the facts and circumstances. Thus, the Employer may elect under AA §5-3 to exclude items such as overtime pay, bonuses, or fringe benefits. In addition, the Employer may elect under AA §5-3(m) to exclude any compensation in excess of the contribution base described in Code §3121(x) as of the beginning of the Plan Year.

(2) **Reasonable rate of earnings.** An Employee's Account must be credited with a reasonable rate of earnings.

(3) **Employee Contributions.** Contributions from both the Employer and Employee may be used to make up the 7.5% allocation requirement under subsection (a). If the Plan only provides for Employee Contributions, the Plan will satisfy the minimum benefit requirement under subsection (a) if the total Employee Contributions are at least 7.5% of Plan Compensation.

(b) **Qualified Participant.** An Employee is a Qualified Participant under the Plan with respect to the services performed on a given day if, on that day, the Employee has satisfied all conditions (other than vesting) for receiving an allocation under the Plan that meets the minimum retirement benefit requirement under subsection (a). An Employee will be a Qualified Participant on any day with respect to compensation earned during a period ending on that day and beginning on or after the beginning of the Plan Year, regardless of whether the allocations were made or accrued before the effective date of Code §3121(b)(7)(F).

(1) **Part-Time, Seasonal and Temporary Employees.** A Part-Time, Seasonal, or Temporary Employee is not a Qualified Participant on a given day unless any benefit relied upon to meet the minimum benefit requirement under subsection (a) is 100% vested. A Part-Time, Seasonal or Temporary Employee's benefit is considered 100% vested on a given day if on that day the Employee is unconditionally entitled to a single-sum distribution on account of death or separation from service of an amount that is at least equal to 7.5% of Plan Compensation for all periods of service taken into account in determining whether the Employee's benefit meets the minimum retirement benefit requirement under subsection (a).

(2) **Alternative lookback rule.** The Employer may elect to apply the alternative lookback rule described in Treas. Reg. §31.3121(b)(7)-2(d)(3) in determining whether an Employee is a Qualified Participant. Under the alternative lookback rule, an Employee may be treated as a Qualified Participant throughout a calendar year if the Employee is a Qualified Participant at the end of the Plan Year ending in the previous calendar year. For this purpose, if the alternative lookback rule is used, an Employee may be treated as a Qualified Participant on any given day during the first Plan Year of participation if it is reasonable on such day to believe that the Employee will be a Qualified Participant on the last day of such Plan Year.

(c) **Special rule for short period.** An Employee may not be treated as a Qualified Participant if Plan Compensation for less than a full plan year or other 12-month period is regularly taken into account in determining allocations to the Employee's Account for the Plan Year unless, under all of the facts and circumstances, such arrangement is not a device to avoid the imposition of FICA taxes. For example, an arrangement under which Plan Compensation taken into account under AA §5-3 is limited to the contribution base described in Code §3121(x) is not considered a device to avoid FICA taxes by reason of such limitation.

SECTION 7
PARTICIPANT VESTING AND FORFEITURES

7.01 **Vesting of Contributions.** A Participant's vested (i.e., nonforfeitable) interest in such Participant's Employer Contribution Account and Matching Contribution Account is determined based on the vesting schedule elected in AA §8. A Participant is always fully vested in such Participant's Salary Deferral Account, After-Tax Employee Contribution Account, and Rollover Contribution Account.

As a Governmental Plan, this Plan is not subject to the minimum vesting rules under the Code and Title I of ERISA, but must satisfy the pre-ERISA vesting requirements.

7.02 **Vesting Schedules.** A Participant's vested interest in such Participant's Employer Contribution Account and/or Matching Contribution Account is determined by multiplying the Participant's vesting percentage (determined under the applicable vesting schedule selected in AA §8) by the total amount under the applicable Account.

(a) **Vesting schedule.** The Employer may choose any of the vesting schedules described in this subsection (a) as the normal vesting schedule with respect to Employer Contributions.

(1) **Full and immediate vesting schedule.** Under the full and immediate vesting schedule, the Participant is always 100% vested in such Participant's Account Balance.

(2) **5-year graded vesting schedule.** Under the 5-year graded vesting schedule, a Participant vests in such Participant's Employer Contribution Account and/or Matching Contribution Account in the following manner:

After 1 Year of Service – 20% vesting
After 2 Years of Service – 40% vesting
After 3 Years of Service – 60% vesting
After 4 Years of Service – 80% vesting
After 5 Years of Service – 100% vesting

(3) **6-year graded vesting schedule.** Under the 6-year graded vesting schedule, a Participant vests in such Participant's Employer Contribution Account and/or Matching Contribution Account in the following manner:

After 2 Years of Service – 20% vesting
After 3 Years of Service – 40% vesting
After 4 Years of Service – 60% vesting
After 5 Years of Service – 80% vesting
After 6 Years of Service – 100% vesting

(4) **3-year cliff vesting schedule.** Under the 3-year cliff vesting schedule, an Employee is 100% vested after 3 Years of Service. Prior to the third Year of Service, the vesting percentage is zero.

(b) **Modified vesting schedule.** As a Governmental Plan, the Plan is not subject to the requirements of Code §411 and may modify the vesting schedule, provided the Plan satisfies the requirements of Code §§401(a)(4) and (7) as in effect before the enactment of ERISA. For this purpose, the modified vesting schedule must be at least as favorable as one of the following safe harbor vesting schedules:

(1) **15-year cliff vesting schedule.** The Participant is fully vested after 15 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.

(2) **20-year graded vesting schedule.** The Participant is fully vested based on a graded vesting schedule of 5 to 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.

(3) **20-year cliff vesting for qualified public safety employees.** Participant is fully vested after 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service. The safe harbor schedule is available only with respect to the vesting schedule applicable to a group in which substantially all of the participants are qualified public safety employees (within the meaning of Code §72(t)(10(B)).

(c) Special vesting rules.

(1) **Normal Retirement Age.** Regardless of the Plan's vesting schedule, a Participant's right to such Participant's Account Balance is fully vested upon the date such Participant attains Normal Retirement Age (as defined in AA §7-1), provided the Participant is an Employee on or after such date.

(2) **Separate Accounting.** The Plan Administrator will maintain separate bookkeeping account for each type of contribution made by the Employer on behalf of a Participant that is subject to a different vesting schedule. Any portion of such account in which the Participant is not vested shall be accounted for separately and treated as a contract to which Code §403(c) (or another applicable provision of the Internal Revenue Code) applies. On or after the date on which the Participant's interest in the separate account becomes nonforfeitable, the contract shall be treated as a Code §403(b) Annuity Contract if:

(i) No election has been made under Code §83(b) with respect to the contract;

(ii) The Participant's interest in the separate account has been subject to a substantial risk of forfeiture before becoming nonforfeitable;

(iii) Contributions subject to different vesting schedules have been maintained in separate accounts; and

(iv) The separate account at all times satisfied the requirements of section 403(b) except for the nonforfeitability requirement in Code §403(b)(1)(C).

If only a portion of the Participant's interest in a separate account becomes nonforfeitable in a year, then that portion of the contract will be considered a Code §403(b) Annuity Contract and the remaining forfeitable portion will be considered a separate contract to w Code §403(c) (or another applicable provision of the Internal Revenue Code) applies. Each contribution (and earning thereon) that is subject to a different vesting schedule must be maintained in a separate account for the Participant.

(3) **100% vesting upon death, becoming Disabled, or Early Retirement Age.** The Employer may elect under AA §8-4 to allow a Participant's vesting percentage to automatically increase to 100% if, while employed with the Employer, the Participant dies, has a Severance from Employment due to becoming Disabled, becomes Disabled or reaches Early Retirement Age.

(4) **Vesting upon merger, consolidation or transfer.** No accelerated vesting will be required solely because a Code §403(b) Plan is merged with another Code §403(b) Plan, or because assets are transferred from a Code §403(b) Plan to another Code §403(b) Plan.

7.03 Year of Service. An Employee's position on the vesting schedule is dependent on the Employee's Years of Service with the Employer. Generally, an Employee will earn a vesting Year of Service for each Vesting Computation Period during which the Employee completes at least 1,000 Hours of Service. Alternatively, the Employer may elect under AA §8-5 to modify the definition of Year of Service to require completion of any lesser number of Hours of Service or may elect to calculate Years of Service using the Elapsed Time method (as defined in subsection (b) below).

(a) Hours of Service. Unless the Employer elects to use the Elapsed Time method under AA §8-5(c), vesting Years of Service will be determined based on an Employee's Hours of Service earned during the Vesting Computation Period.

(1) **Actual Hours of Service.** In determining an Employee's vesting Years of Service, the Employer will credit an Employee with the actual Hours of Service earned during the Vesting Computation Period, unless the Employer elects under AA §8-5(d) to determine Hours of Service using the Equivalency Method.

(2) **Equivalency Method.** Instead of counting actual Hours of Service in applying the Plan's vesting schedules, the Employer may elect under AA §8-5(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period worked with the Employer.

(i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.

(ii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.

(iii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.

(iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.

(3) **Employee need not be employed for entire Vesting Computation Period.** If an Employee completes the required Hours of Service during a Vesting Computation Period, the Employee will receive credit for a Year of Service as of the end of such Vesting Computation Period, even if the Employee is not employed for the entire Vesting Computation Period.

(b) **Elapsed Time method.** Instead of using Hours of Service in applying the Plan's vesting schedules, the Employer may elect under AA §8-5(c) to apply the Elapsed Time method for calculating an Employee's vesting service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or reemployment, if applicable) and ending on the date the Employee begins a Period of Severance which lasts at least 12 consecutive months. In calculating an Employee's aggregate period of service, an Employee receives credit for any Period of Severance that lasts less than 12 consecutive months. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days.

(1) **Period of Severance.** For purposes of applying the Elapsed Time method, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge.

In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child of the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

(2) **Related Employers.** For purposes of applying the Elapsed Time method, service will be credited for employment with any Related Employer.

(c) **Change in service crediting method.** If the service crediting method is changed from an Hours of Service method to the Elapsed Time method or from the Elapsed Time method to an Hours of Service method, the amount of service credited to an Employee will be determined under subsection (1) or (2) below. For this purpose, a change in service crediting method will occur if the Plan is amended to change the service crediting method or if the service crediting method is changed as a result of an Employee's change in employment status.

(1) **Change to Elapsed Time method.** If the service crediting method is changed from an Hours of Service method to the Elapsed Time method, the amount of vesting service credited to an Employee will equal the sum of the service under subsections (i) and (ii) below:

(i) The number of Years of Service equal to the number of Years of Service credited under the Hours of Service method before the Vesting Computation Period during which the change to the Elapsed Time method occurs.

(ii) For the Vesting Computation Period in which the change occurs, the greater of:

(A) the period of service that would be credited under the Elapsed Time method from the first day of that Vesting Computation Period through the date of the change, or

(B) the service that would be taken into account under the Hours of Service method for the Vesting Computation Period which includes the date of the change.

If the period of service described in subsection (A) is the greater amount, then subsequent periods of service are credited under the Elapsed Time method beginning with the date of the change. If the period of service described in subsection (B) applies, the Elapsed Time method will be used beginning with the first day of the

Vesting Computation Period that would have followed the Vesting Computation Period in which the change to the Elapsed Time method occurred.

If the change to the Elapsed Time method occurs as of the first day of a Vesting Computation Period, the use of the Elapsed Time method begins as of the date of the change, and the calculation in subsection (B) above does not apply. In such case, the Employee's service is determined under subsection (A) above plus the subsequent periods of service determined under the Elapsed Time method, starting with the effective date of the change.

(2) **<u>Change to Hours of Service method.</u>** If the service crediting method is changed from the Elapsed Time method to an Hours of Service method, the Employee's Elapsed Time service earned as of the date of the change is converted into Years of Service under the Hours of Service method, determined as the sum of subsections (i) and (ii), below:

(i) A number of Years of Service is credited that equals the number of 1-year periods of service credited under the Elapsed Time method as of the date of the change.

(ii) For the Vesting Computation Period which includes the date of the change, the Employee is credited with an equivalent number of Hours of Service, using one of the Equivalency Methods defined in Section 7.03(a)(2) above for any fractional year that was credited under the Elapsed Time method as of the date of the change.

For the portion of the Vesting Computation Period following the date of the change, actual Hours of Service are counted. The Hours of Service credited for the portion of the Vesting Computation Period in which the Elapsed Time method was in effect are added to the actual Hours of Service credited for the remaining portion of the Vesting Computation Period to determine if the Employee has a Year of Service for that Vesting Computation Period.

7.04 **<u>Vesting Computation Period.</u>** Generally, the Vesting Computation Period is the Plan Year. Alternatively, the Employer may elect under AA §8-5(b) to use the 12-month period commencing on the Employee's date of hire (or reemployment date, if applicable) and each subsequent 12-month period commencing on the anniversary of such date or the Employer may elect to use any other 12-consecutive month period as the Vesting Computation Period.

7.05 **<u>Excluded service.</u>** Generally, except as provided under Section 7.07 with respect to service excluded under the Break in Service rules, all service with the Employer counts for purposes of applying the Plan's vesting schedules. However, the Employer may elect under AA §8-3 to exclude certain service with the Employer in calculating an Employee's vesting Years of Service.

(a) **<u>Service before the Effective Date of the Plan.</u>** The Employer may elect under AA §8-3(a) to exclude service earned during any period prior to the date the Employer established the Plan or a Predecessor Plan. For this purpose, a Predecessor Plan is a plan maintained by the Employer that is terminated within the 5-year period immediately preceding or following the establishment of this Plan. A Participant's service under a Predecessor Plan must be counted for purposes of determining the Participant's vested percentage under this Plan.

(b) **<u>Service before a specified age.</u>** The Employer may elect under AA §8-3(b) to exclude service before an Employee attains a specified age (not to exceed age 18). An Employee will be credited with a Year of Service for the Vesting Computation Period during which the Employee attains the required age, provided the Employee satisfies all other conditions required for a Year of Service.

7.06 **<u>Service with Predecessor Employers.</u>** If the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for vesting purposes under this Section 7, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer for vesting. Unless designated otherwise under AA §4-5, if the Employer takes into account service with a Predecessor Employer, such service will count for purposes of eligibility under Section 2 (see Section 2.06) vesting under this Section 7, and for purposes of the minimum allocation conditions under Section .3.06

7.07 **<u>Break in Service Rules.</u>** In addition to any service excluded under Section 7.05, the Employer may elect under AA §8-5 to disregard an Employee's vesting service with the Employer under the Break in Service rules set forth in this Section 7.07. **Governmental Plans are not subject to the Break in Service rules under Title I of ERISA and can modify the Break in Service rules of the Plan accordingly.**

(a) **Break in Service.** An Employee incurs a Break in Service for any Vesting Computation Period (as defined in Section 7.04) during which the Employee does not complete more than five hundred (500) Hours of Service with the Employer. However, if the Employer elects under AA §8-5(a) to require less than 1,000 Hours of Service to earn a vesting Year of Service, a Break in Service will occur for any Vesting Computation Period during which the Employee does not complete more than one-half (1/2) of the Hours of Service required to earn a vesting Year of Service. In applying these Break in Service rules, Years of Service and Breaks in Service are measured on the same Vesting Computation Period.

(b) **One-Year Break in Service rule.** Under the One-Year Break in Service rule, if an Employee incurs a one-year Break in Service, such Employee will not be credited with any service earned prior to such one-year Break in Service for purposes of applying the Plan's vesting schedules until the Employee has completed a Year of Service after the Employee's return to employment. The Employer must elect to apply the One-Year Break in Service rule under AA §8-5(f).

If a Participant has service disregarded under the One-Year Break in Service rule, such Participant will have such Participant's service reinstated upon returning to employment as of the first day of the Vesting Computation Period during which the Participant completes a Year of Service.

(c) **Nonvested Participant Break in Service rule.** Under the Nonvested Participant Break in Service rule, if an Employee is totally nonvested (i.e., 0% vested) in such Employee's Account Balance attributable to Employer and Matching Contributions, and such Employee incurs five (5) or more consecutive one-year Breaks in Service (or, if greater, a consecutive period of Breaks in Service at least equal to the Employee's aggregate number of Years of Service with the Employer), the Plan will disregard all service earned prior to such consecutive Breaks in Service for purposes of applying the vesting schedules under the Plan. If the Employer elects the Elapsed Time method of crediting service, an Employee will be treated as incurring five consecutive Breaks in Service when such Employee incurs a Period of Severance of at least 60 months.

If the Employee continues in employment with the Employer after incurring the requisite Break in Service, such Employee will be treated as a new Employee for purposes of determining vesting under the Plan. For this purpose, a Participant who has made Salary Deferrals under the Plan will be treated as having a vested interest in the Plan. Thus, the Nonvested Participant Break in Service rule may not be used with respect to any contributions under the Plan (even if such Participant is totally nonvested in such Participant's Account Balance attributable to Employer and Matching Contributions) for a Participant who has made Salary Deferrals under the Plan. The Employer must elect to apply the Nonvested Participant Break in Service rule under AA §8-5(e). Unless elected otherwise under AA §8-5, the Nonvested Participant Break in Service rule applies only with respect to an Employee who has had a Severance from Employment. In determining an Employee's aggregate Years of Service for purposes of applying the Nonvested Participant Break in Service rule, any Years of Service otherwise disregarded under a previous application of this rule are not counted.

(d) **Five-Year Forfeiture Break in Service.** A Participant's vesting service also may be disregarded if the Participant incurs a Five-Year Forfeiture Break in Service, as described in Section 7.09(b) below.

7.08 **Special Vesting Rule - In-Service Distribution When Account Balance is Less than 100% Vested.** If amounts are distributed from a Participant's Employer Contribution Account or Matching Contribution Account at a time when the Participant's vested percentage in such amounts is less than 100% and the Participant may increase the vested percentage in the Account Balance:

(a) A separate accounting will be maintained for the Participant's interest in the Plan as of the time of the distribution, and

(b) At any relevant time, the Participant's vested portion of the separate accounting will be equal to an amount ("X") determined by the formula:

$$X = P\,(AB + D) - D$$

Where:

P is the vested percentage at the relevant time;

AB is the Account Balance at the relevant time; and

D is the amount of the distribution.

7.09 **Forfeiture of Benefits.** A Participant will forfeit the nonvested portion of such Participant's Employer Contribution and/or Matching Contribution Account upon the occurrence of any of the events described below. The Plan Administrator has the responsibility to determine the amount of a Participant's forfeiture. Until an amount is forfeited pursuant to this Section, a

Participant's entire Account must remain in the Plan and continue to share in gains and losses. A Participant will not forfeit any of such Participant's nonvested Account until the occurrence of one of the following events.

(a) **Cash-Out Distribution.** Following Severance from Employment, a Participant may receive a total distribution of such Participant's vested benefit under the Plan (a Cash-Out Distribution) as provided in Section 8. If a Participant receives a Cash-Out Distribution upon Severance from Employment, the Participant's nonvested benefit under the Plan will be forfeited in accordance with subsection (1) below. If at the time of Severance from Employment, a Participant is totally nonvested in such Participant's entire Account Balance, the Participant will be deemed to receive a total Cash-Out Distribution of such Participant's entire vested Account Balance (i.e., a deemed Cash-Out Distribution of zero dollars) as of the date of Severance from Employment, subject to the forfeiture provisions under subsection (1) below.

A Cash-Out Distribution does not occur until such time as the Participant receives a distribution of such Participant's entire vested Account Balance, including amounts attributable to Salary Deferrals. If a Participant receives a distribution of less than the entire vested portion of such Participant's Account Balance (including any additional amounts to be allocated under subsection (1)(ii) below), the Participant will not be treated as receiving a Cash-Out Distribution until such time as the Participant receives a distribution of the remainder of the vested portion of such Participant's Account Balance.

(1) **Timing of forfeiture.** Unless elected otherwise under AA §8-7(b), if a Participant receives a Cash-Out Distribution of such Participant's vested Account Balance, the Participant will immediately forfeit the nonvested portion of such Account Balance, as of the date of the distribution or deemed distribution (as determined under subsection (i) or (ii) below, whichever applies). (See Section 7.11 below for a discussion of the treatment of forfeitures under the Plan.)

(i) **No further allocations.** For purposes of applying the Cash-Out Distribution rules, a Participant who has a Severance from Employment and who receives a total distribution of such Participant's vested Account Balance will be treated as receiving the Cash-Out Distribution as of the date the Participant receives such distribution (or in the case of a deemed Cash-Out Distribution as of the date the Participant has a Severance from Employment), provided the Participant is not entitled to any further allocations under the Plan for the Plan Year in which the Participant has a Severance from Employment. The Participant will forfeit such Participant's nonvested benefit as of the date the Participant receives the Cash-Out Distribution, in accordance with the provisions under Section 7.11.

(ii) **Additional allocations.** For purposes of applying the Cash-Out Distribution rules, if upon Severance from Employment, a Participant is entitled to an additional allocation for the Plan Year in which the Participant has a Severance from Employment, such Participant will not be deemed to receive a Cash-Out Distribution until such time as the Participant receives a distribution of such Participant's entire vested Account Balance, including any amounts that are still to be allocated under the Plan. Thus, a Participant who has a Severance from Employment and who is entitled to an additional allocation (e.g., an additional Employer Contribution) for the Plan Year of Severance from Employment will not be deemed to have a total Cash-Out Distribution until the Participant receives a distribution of such additional amounts. In the case of a deemed Cash-Out Distribution, if the Participant is entitled to an additional allocation under the Plan for the Plan Year in which the Participant has a Severance from Employment, the deemed Cash-Out Distribution is deemed to occur on the first day of the Plan Year following the Plan Year in which the Severance from Employment occurs, provided the Participant is still totally nonvested in such Participant's Account Balance.

(iii) **Modification of Cash-Out Distribution rules.** The Employer may elect under AA §8-7(a) to modify the Cash-Out Distribution provision under subsection (a) above to provide that the Cash-Out Distribution and related forfeiture occur immediately upon distribution (or deemed distribution) of the vested Account Balance of a Participant who has had a Severance from Employment, without regard to whether the Participant is entitled to an additional allocation under the Plan.

(iv) **Forfeiture upon Break in Service.** In any event, the Plan may forfeit the nonvested portion of a Participant's Employer Contribution and/or Matching Contribution Account if the Participant incurs a five-year Break in Service. Alternatively, if elected under AA §8-7(b), the Plan may forfeit the nonvested portion of a Participant's Employer Contribution and/or Matching Contribution Account immediately upon Severance from Employment.

(2) **Repayment of Cash-Out Distribution.** If a Participant receives a Cash-Out Distribution that results in a forfeiture under subsection (a) above, and the Participant resumes employment covered under the Plan, such Participant may repay to the Plan the amount received as a Cash-Out Distribution. For this purpose, to be entitled to a restoration of benefits (as described below), the Participant must repay the entire amount of the

Cash-Out Distribution, including any amounts attributable to Salary Deferrals. A Participant will only be permitted to repay such Participant's Cash-Out Distribution if such repayment is made before the earlier of:

(i) five (5) years after the first date on which the Participant is subsequently re-employed by the Employer, or

(ii) the date the Participant incurs a Five-Year Forfeiture Break in Service (as defined in subsection (b) below).

If a Participant receives a deemed Cash-Out Distribution, and the Participant resumes employment covered under this Plan before the date the Participant incurs a Five-Year Forfeiture Break in Service, the Participant is deemed to repay the Cash-Out Distribution immediately upon such Participant's reemployment.

(3) **Restoration of forfeited benefit.** If a rehired Participant repays a Cash-Out Distribution in accordance with subsection (2) above, any amounts that were forfeited on account of such Cash-Out Distribution (unadjusted for any interest that might have accrued on such amounts after the distribution date) will be restored to the Plan no later than the end of the Plan Year following the Plan Year in which the Participant repays the Cash-Out Distribution (or is deemed to repay the Cash-Out Distribution under subsection (2) above). No amount will be restored under the Plan, however, until such time as the Participant repays the entire amount of the Cash-Out Distribution. (However, see subsection (d) below for a discussion of special rules that apply if a Participant's Cash-Out Distribution includes a distribution of Salary Deferrals.) In no event will a Participant be entitled to a restoration under this subsection (3) if the Participant returns to employment after incurring a Five-Year Forfeiture Break in Service (as defined in subsection (b) below).

(4) **Sources of restoration.** If a Participant's forfeited benefit is required to be restored under subsection (3), the restoration of such forfeited benefits will occur from the following sources. If the following sources are not sufficient to completely restore the Participant's benefit, the Employer must make an additional contribution to the Plan.

(i) Any unallocated forfeitures for the Plan Year of the restoration.

(ii) Any unallocated earnings for the Plan Year of the restoration.

(iii) Any portion of a discretionary Employer Contribution to the extent such contribution has not been allocated to Participants' Accounts for the Plan Year of the restoration.

(b) **Five-Year Forfeiture Break in Service.** If a Participant has five (5) consecutive one-year Breaks in Service (a "Five-Year Forfeiture Break in Service"), all Years of Service after such Breaks in Service will be disregarded for the purpose of vesting in the portion of the Participant's Employer Contribution Account and/or Matching Contribution Account that accrued before such Breaks in Service. A Participant who incurs a Five-Year Forfeiture Break in Service will forfeit the nonvested portion of such Participant's Employer Contribution and/or Matching Contribution Account as of the end of the Vesting Computation Period in which the Participant incurs the fifth consecutive Break in Service. Except as provided under Section 7.07, a Participant who is rehired after incurring a Five-Year Forfeiture Break in Service will be credited with both pre-break and post-break service for purposes of determining such Participant's vested percentage in amounts that accrue under the Plan after the Five-Year Forfeiture Break in Service.

(c) **Missing Participant, Beneficiary or Alternate Payee.** If the Plan is able to make a distribution to a Participant, Beneficiary or Alternate Payee without consent (as permitted under Section 8.03) and such Participant, Beneficiary or Alternate Payee cannot be located within a reasonable period following a reasonable diligent search, the Plan Administrator may forfeit the missing Participant's or Beneficiary's Account, as provided in subsection (2) below. (Alternatively, as allowed under state and federal law, the Plan Administrator may escheat such Accounts to the applicable state unclaimed property fund.) An Employer will be deemed to have performed a reasonable diligent search if it performs the actions described in subsection (1) below. However, the Plan Administrator will be deemed to have waited a reasonable period following a reasonable diligent search if the Plan Administrator waits at least 6 months following the completion of the actions described in subsection (1) below. For purposes of applying this subsection (c), a Participant, Beneficiary or Alternate Payee is considered missing only if the Plan may make a distribution to such Participant, Beneficiary or Alternate Payee without consent. (See Section 8.05 for the availability of Automatic Rollover rules that permit the Plan Administrator to automatically rollover a Participant's Involuntary Cash-Out Distribution to an IRA upon the Participant's failure to consent to a distribution, without the need to locate the Participant.)

(1) **Reasonable diligent search.** The Plan Administrator will be deemed to have performed a reasonable diligent search if it performs the following actions:

(i) Send a certified letter to the Participant's or Beneficiary's last known address.

(ii) Check related plan records of the Employer (e.g., health plan records) to determine if a more current address exists for the Participant, Beneficiary or Alternate Payee.

(iii) If the Participant cannot be located, the Plan Administrator may attempt to identify and contact any individual that the Participant has designated as a Beneficiary under the Plan for updated information concerning the location of the missing Participant.

(iv) In addition to the search methods discussed above, the Plan Administrator may use other search methods, including the use of Internet search tools, commercial locator services, and credit reporting agencies to locate the missing Participant.

(2) **Forfeiture of Account of missing Participant, Beneficiary or Alternate Payee.** If a Participant, Beneficiary or Alternate Payee is deemed to be missing (as described in subsection (c) above), the Plan Administrator may forfeit the distributable amount attributable to such missing Participant, Beneficiary or Alternate Payee, as permitted under applicable laws and regulations and subject to the terms of the applicable Investment Arrangement. If, after an amount is forfeited under this subsection (2), the missing Participant, Beneficiary or Alternate Payee is located, the Plan will restore the forfeited amount (unadjusted for gains or losses) to such Participant, Beneficiary or Alternate Payee within a reasonable time. However, if a missing Participant, Beneficiary or Alternate Payee has not been located by the time the Plan terminates, the forfeiture of such Participant's, Beneficiary's or Alternate Payee's distributable amount will be irrevocable.

(3) **Expenses attributable to search for missing Participant.** Reasonable expenses attendant to locating a missing Participant may be charged to such Participant's Account, provided that the amount of such expenses is reasonable. The Plan Administrator may take into account the size of a Participant's Account in relation to the cost of the search when deciding how extensive a search is required before declaring such Participant as missing under subsection (c).

(d) **Excess Deferrals.** If a Participant receives a distribution of Excess Deferrals, the portion of such Participant's Matching Contribution Account (whether vested or not) which is attributable to such distributed amounts shall be forfeited. A forfeiture of Matching Contributions under this subsection (d) occurs in the Plan Year in which the Participant receives the distribution of Excess Deferrals.

7.11 **Allocation of Forfeitures.** The Employer may elect in AA §8-6 how it wishes to allocate forfeitures under the Plan. Forfeitures may be allocated in the Plan Year in which the forfeitures occur or in the Plan Year following the Plan Year in which the forfeitures occur. In applying the forfeiture provisions under the Plan, if there are any unused forfeitures as of the end of the Plan Year designated in AA §8-6, as applicable, any remaining forfeiture will be used (as designated in AA §8-6) in the immediately following Plan Year.

(a) **Reallocation as additional contributions.** The Employer may elect in AA §8-6 to reallocate forfeitures as additional contributions under the Plan. If the Employer elects to reallocate forfeitures as additional contributions, the Employer may elect, in its discretion, to allocate such amounts as additional Employer Contributions and/or additional Matching Contributions. Forfeitures allocated under this subsection (a) will be allocated in the same manner as selected under AA §6-3 or AA §6B-2 with respect to the contribution type being allocated. If no allocation method is selected for a particular contribution type, forfeitures will be reallocated as a pro rata allocation (as described in AA §6-3(a)) if such amount is reallocated as an additional Employer Contribution or as a discretionary Matching Contribution (as described in AA §6B-2(a)) if such amount is reallocated as an additional Matching Contribution. In applying the provisions of this subsection (a), no allocation of forfeitures will be made to any Participant with respect to forfeitures that arise out of such Participant's own Account.

(b) **Reduction of contributions.** The Employer may elect in AA §8-6 to use forfeitures to reduce Employer Contributions and/or Matching Contributions under the Plan. If the Employer elects to use forfeitures to reduce contributions, the Employer may, in its discretion, use such forfeitures to reduce Employer Contributions, Matching Contributions, or both. The Employer may adjust its contribution deposits in any manner, provided the total Employer Contributions made for the Plan Year properly take into account the forfeitures that are to be used to reduce such contributions for that Plan Year. If contributions are allocated over multiple allocation periods, the Employer may reduce its contribution for any allocation periods within the Plan Year in which the forfeitures are to be allocated so that the total amount allocated for the Plan Year is proper. If the Employer elects to use forfeitures to reduce contributions and there are forfeitures remaining after all required contributions have been reduced to zero, then Employer may elect to reallocate any remaining forfeitures as additional contributions, pursuant to subsection (a).

(c) **Payment of Plan expenses.** The Employer may elect under AA §8-6 to first use forfeitures to pay Plan expenses for the Plan Year in which the forfeitures would otherwise be applied. If any forfeitures remain after the payment of Plan expenses under this subsection, the remaining forfeitures will be allocated as selected under AA §8-6.

(d) **Forfeiture rules for other contribution types.**

(1) **Prior Employer and/or Matching Contributions.** If the Plan maintains Employer Contribution and/or Matching Contribution Accounts, but the Plan no longer provides for such contributions, such amounts will continue to vest under the vesting schedule applicable to such contributions under the prior Plan or under any vesting schedule designated under Appendix A of the Adoption Agreement. If there are any forfeitures related to such prior contributions, such amounts may be reallocated as an additional Employer Contribution or as an additional Matching Contribution in accordance with the provisions of subsection (a), to the extent such contributions are authorized under the Plan, or may be used to reduce any Employer Contribution or Matching Contribution, consistent with the provisions of subsection (b) above. If the Plan does not provide for either Employer Contributions or Matching Contributions, the Employer may reallocate forfeitures of prior contributions as an Employer Contribution (using the pro rata allocation formula) or as a discretionary Matching Contribution. Alternatively, the Employer may use such forfeitures to pay Plan expenses as authorized under subsection (c). The Employer may elect to use such forfeitures in the Plan Year the forfeiture occurs or in the following Plan Year.

(2) **Other contributions.** If a Participant has any other amounts under the Plan which are treated as forfeited (e.g., a forfeiture for a missing Participant under Section 7.10(c) of the Plan), such amounts may be forfeited in accordance with the provisions under subsection (1) above.

SECTION 8
PLAN DISTRIBUTIONS

Subject to the terms of any Investment Arrangement associated with the Plan, a Participant may receive a distribution of such Participant's vested Account Balance at the time and in the manner provided under this Section 8. A Participant must begin receiving required minimum distributions under the Plan (in accordance with the provisions of Section 8.10).

8.01 **Available Forms of Distribution.** Subject to the terms governing the applicable Investment Arrangement, the Employer may elect under AA §9-1 the forms of distribution that are available to a Participant,, Beneficiary or Alternate Payee under the Plan. Different distribution options may apply depending on whether a distribution is made upon Severance from Employment, death, disability or as an in-service withdrawal. Available distribution options under AA §9-1 may include a lump sum of all or a portion of the Participant's vested Account Balance, installments, annuity payments, or any other form designated in AA §9-1. Any distribution options selected under the Plan must comply with the required minimum distribution rules under Section 8.10.

If the Plan provides for installment payments as an optional form of distribution, such payments may be made in monthly, quarterly, semi-annual, or annual payments over a period not exceeding the life expectancy of the Participant and such Participant's designated Beneficiary. The Plan Administrator may permit a Participant, Beneficiary or Alternate Payee to accelerate the payment of all, or any portion, of an installment distribution. If the Plan provides for annuity payments, the Plan must purchase an annuity that provides for payments over a period that does not extend beyond either the life of the Participant (or the lives of the Participant and his/her designated Beneficiary) or the life expectancy of the Participant (or the life expectancy of the Participant and his/her designated Beneficiary). (The availability of installments and or annuity payments may be restricted under AA §9-1(c).)

To the extent that there are Annuity Contracts under the Plan, the records of which are kept by a Vendor other than the Pre-Approved Plan Provider, and to the extent such Annuity Contracts contain provisions not otherwise expressly written in the Plan, those provisions are incorporated as part of the Plan, but solely with respect to Account Balances allocated to those Annuity Contracts.

8.02 **Amount Eligible for Distribution.** For purposes of determining the amount a Participant may receive as a distribution from the Plan, a Participant's vested Account Balance is determined as of the Valuation Date which immediately precedes the date the Participant receives such Participant's distribution from the Plan. For this purpose, the Participant's Account Balance must be increased for any contributions allocated to the Participant's Account since the most recent Valuation Date and must be reduced for any distributions the Participant received from the Plan since the most recent Valuation Date. A Participant does not share in any allocation of gains or losses attributable to the period between the Valuation Date and the date of the distribution under the Plan, unless the Plan Administrator establishes an alternative policy.

(a) **Individual or Participant-Directed Accounts.** In the case of a Participant-directed Account, an individual Custodial Account or individual Annuity Contract, the determination of the value of the Participant's Account for distribution purposes is subject to the funding and valuation procedures applicable to such directed Account, individual Custodial Account or individual Annuity Contract.

(b) **Permissible distribution events.** In no event may Participants receive distributions under the Plan until the conditions set forth below are satisfied. The Employer and the terms of the applicable Investment Arrangement may further restrict the distribution conditions under the Adoption Agreement.

(1) **Salary Deferral Account.** A Participant may not receive a distribution of any amounts held under a Salary Deferral Account unless the Participant satisfies one of the following conditions:

(i) The Participant has a Severance from Employment with the Employer.

(ii) The Participant has attained age 59 ½.

(iii) The Participant dies or becomes Disabled.

(iv) The Participant qualifies for a Hardship distribution a Qualified Reservist Distribution or a Qualified Birth or Adoption Distribution.

(2) **Custodial Account.** A Participant may not receive a distribution of any amounts attributable to Matching Contributions or Employer Contributions held under a Custodial Account unless the Participant satisfies one of the following conditions:

(i) The Participant has a Severance from Employment with the Employer.

(ii) The Participant has attained age 59 ½.

(iii) The Participant dies or becomes Disabled.

(iv) The Participant qualifies for a Qualified Reservist Distribution or a Qualified Birth or Adoption Distribution.

(3) **Annuity Contract.** A Participant may not receive a distribution of any amounts attributable to Matching Contributions or Employer Contributions held under an Annuity Contract unless the Participant satisfies one of the following conditions:

(i) The Participant has a Severance from Employment with the Employer.

(ii) The Participant qualifies for a distribution due to the occurrence of some event, such as after affixed number of years or the attainment of a stated age, as specified under the Adoption Agreement.

(iii) The Participant dies or becomes Disabled.

(iv) The Participant qualifies for a Hardship distribution, a Qualified Reservist Distribution or a Qualified Birth or Adoption Distribution.

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(4) **Special rule regarding deemed Severance from Employment for military service.** For purposes of Plan distributions, The Employer may elect under the Adoption Agreement to treat a Participant as having a deemed Severance from Employment during any period the Participant is performing service in the uniformed services described in Code §3401(h)(2)(A). A Participant who elects to receive a distribution pursuant to the preceding sentence may not make an Elective Deferral or an After-Tax Employee Contribution during the 6-month period beginning on the date of the distribution.

8.03 **Participant Consent.** Unless required by the Investment Arrangement, State or local law, or designated in AA §9, Participant consent to a distribution is not required for the Plan to make a distribution.

8.04 **Direct Rollovers.** Notwithstanding any provision in the Plan to the contrary, a Participant may elect, at the time and the manner prescribed by the Plan Administrator, to have all or any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan in a Direct Rollover. If an Eligible Rollover Distribution is less than $500, the Participant may not elect a Direct Rollover of only a portion of such distribution (i.e., a Participant must elect a complete Direct Rollover if the Eligible Rollover Distribution is less than $500). For purposes of this Section 8.04, a Participant includes a Participant or former Participant. In addition, this Section applies to any distribution from the Plan made to a Participant's surviving Spouse or to a Participant's Spouse or former Spouse who is the Alternate Payee under a QDRO.

(a) **Definitions.**

(1) **Eligible Rollover Distribution.** An Eligible Rollover Distribution is any distribution of all or any portion of a Participant's Account Balance, except an Eligible Rollover Distribution does not include:

(i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's Beneficiary, or for a specified period of ten years or more;

(ii) any distribution to the extent such distribution is a required minimum distribution under Code §401(a)(9), as described under Section 8.10;

(iii) any Hardship distribution, as described in Section 8.08(e);

(iv) any distribution if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than $200; or

(v) a distribution made to satisfy the requirements of Code §415 or a distribution to correct Excess Deferrals or Excess Aggregate Contributions.

(2) **Eligible Retirement Plan.** For purposes of applying the Direct Rollover provisions under this Section 8.04, an Eligible Retirement Plan is:

(i) a qualified plan described in Code §401(a);

(ii) an individual retirement account described in Code §408(a);

(iii) an individual retirement annuity described in Code §408(b);

(iv) an annuity plan described in Code §403(a);

(v) effective for rollover distributions occurring after December 18, 2015, a simple retirement account to the extent rollovers are allowed under Code §408(p)(1)(B);

(vi) a Code §403(b) plan; or

(vii) an eligible plan under Code §457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

The definition of Eligible Retirement Plan also applies in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee under a QDRO.

To the extent any portion of an Eligible Rollover Distribution is attributable to Roth Deferrals, an Eligible Retirement Plan with respect to such portion of the distribution shall include only another designated Roth account of the Participant or a Roth IRA. To the extent any portion of an Eligible Rollover Distribution is attributable to After-Tax Employee Contributions, an Eligible Retirement Plan with respect to such portion of the distribution shall include only an individual retirement account or annuity described in Code §408(a) or (b) or a qualified defined contribution plan described in Code §401(a) or §403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

(3) **Direct Rollover.** A Direct Rollover is a payment made directly from the Plan to the Eligible Retirement Plan specified by the Participant. The Plan Administrator may develop reasonable procedures for accommodating Direct Rollover requests.

(b) **Direct Rollover notice.** A Participant entitled to an Eligible Rollover Distribution must receive a written explanation of such Participant's right to a Direct Rollover, the tax consequences of not making a Direct Rollover, and, if applicable, any available special income tax elections. The notice must be provided within 30 – 180 days prior to the Participant's Annuity Starting Date, in the same manner as described in Section 8.04(c). The Direct Rollover notice must be provided to all Participants, unless the total amount the Participant will receive as a distribution during the calendar year is expected to be less than $200.

If a Participant has a Severance from Employment and is eligible for a distribution which is not subject to Participant consent, and the Participant does not respond to the Direct Rollover notice indicating whether a Direct Rollover is desired and the name of the Eligible Retirement Plan to which the Direct Rollover is to be made, the Plan Administrator may distribute the Participant's entire vested Account Balance in the form of an Automatic Rollover (pursuant to Section 8.05). The same rule applies to another recipient who does not respond to a Direct Rollover notice. (However, see Section 8.05(b) for special rules that apply to Involuntary Cash-Out Distributions below $1,000.) If a distribution would qualify for Automatic Rollover, the Direct Rollover notice must describe the procedures for making an Automatic Rollover, including the name, address, and telephone number of the IRA trustee and information regarding IRA maintenance and withdrawal fees and how the IRA funds will be invested. The Direct Rollover notice also must describe the timing of the Automatic Rollover and the recipient's ability to affirmatively opt out of the Automatic Rollover.

(c) **Direct Rollover by non-Spouse beneficiary.** Effective for Plan Years beginning after December 31, 2009, the Plan must permit a non-Spouse beneficiary (as defined in Code §401(a)(9)(E)) to make a direct rollover of an eligible rollover distribution to an individual retirement account under Code §408(a) or an individual retirement annuity under Code §408(b) that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code §402(c)(11). A non-Spouse rollover made after December 31, 2009 will be subject to the direct rollover requirements under Code §401(a)(31), the rollover notice requirements under Code §402(f) or the mandatory withholding requirements under Code §3405(c).

(d) **Direct Rollover of non-taxable amounts.** Notwithstanding any other provision of the Plan, effective for taxable years beginning on or after January 1, 2007, an Eligible Rollover Distribution may include the portion of any distribution that is not includible in gross income. For this purpose, an Eligible Retirement Plan includes a Defined Contribution or Defined Benefit Plan qualified under Code §401(a) and a tax-sheltered annuity plan under Code §403(b), provided the rollover is accomplished through a direct rollover and the recipient Eligible Retirement Plan separately accounts for any amounts attributable to the rollover of any nontaxable distribution and earnings thereon.

(e) **Rollovers to Roth IRA.** For distributions occurring on or after January 1, 2008, a Participant, Beneficiary or Alternate Payee (including a non-spousal beneficiary to the extent permitted under subsection (c) above), may rollover an Eligible Rollover Distribution (as defined in subsection (a)(1)) to a Roth IRA, provided the Participant (or beneficiary) satisfies the requirements for making a Roth contribution under Code §408A(c)(3)(B). Any amounts rolled over to a Roth IRA will be included in gross income to the extent such amounts would have been included in gross income if not rolled over (as required under Code §408A(d)(3)(A)). For purposes of this subsection (e), the Plan Administrator is not responsible for assuring the Participant (or beneficiary) is eligible to make a rollover to a Roth IRA.

8.05 **Automatic Rollover.** The Automatic Rollover rules in this Section 8.05 are effective for all Involuntary Cash-Out Distributions (as defined in subsection (b)) made on or after March 28, 2005.

(a) **Automatic Rollover requirements.** If a Participant is entitled to an Involuntary Cash-Out Distribution (as defined in subsection (b)), and the Participant does not elect to receive a distribution of such amount (either as a Direct Rollover to an Eligible Retirement Plan or as a direct distribution to the Participant), then the Plan Administrator may pay the distribution in a Direct Rollover to an individual retirement plan (IRA) designated by the Plan Administrator. (The Automatic Rollover provisions under this subsection (a) apply to any Involuntary Cash-Out Distribution for which the Participant fails to consent to a distribution, without regard to whether the Participant can be located. See Section 7.09(c) for alternatives if the Participant cannot be located after a reasonable diligent search.)

(b) **Involuntary Cash-Out Distribution.** An Involuntary Cash-Out Distribution is any distribution that is made from the Plan without the Participant's consent. Unless elected otherwise under the AA, an Involuntary Cash-Out Distribution, for purposes of applying the Automatic Rollover requirements under this Section 8.05, does not include any amounts equal to or less than $1,000. For purposes of applying the Automatic Rollover provisions of this Section 8.06, including the $1,000 threshold, a Participant's Roth Deferral Account and the Participant's other Accounts are treated as held under separate plans. (See Section 8.03 for the Participant consent requirements with respect to distributions under the Plan.)

8.06 **Distribution Upon Severance from Employment.** Subject to the required minimum distribution provisions under Section 8.10 and the terms governing the applicable Investment Arrangement, a Participant who has a Severance from Employment for any reason (other than death) is entitled to receive a distribution of such Participant's vested Account Balance in accordance with this Section 8.06. (See Section 8.07 for the applicable rules when a Participant dies before distribution of such Participant's vested Account Balance is completed.)

(a) **Account Balance not exceeding $5,000.** If a Participant's vested Account Balance does not exceed $5,000 (or other Cash-Out threshold designated under AA §9) at the time of distribution, the only distribution option available under the Plan is a lump sum option. The Participant will be eligible to receive a distribution of such Participant's vested Account Balance as of the date selected in AA §9. The Employer may elect in AA §9 to require a Participant to consent to a distribution where such Participant's vested Account Balance does not exceed $5,000. However, this will not change the distribution options described in this subsection (a), unless the Employer specifically modifies such options under AA §9. In any event, the Participant's consent must be obtained before any distribution regardless of the amount, if such participant is the sole owner of the investment vehicle under the Plan.

(b) **Account Balance exceeding $5,000.** If a Participant's vested Account Balance exceeds $5,000 (or other Cash-Out threshold designated under AA §9) at the time of distribution, the Participant may elect to receive a distribution of such Participant's vested Account Balance in any form permitted under AA §9. The Participant will be eligible to receive a distribution of such Participant's vested Account Balance as of the date selected in AA §9.

8.07 **Distribution Upon Death.** Except as otherwise required under State law and subject to the required minimum distribution rules in Section 8.10 and the terms governing the applicable Investment Arrangement, a Participant's vested Account Balance will be distributed to the Participant's Beneficiary(ies) in accordance with this Section 8.07. (See subsection (c) for rules regarding the determination of Beneficiaries upon the death of the Participant.) The form of benefit payable with respect to a deceased Participant will depend on whether the Participant dies before or after distribution of such Participant's Account Balance has commenced. A Beneficiary may make a valid disclaimer of the benefits such Beneficiary is entitled to under the Plan.

(a) **Death after commencement of benefits.** If a Participant begins receiving a distribution of such Participant's benefits under the Plan, and subsequently dies prior to receiving the full value of such Participant's vested Account Balance, the remaining benefit will continue to be paid to the Participant's Beneficiary(ies) in accordance with the form of payment that has already commenced. If a Participant commences distribution prior to death only with respect to a portion of such Participant's Account Balance, then the rules in subsection (b) apply to the rest of the Account Balance.

(b) **Death before commencement of benefits.** If a Participant dies before commencing distribution of such Participant's benefits under the Plan, the form and timing of any death benefits will depend on whether the value of the death benefit exceeds $5,000 (or other threshold designated under AA §9). In no event will any death benefit be paid in a manner that is inconsistent with the required minimum distribution rules under Section 8.10. The Beneficiary of any pre-retirement death benefit described in this subsection (b) may postpone the commencement of the death benefit to a date that is not later than the latest commencement date permitted under Section 8.10, unless such election is prohibited in AA §9-1.

(c) **Determining a Participant's Beneficiary.** Subject to the terms governing the applicable Investment Arrangement, the determination of a Participant's Beneficiary(ies) to receive any death benefits under the Plan will be based on the Participant's Beneficiary designation under the Plan. If a Participant does not designate a Beneficiary to receive the death benefits under the Plan, distribution will be made to the default Beneficiaries, as set forth in subsection (3) below. (unless otherwise provided in a QDRO). Except as elected in AA §9 or as may be otherwise applicable under State law, a Spouse's consent to the Participant's Beneficiary designation is not required. However, if spousal consent is elected under AA §9, any designation of a Beneficiary other than the Participant's Spouse, must satisfy the consent requirements under subsection (1) and (2) below. Spousal consent must be in the form of a spousal election as described in Section 9.

(1) **Post-retirement death benefit.** If a Participant dies after commencing distribution of benefits under the Plan (but prior to receiving a distribution of such Participant's entire vested Account Balance under the Plan), the Beneficiary of any post-retirement death benefit is the Participant's surviving Spouse, unless (i) there is no surviving Spouse, (ii) the surviving Spouse has consented to the designation of an alternate Beneficiary(ies), or (iii) the surviving Spouse makes a valid disclaimer of the death benefit.

(2) **Pre-retirement death benefit.** If a Participant dies before commencing distribution of such Participant's benefits under the Plan, the determination of the Participant's Beneficiary will be determined as follows:

The surviving Spouse (determined at the time of the Participant's death) will be treated as the sole Beneficiary, regardless of any contrary Beneficiary designation, unless there is no surviving Spouse, or the Spouse has consented to the Beneficiary designation or makes a valid disclaimer. (See Section 9.03 for rules regarding the determination of a Participant's marital status.)

(3) **Default beneficiaries.** Subject to the terms governing the applicable Investment Arrangement and to the extent a Beneficiary has not been named by the Participant and is not designated under the terms of this Plan to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death). If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children but not step-children), in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate. The Employer may modify the default beneficiary rules described in this subparagraph under AA §9-5(a).

(4) **Identification of Beneficiaries.** The Plan Administrator may request proof of the Participant's death and may require the Beneficiary to provide evidence of such Beneficiary's right to receive a distribution from the Plan in any form or manner the Plan Administrator may deem appropriate. The Plan Administrator's determination of the Participant's death and of the right of a Beneficiary to receive payment under the Plan shall be conclusive. If a distribution is to be made to a minor or incompetent Beneficiary, payments may be made to the person's legal guardian, conservator recognized under state law, or custodian in accordance with the Uniform Gifts to Minors Act or similar law as permitted under the laws of the state where the Beneficiary resides. The Plan Administrator will not be liable for any payments made in accordance with this subsection (4) and will not be required to make any inquiries with respect to the competence of any person entitled to benefits under the Plan.

(5) **Death of Beneficiary.** Unless specified otherwise in the Participant's Beneficiary designation form or under AA §9-5(a), if a Beneficiary does not predecease the Participant but dies before distribution of the death benefit is made to the Beneficiary, the death benefit will be paid to the Beneficiary's estate. If the Participant and the Participant's Beneficiary die simultaneously, and the Participant's Beneficiary designation form does not address simultaneous death, the determination of the death beneficiary will be determined under any state simultaneous death laws, to the extent applicable. If no applicable state law applies, the death benefit will be paid to the any contingent beneficiaries named under the Participant's beneficiary designation. If there are no contingent beneficiaries, the death benefit will be paid to the Participant's default beneficiaries, as described in subsection (3).

(6) **Divorce from Spouse.** Unless designated otherwise under AA §9-5(c), if a Participant designates such Participant's Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded unless specifically provided otherwise under a divorce decree or QDRO, or unless the Participant enters into a new Beneficiary designation naming the prior Spouse as Beneficiary. In addition, the provisions under this subsection (6) will not apply if the Participant has entered into a Beneficiary designation that specifically overrides the provisions of this subsection (6).

8.08 **In-Service Distributions.** Subject to the terms governing the applicable Investment Arrangement, the Employer may elect under AA §10 to permit in-service distributions under the Plan. If an in-service distribution is not specifically permitted under AA §10, a Participant may not receive a distribution from the Plan until Severance from Employment, death or disability.

(a) **After-Tax Employee Contributions and Rollover Contributions.** A Participant may withdraw at any time, upon written request, all or any portion of such Participant's Account Balance attributable to After-Tax Employee Contributions or Rollover Contributions. No forfeiture will occur solely as a result of an Employee's withdrawal of After-Tax Employee Contributions.

(b) **Employer Contributions.** The Employer may elect under AA §10 the extent to which in-service distributions will be permitted from Employer Contributions (including Matching Contributions, if applicable) under the Plan. (See subsection (c) below for the in-service distribution rules applicable to Salary Deferrals.) If permitted under AA §10, Employer Contributions may be withdrawn upon the occurrence of a specified event (including a Hardship, as defined in subsection (e)) or upon the completion of a certain number of years, provided no distribution on account of years may be made with respect to Employer Contributions that have been accumulated in the Plan for less than 2 years, unless the Participant has been a Participant in the Plan for at least 5 years. (See Section 7.08 for special vesting rules that apply if a Participant takes an in-service distribution prior to becoming 100% vested in such contributions.) Mandatory Contributions are treated as Employer Contributions for purposes of in-service distributions, unless otherwise specified in the Adoption Agreement.

(c) **Salary Deferrals.** Any Salary Deferrals (including any earnings on such amounts) generally may not be distributed prior to the Participant's severance from employment, death, or disability. However, the Employer may elect under AA §10 to permit an in-service distribution of such amounts upon attainment of a specified age (no earlier than age 59½) or upon a Hardship (as defined in subsection (e)).

(d) **Qualified Reservist Distributions.** If elected in the Adoption Agreement, a Participant may receive a Qualified Reservist Distribution, as defined in subsection (1) below. If a Participant takes a Qualified Reservist Distribution, such distributions will not be subject to the 10% penalty tax under Code §72(t).

(1) **Qualified Reservist Distribution.** Qualified Reservist Distribution means any distribution to an individual if:

(i) such distribution is from amounts attributable to elective deferrals described in Code §402(g)(3)(A) or (C) or Code §501(c)(18)(D)(iii),

(ii) such individual was (by reason of being a member of a reserve component (as defined in §101 of Title 37 of the United States Code)) ordered or called to active duty for a period in excess of 179 days or for an indefinite period, and

(iii) such distribution is made during the period beginning on the date of such order or call and ending at the close of the active duty period.

(2) **Active duty.** A Qualified Reservist Distribution will only be available for individuals who are ordered or called into active duty after September 11, 2001.

(e) **Hardship distribution.** Subject to the terms governing the applicable Investment Arrangements and the restrictions under Section 8.08(e)(5) and if otherwise permitted under the Plan, the Employer may elect under AA §10-1 or AA §10-2 of the Adoption Agreement to authorize an in-service distribution upon the occurrence of Hardship. A distribution is made on account of Hardship only if the distribution both is made on account of an immediate and heavy financial need and is necessary to satisfy the financial need.

(1) **Deemed (safe harbor) immediate and heavy financial need.** A distribution is deemed to be made on account of an immediate and heavy financial need of the Employee if the distribution satisfies one of the following needs:

(i) Expenses incurred or necessary for medical care (as described in Code §213(d)) of the Participant, the Participant's Spouse or dependents (determined without regard to whether the expenses exceed 7.5% of adjusted gross income);

(ii) Costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Participant;

(iii) Payment of tuition, related educational fees and room and board for up to the next 12 months of post-secondary education for the Participant, the Participant's Spouse, children or dependents;

(iv) Payments necessary to prevent the eviction of the Participant from, or a foreclosure on the mortgage of, the Participant's principal residence;

(v) Payments for funeral or burial expenses for the Participant's deceased parent, Spouse, child or dependent;

(vi) Expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code §165 (determined without regard to Code §165(h)(5) and whether the loss exceeds 10% of adjusted gross income);

(vii) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Pub. L. 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster; or

(viii) for any other event that the IRS recognizes as a deemed immediate and heavy financial need Hardship distribution event under ruling, notice or other guidance of general applicability.

For purposes of determining eligibility for a Hardship distribution under this subsection (1), a dependent is determined under Code §152. However, the determination of dependent for purposes of tuition and related educational fees under subsection (iii) above will be made without regard to Code §§152(b)(1), (b)(2), and (d)(1)(B) and the determination of dependent for purposes of funeral or burial expenses under subsection (v) above will be made without regard to Code §152(d)(1)(B).

A Participant must provide the Plan Administrator with a written request for a Hardship distribution. The Plan Administrator may require written documentation, as it deems necessary, to sufficiently document the existence of a proper Hardship event. The Plan Administrator may develop procedures to assist in determining whether a distribution is made on account of an immediate and heavy financial need, including Employee certification of such need.

(2) **Non-deemed immediate and heavy financial need.** The Employer may elect in the Adoption Agreement to permit Participants to take a Hardship distribution without satisfying one of the needs in subsection (1) above by setting forth nondiscriminatory and objective standards under AA §10-3(c).

(3) **Distribution necessary to satisfy financial need.**

(i) **Distribution may not exceed amount of need.** A distribution is treated as necessary to satisfy an immediate and heavy financial need of an Employee only to the extent the amount of the distribution is not in excess of the amount required to satisfy the financial need (including any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution). The Plan Administrator may develop procedures to assist in determining whether a distribution is necessary to satisfy an immediate and heavy financial need, including Employee certification of such need.

(ii) **No alternative means reasonably available.** A distribution is not treated as necessary to satisfy an immediate and heavy financial need of an employee unless each of the following requirements is satisfied:

(A) The Employee has obtained all other currently available distributions, but not Hardship distributions, under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by the Employer;

(B) The Employee has provided to the Plan Administrator a representation in writing (including the use of an electronic medium as defined in Treas. Reg. §1.401(a)- 21(e)(3)), or in such other form as may be prescribed by the IRS, that he or she has insufficient cash or other liquid assets reasonably available to satisfy the need; and

(C) The Plan Administrator does not have actual knowledge that is contrary to the representation.

(iii) **Additional conditions.** The Plan generally may provide for additional conditions to demonstrate that a distribution is necessary to satisfy an immediate and heavy financial need of an employee. For example, a plan may provide that, before a Hardship distribution may be made, an Employee must obtain all nontaxable loans (determined at the time a loan is made) available under the Plan and all other plans maintained by the Employer.

(iv) **No suspensions allowed for Hardship distributions made on or after January 1, 2020.** The Plan may not provide for a suspension of an Employee's Salary Deferrals or After-Tax Employee Contributions under any plan described in Code §§401(a) or 403(a), any Code §403(b) plan, or any eligible governmental plan described in Treas. Reg. §1.457-2(f) as a condition of obtaining a Hardship distribution for Hardship distributions made on or after January 1, 2020.

(4) **Sources for Hardship distributions.** Subject to the terms governing the applicable Investment Arrangements, and except as restricted under Subsection (5) below, for Plan Years beginning after December 31, 2018 (or such later date specified under the AA §10-1), the Employer may permit Hardship distributions from the vested portion of a Participant's Employer Contribution Account, Matching Contribution Account, Pre-Tax Salary Deferral Account, and Roth Deferral Account held in Annuity Contracts, as applicable. With respect to amounts held in a Custodial Account, the Employer may permit Hardship distributions from the Participant's Pre-Tax Salary Deferral Account and Roth Deferral Account.

A Hardship distribution (except for those from a Salary Deferral Account and as restricted under subsection (5)(ii) below) may include earnings on these Accounts, regardless of when amounts were contributed or earned. The Employer may designate the Accounts (including earnings, if allowed) from which a Participant may receive a Hardship distribution under AA §10-1 and AA §10-2. The Plan Administrator may adopt distribution ordering rules consistent with the sources available for Hardship distributions under separate administrative procedures.

(5) **Availability to Employees who has a Severance from Employment.** If a Hardship distribution is permitted under AA §10-1 or AA §10-2, a Participant may take such a Hardship distribution after Severance from Employment to the extent no other distribution is available from the Plan, subject to the terms governing the applicable Investment Arrangements.

(6) **Application of Hardship distributions rules with respect to primary beneficiaries.** If elected under AA §10-3(e) of the Plan, if the Plan otherwise permits Hardship distributions based on the deemed immediate and heavy needs under subsection (1)(i) (medical expenses), (1)(iii) (educational expenses) or (1)(v) (funeral expenses) above, the existence of an immediate and heavy financial need may be determined with respect to a primary beneficiary under the Plan. For this purpose, a primary beneficiary is an individual who is named as a beneficiary under the Plan and has an unconditional right to all or a portion of a Participant's Account Balance upon the death of the Participant. Any Hardship distribution with respect to a primary beneficiary must satisfy all the other requirements applicable to Hardship distributions under Section 8.08(e) of the Plan.

(f) **Qualified Birth or Adoption Distributions (QBADs).** As provided for under SECURE Act §113, effective no earlier than for Plan Years beginning after December 31, 2019, if elected under the Adoption Agreement, the permissible distribution events may include QBADs. The Employer may restrict in a nondiscriminatory manner the availability of QBADs to Participants who has incurred a Severance from Employment or certain active Participants under the Elective Provisions. The Plan Administrator may use the guidance provided under IRS Notice 2020-68 and other applicable guidance in applying the rules under this Section 8.09(f).

(1) **Definitions.**

(i) **QBAD.** A QBAD (as defined under Code §72(t)(2)(H)(iii)(I)) is a distribution from the Plan to a Participant if made during the one-year period beginning on the date on which a child of the Participant is born or on which the legal adoption by the individual of an Eligible Adoptee is finalized.

(ii) **Eligible Adoptee.** An Eligible Adoptee (as defined under Code §72(t)(2)(H)(iii)(II)) is any individual (other than a child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The determination of whether an individual is physically or mentally incapable of self-support is made in the same manner as the determination of whether an individual is disabled under Code §72(m)(7), which defines when an individual is disabled for purposes of the exception to the 10% additional tax under Code §72(t)(2)(A)(iii).

(2) **$5,000 limitation.** The Plan is not treated as violating any Code requirement merely because it treats a distribution (that would otherwise be a QBAD) to an individual as a QBAD, provided that the aggregate amount of such distributions to that Participant from all plans maintained by the Employer does not exceed $5,000.

(i) Each parent may receive a QBAD of up to $5,000 with respect to the same child or Eligible Adoptee.

(ii) An individual is permitted to receive a QBAD with respect to the birth of more than one child or the adoption of more than one Eligible Adoptee if the distributions are made during the one-year period following the date on which the children are born or the legal adoption for the Eligible Adoptees is finalized.

(3) **Recontributions to applicable Eligible Retirement Plans.** Any portion of a QBAD may, at any time after the date on which the distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. If the Employer adds the ability for Plan Participants to receive QBADs to the Plan, a Participant who has received a QBAD may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make Rollover Contributions to the Plan at the time the Participant wishes to recontribute the QBAD. The Plan will ensure that one or more Investment Arrangements are available to accept the recontribution. In the case of a recontribution made with respect to a QBAD from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(4) **Other applicable rules.** The following rules apply to QBADs:

(i) A distribution to an individual will not be treated as a QBAD with respect to any child or Eligible Adoptee unless the individual includes the name, age, and the Taxpayer Identification Number (TIN) of the child or Eligible Adoptee on the individual's tax return;

(ii) A QBAD is includible in gross income, but it is not subject to the 10% additional tax under Code §72(t)(1);

(iii) In making a determination whether an individual is eligible for a QBAD, the Employer or Plan Administrator is permitted to rely on reasonable representations from the individual, unless the Employer or Plan Administrator has actual knowledge to the contrary; and

(iv) A QBAD is not treated as an Eligible Rollover Distribution for purposes of the direct rollover rules of Code §401(a)(31), the notice requirement under Code §402(f), and the mandatory withholding rules under Code §3405.

(g) **Portability of lifetime income options.** Effective for Plan Years beginning after December 31, 2019 and as provided under Code §§403(b)(11)(D) and 403(b)(7)(A)(i)(VI), the Plan may allow a Qualified Distribution of a Lifetime Income Investment and a distribution of a Lifetime Income Investment in the form of a Qualified Plan Distribution Annuity Contract, provided such distribution is made within the 90-day period ending on the date when the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. The Plan Administrator may administratively apply the rules of Code §§403(b)(11)(D) and 403(b)(7)(A)(i)(VI) to any applicable Plan investment meeting the definition of a Lifetime Income Investment.

(1) **Definitions.**

(i) **Qualified Distribution.** A Qualified Distribution is a direct trustee-to-trustee transfer to an Eligible Retirement Plan.

(ii) **Lifetime Income Investment.** A Lifetime Income Investment is an investment option designed to provide an Employee with election rights that (1) are not uniformly available with respect to other investment options under the Plan; and (2) are rights to a Lifetime Income Feature available through a contract or other arrangement offered under the Plan, as defined under Code §401(a)(38)(B)(ii). The Plan Administrator will determine whether an investment option under the Plan is a Lifetime Income Investment.

(iii) **Lifetime Income Feature.** A Lifetime Income Feature is (1) a feature that guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the Employee or the joint lives of the Employee and the Employee's Designated Beneficiary, or (2) an annuity payable on behalf of the Employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the Employee or the joint lives of the Employee and the Employee's Designated Beneficiary, as defined under Code §401(a)(38)(B)(iii).

(iv) **Qualified Plan Distribution Annuity Contract.** A Qualified Plan Distribution Annuity Contract is an annuity contract purchased for a Participant and distributed to the Participant by the Plan, as defined under Code §401(a)(38)(B)(iv).

(2) **Administration of portability of lifetime income options.** The Plan Administrator may administratively apply the rules of Code §§403(b)(11)(D) and 403(b)(7)(A)(i)(VI) to any applicable Plan investment meeting the definition of a Lifetime Income Investment. The Plan Administrator will separately document the manner of application of the rules under this Section 8.08(g) and apply the rules in a consistent and nondiscriminatory manner.

(h) **Qualified Distributions for Retired Public Safety Officers.** A Participant who is an eligible retired public safety officer may elect, after separation from service, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan that would otherwise be includible in gross income, and to have such amounts paid directly to the insurer or group health plan. The distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distribution does not exceed the lesser of the amount used to pay the qualified health insurance premiums of the Participant, the Participant's Spouse, and the Participant's dependents (as defined in Code §152), or $3,000, determined by aggregating all distributions with respect to the Participant that are used to pay qualified health insurance premiums from all eligible retirement plans of the Employer.

(1) **Qualified health insurance premiums**. The term "qualified health insurance premiums" means premiums for coverage for the Participant, the Participant's Spouse, and the Participant's dependents (as defined in Code Section 152) by an accident or health insurance plan (including under a self-insured plan) or qualified long-term care insurance contract (within the meaning of Code Section 7702B(b)).

(2) **Eligible retired public safety officer.** The term "eligible retired public safety officer" means an individual who separated from service, either by reason of disability or after attainment of Normal Retirement Age, as a public safety officer with the Employer. For this purpose, a public safety officer is an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or a member of a rescue squad or ambulance crew.

8.09 **Sources of Distribution.** Except as otherwise provided in the Investment Arrangement, and unless provided otherwise in separate administrative provisions adopted by the Plan Administrator, in applying the distribution provisions under this Section 8.09, distributions will be made on a pro rata basis from all Accounts from which a distribution is permitted under this Section 8. Alternatively, the Plan Administrator may permit Participants to direct the Plan Administrator as to which Account the distribution is to be made. Regardless of a Participant's direction as to the source of any distribution, the tax effect of such a distribution will be governed by Code §72 and the regulations thereunder.

(a) **Exception for Hardship withdrawals.** If the Plan permits a Hardship withdrawal from both Salary Deferrals (including Roth Deferrals) and Employer Contributions (including Employer Matching Contributions), a Hardship distribution will first be treated as having been made from a Participant's Employer Contribution Account and then from the Employer's Matching Contribution Account, to the extent such Hardship distribution is available with respect to such Accounts. Only when all available amounts have been exhausted under the Participant's Employer Contribution Account and/or Matching Contribution Account will a Hardship distribution be made from a Participant's Pre-Tax Deferral Account and/or Roth Deferral Account. (See subsection (b) below for the ordering rules for distributions from the Pre-Tax Deferral and Roth Deferral Accounts.) The Plan Administrator may modify the ordering rules under this subsection (a) under separate administrative procedures.

(b) **Roth Deferrals.** Unless designated otherwise under AA §6A-5 or separate administrative procedures, if a Participant has both a Pre-Tax Deferral Account and a Roth Deferral Account, the Participant may designate the extent to which a distribution or withdrawal of Salary Deferrals will come from the Pre-Tax Deferral Account or the Roth Deferral Account. Alternatively, the Employer may provide under AA §6A-5 (or under separate administrative procedures) that any distribution or withdrawal of Salary Deferrals will be made on a pro rata basis from the Pre-Tax Deferral Account and the Roth Deferral Account. Alternatively, the Employer may designate any other order of distribution and withdrawals under AA §6A-5 or separate administrative procedures.

(c) **In-kind distributions.** Nothing in this Section 8 precludes the Plan Administrator from making a distribution in the form of property, or other in-kind distribution.

8.10 **Required Minimum Distributions.** The Plan shall comply with the required minimum distribution requirements of Code §401(a)(9) and applicable regulations thereunder in accordance with the terms governing each Investment Arrangement (if applicable), unless and to the extent otherwise permitted by law and in regulations or other rules of general applicability published by the Department of the Treasury or the Internal Revenue Service. For purposes of applying the distribution rules of Code §401(a)(9) of the Code, each Investment Arrangement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e). The Employer may develop administrative procedures to assist the Plan in complying with the required minimum distribution requirements of Code §401(a)(9) and applicable regulations. Effective for Participants turning age 70 ½ after December 31, 2019, and for the distribution of a Participant's Accumulated Benefit who dies after December 31, 2019, the amendments made by the SECURE Act are hereby reflected.

8.11 **Correction of Plan Defects.** Nothing in this Section 8 precludes the Plan Administrator from making a distribution to a Participant to correct a Plan defect consistent with the correction procedures under the IRS' EPCRS program and other applicable legislative guidance.

8.12 **Special Rules relating to Coronavirus-Related Distributions and Loans from the Plan.** This Section §8.12 incorporates CARES Act §2202 relating to special disaster-related rules for retirement plans. The provisions of this Section §8.12 apply only to the extent a distribution or loan was made to a qualified individual as provided under CARES Act §2202. If the Plan did not operationally apply the rules under this Section §8.12, such provisions did not apply to the Plan. The Plan Administrator documented through administrative procedures (including designating accounts from which Coronavirus-Related Distributions and loans could have been taken) or otherwise the manner in which the Plan operationally applied the rules under this Section §8.12. To the extent this Section 8.12 applies to the Plan, the provisions supersede any inconsistent provisions of the Plan or loan program. The Plan administered this Section 8.12 consistent with the guidance provided under IRS Notice 2020-50.

(a) **Coronavirus-Related Distributions.** As provided under CARES Act §2202(a), the Plan could (but was not required to) make Coronavirus-Related Distributions, subject to the limits under Section 8.12(a)(4), without regard to certain distribution restrictions otherwise applicable under the Plan.

(1) **Definition of Coronavirus-Related Distribution.** The term Coronavirus-Related Distribution means a distribution from the Plan made:

(i) on or after January 1, 2020, and before December 31, 2020,

(ii) to an individual:

(A) who was diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (collectively referred to herein as "COVID-19") by a test approved by the Centers for Disease Control and Prevention, including a test authorized under the Federal Food, Drug, and Cosmetic Act; or

(B) whose Spouse or dependent (as defined in Code §152) was diagnosed with COVID-19 by such a test; and

(C) who experienced adverse financial consequences as a result of:

(I) the individual being quarantined, being furloughed or laid off or having work hours reduced due to COVID-19;

(II) the individual being unable to work due to lack of childcare due to COVID-19;

(III) closing or reducing hours of a business owned or operated by the individual due to COVID-19;

(IV) the individual having pay or self-employment income reduced due to COVID-19;

(V) the individual having a job offer rescinded or start date for a job delayed due to COVID-19; or

(VI) the individual's Spouse or a member of the individual's household (i.e., someone who shares the individual's principal residence) being quarantined, being furloughed or laid off or having work hours reduced due to COVID-19, being unable to work due to lack of childcare due to COVID-19, having pay or self-employment income reduced due to COVID-19, or having a job offer rescinded or start date for a job delayed due to COVID-19; or

(VII) closing or reducing hours of a business owned or operated by the individual's Spouse or a member of the individual's household due to COVID-19.

(2) **Amounts not treated as Coronavirus-Related Distributions.** The following amounts were not treated as Coronavirus-Related Distributions:

(i) corrective distributions of Elective Deferrals and After-Tax Employee Contributions that were returned to the Employee (together with the income allocable thereto) in order to comply with the Code §415 limitations;

(ii) Excess Deferrals under Code §402(g);

(iii) Excess Aggregate Contributions;

(iv) loans that were treated as deemed distributions pursuant to Code §72(p);

(v) the costs of current life insurance protection;

(vi) distributions that were permissible withdrawals from an Eligible Automatic Contribution Arrangement within the meaning of Code §414(w); and

(vii) distributions of premiums for accident or health insurance under Treas. Reg. §1.402(a)-1(e)(1)(i).

(3) **Employee certification.** The Plan Administrator could have relied on an Employee's certification that the Employee satisfied the conditions of Section 8.12(a)(1) in determining whether any distribution was a Coronavirus-Related Distribution unless the Plan Administrator had actual knowledge to the contrary. The Plan Administrator had no obligation to inquire into whether an individual had satisfied the conditions for a Coronavirus-Related Distribution.

(4) **Limit on amount of Coronavirus-Related Distributions.** The aggregate amount of Coronavirus-Related Distributions received by an individual for any Taxable Year (from all plans maintained by the Employer and any member of a controlled group under Code §§414(b), (c), (m) or (o) which included the Employer) could not exceed $100,000.

(5) **Repayment of Coronavirus-Related Distribution.** A Participant who received a Coronavirus-Related Distribution from the Plan may, at any time during the three-year period beginning on the day after the receipt of such distribution, make one or more Rollover Contributions to an Eligible Retirement Plan (including this Plan, if the Participant is otherwise eligible to make Rollover Contributions) in an aggregate amount that does not exceed the amount of such Coronavirus-Related Distribution. In accepting a Rollover Contribution under this Section 8.12(a)(5), the Plan Administrator is entitled to the relief under Q&A-14 of Treas. Reg. §1.401(a)(31)-1. The Plan Administrator in accepting the Rollover Contribution must reasonably conclude that the recontribution is eligible for direct rollover treatment under CARES Act §2202(a)(3). The Plan Administrator may rely on an Employee's certification that the Employee satisfies the conditions for making such a Rollover Contribution unless the Plan Administrator has actual knowledge to the contrary.

(6) **Exemption from certain transfer and withholding rules.** For purposes of the Direct Rollover rules of Code §401(a)(31), the notice requirements of Code §402(f) and withholding rules of Code §3405, a Coronavirus-Related Distribution was not treated as an Eligible Rollover Distribution.

(b) **Special Loan Rules.** As provided under CARES Act §2202(b), the Plan Administrator was authorized (but not required) to revise the applicable loan requirements under the Plan to reflect (1) and/or (2) below. For purposes of this Section 8.12(b), a Qualified Individual means any individual who is described in Section 8.12(a)(1)(ii) above.

(1) **Increased Participant loan limits.** Notwithstanding the Participant loan limitations under the Plan, for purposes of determining the permissible Participant loans for Qualified Individuals made during the 180-day period beginning on March 27, 2020, the loan limit under Code §72(p)(2)(A) could have been applied by substituting "$100,000" for "$50,000" and the adequate security requirement under Code §72(p)(2)(A)(ii) could have been applied using "the Participant's vested Account Balance" rather than "one-half (½) of the Participant's vested Account Balance."

(2) **Delayed loan repayment date.** If a Qualified Individual had an outstanding Participant loan on or after March 27, 2020:

(i) if the due date pursuant to Code §§72(p)(2)(B) or (C) for any repayment with respect to such loan occurred during the period beginning on March 27, 2020 and ending on December 31, 2020, such due date could have been delayed for one year;

(ii) any subsequent repayments with respect to such loan could have been appropriately adjusted to reflect the delay in the due date under Section 8.12(b)(2)(i) above and any interest accrued during such delay; and in determining the five-year period and the term of the loan under Code §72(p)(2)(B) and (C), the one-year delay period described in Section 8.12(b)(2)(i) above could have been disregarded.

8.13 **Special Rules relating to Disaster-Related Distributions and Loans from the Plan.** This Section 8.13 incorporates the provisions of the Disaster Tax Relief Act of 2020 §302 and any other federally-declared disaster relief legislation or guidance, which authorizes special disaster-related distributions and/or loans for retirement plans. The provisions of this Section 8.13 apply only to the extent a distribution or loan was made to a qualified individual as provided under any applicable federally-declared disaster relief legislation or guidance. If the Plan did not operationally apply the rules under this Section 8.13, such provisions do not apply to the Plan. The Plan Administrator documented through administrative procedures (including designating accounts from which special disaster-related distributions and loans could have been taken) or otherwise the manner in which the Plan operationally applied the rules under this Section 8.13. To the extent this Section 8.13 applies to the Plan, these provisions supersede any inconsistent provisions of the Plan or loan program.

8.14 **Distribution on Plan Termination.** Notwithstanding anything to the contrary in the Plan, in the event the Plan is terminated, all Account Balances shall be distributed as soon as administratively feasible. If a Participant, Beneficiary or Alternate Payee (collectively, a "distributee") affirmatively elects to receive such distribution, distribution shall be made as elected in accordance with this Section 8. If a distributee does not affirmatively elect to receive such distribution, distribution shall be made to the extent administratively feasible in accordance with one of the options available under Revenue Ruling 2011-7 and Revenue Ruling 2020-23, and any other available guidance. To the extent the distribution in accordance with such guidance is not administratively feasible, the Plan Administrator shall cause the Account of each non-electing distributee to be paid in a single lump sum, or, if such person cannot be located within a reasonable time, shall instead cause the lump sum distribution to be transferred to an IRA established for the benefit of the distributee with a Vendor that accepts involuntary rollovers. (Alternatively, as allowed under state and federal law, the Plan Administrator may escheat such Accounts to the applicable state unclaimed property fund.)

SECTION 9
JOINT AND SURVIVOR ANNUITY REQUIREMENTS

9.01 **QJSA and QPSA Rules Not Applicable to Plan.** The Joint and Survivor Annuity rules under the Code and Title I of ERISA do not apply to the Plan. Unless the Employer has elected otherwise under AA §9 or as may be otherwise applicable under state or local law, no spousal consent is required with respect to a distribution of the Participant's Account, a designation of a Beneficiary other than the Participant's Spouse, or a Participant loan secured by the Participant's Account.

9.02 **Spousal consent.** If the Employer elects under AA §9 to require spousal consent to a Plan distribution, alternate Beneficiary designation, or a Participant loan, the Spouse's consent will be required and provided pursuant to a spousal election. For this purpose, a spousal election is a written election signed by both the Participant and the Participant's Spouse that specifically acknowledges the effect of the election. The Spouse's consent must be witnessed by a plan representative or notary public. If the spousal election permits the Participant to change a payment form or Beneficiary designation without any further consent by the Spouse, the spousal election must acknowledge that the Spouse has the right to limit consent to a specific Beneficiary, and a specific form of benefit, as applicable, and that the Spouse voluntarily elects to relinquish either or both of such rights.

9.03 **Determination of Spousal Status.**

(a) **Definition of Spouse.** For this purpose, a Participant will be deemed to not have a Spouse if the Participant is legally separated or has been abandoned and the Participant has a court order to such effect. Notwithstanding the preceding sentence, to the extent provided in a QDRO, a former Spouse shall be treated as a current (or surviving) spouse for purposes of the Plan, and the Participant's current spouse shall not be so treated.

(b) **One-year marriage rule.** The Employer may elect under AA §9-5(b), for purposes of applying the death distribution provisions under this Section 9, that an individual will not be considered the surviving Spouse of the Participant if the Participant and the surviving Spouse have not been married for the entire one-year period ending on the date of the Participant's death unless otherwise provided in a QDRO.

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SECTION 10
INVESTMENT ARRANGEMENTS AND PARTICIPANT ACCOUNTS

10.01 **Permissible Investment Arrangements.** Amounts contributed to this Plan may only be invested in Annuity Contracts, Custodial Accounts or a combination of these Investment Arrangements. The 403(b) Fund will consist of all Annuity Contracts and Custodial Accounts held under the Plan and identified under Addendum B of the Adoption Agreement. The terms of each Investment Arrangement under the Plan, excluding those terms that are inconsistent with the Plan or Code §403(b), are incorporated by reference in the Plan.

10.02 **Annuity Contract Requirements.**

The Annuity Contract:

(a) must meet the requirements of Code §403(b)(1),

(b) may only be offered by an Insurance Company,

(c) may be owned by the Participant, and a group Annuity Contract may be held by the Employer. An Annuity Contract may be fixed, variable or a combination of fixed and variable, and

(d) must provide that it is nontransferable and meets the requirements of Code §401(g).

A life insurance contract, an endowment contract, a health or accident insurance contract, or a property, casualty, or liability insurance contract do not constitute an Annuity Contract. However, this does not apply for contracts issued before September 24, 2007.

10.03 **Custodial Account Requirements.**

(a) The Custodial Account must meet the requirements of Code §403(b)(7).

(b) The assets of a Custodial Account must be held by a bank or approved non-bank trustee or custodian under Code §401(f).

(c) The assets of the Custodial Account must be invested exclusively in regulated investment company within the meaning of Code §851(a).

10.04 **Participant Accounts.** The Plan Administrator will direct the Custodian/Insurance Company, the Vendor and/or a Plan Service provider to establish and maintain a separate Account (or multiple Accounts, if appropriate) for each Participant to reflect the Participant's entire interest under the Plan. To the extent applicable, the Plan Administrator may direct the Custodian and/or Insurance Company to establish and maintain separate sub-Accounts for a Participant. Accounts may include, but are not limited to:

- Pre-Tax Deferral Account
- Roth Deferral Account
- Employer Contribution Account
- Matching Contribution Account
- After-Tax Employee Contribution Account
- Mandatory Contribution Account
- Rollover Contribution Account
- Roth Rollover Account
- In-Plan Roth Conversion Account
- Transfer Account

The Plan Administrator will maintain separate Accounts for the vested and non-vested portions of any Employer Contribution Account and Matching Contribution Account, for any excess amounts under Code §415.

10.05 **Value of Participant Accounts.** The value of a Participant's Account consists of the fair market value of the Participant's share of the Plan assets, as determined by the Custodian/Insurance Company or by another Plan service provider, or as provided in this Section 10.05.

(a) **Periodic valuation.** The Custodian/Insurance Company must value Plan assets at least annually.

(b) **Daily valuation.** If the Employer elects daily valuation under AA §11-1(a) or, if in operation, the Employer elects to have the Plan daily valued, the Plan Administrator may adopt reasonable procedures for performing such valuations. Unless otherwise set forth in the written procedures, a daily valued Plan will have its assets valued at the end of each business day during which the New York Stock Exchange is open. The Plan Administrator has authority to interpret the provisions of this Plan in the context of a daily valuation procedure. This includes, but is not limited to, the determination of the value of the Participant's Account for purposes of Participant loans, distribution and consent rights, and corrective distributions.

(c) **Interim valuations.** The Plan Administrator may perform interim valuations.

10.06 Adjustments to Participant Accounts. As of each Valuation Date under the Plan, each Participant's Account is adjusted in the following manner.

(a) **Distributions and forfeitures from a Participant's Account.** A Participant's Account will be reduced by any distributions and forfeitures from the Account since the previous Valuation Date.

(b) **Contributions and forfeitures allocated to a Participant's Account.** A Participant's Account will be credited with any contribution or forfeiture allocated to the Participant since the previous Valuation Date.

(c) **Net income or loss.** A Participant's Account will be adjusted for any net income or loss in accordance with the provisions under Section 10.07.

10.07 Procedures for Determining Net Income or Loss. Except as otherwise provided in the Investment Arrangement, the Plan Administrator may establish any reasonable procedures for determining net income or loss under Section 10.06(c). Such procedures may be reflected in a funding agreement governing the applicable investments under the Plan and the terms of any applicable Investment Arrangement under the Plan.

10.08 Investments under the Plan.

(a) **Investment options.** Amounts contributed to this Plan may only be invested in Annuity Contracts, Custodial Accounts or a combination of these investment vehicles. The choice of investments is subject to the terms governing the applicable Investment Arrangement.

(b) **Individual/Pooled Accounts.** The Plan may maintain individual or pooled accounts for Participants.

10.09 Information Sharing. Each Vendor and the Plan Administrator shall exchange such information as may be necessary to satisfy Code §403(b) or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan), the Eligible Employer shall keep the Vendor informed of the name and contact information of the Plan Administrator in order to coordinate information necessary to satisfy Code §403(b) or other requirements of applicable law.

10.10 Participant-directed investments. Unless otherwise indicated in the Adoption Agreement or separate investment procedures, and except as otherwise required in an Investment Arrangement s, each Participant shall have the exclusive right, in accordance with the provisions of the Plan, to direct the investment of all or a portion of the amounts allocated to the separate Accounts of the Participant under the Plan. (A reference to Participant under this Section 10.10 also applies to any Beneficiary or Alternate Payee eligible to direct investments under the Plan.)

(a) **Limits on participant investment direction.** The Employer may elect under AA §C-1 or under separate investment procedures to limit Participant direction of investment to specific types of contributions or with respect to specific investment options. The terms of the governing Investment Arrangement may impose additional limitations. If Participant investment direction is limited to specific investment options, it shall be the sole and exclusive responsibility of the Employer, Plan Administrator or Vendor to select the investment options. In no case may Participants direct that investments be made in collectibles, other than U.S. Government or State issued gold and silver coins nor may adoption or modification of an investment procedure impose a limitation and/or restriction that would be prohibited under Section 14.01(b).

(b) **Failure to direct investment.** The Investment Arrangement and/or the Plan Administrator will designate how accounts will be invested in the absence of proper affirmative direction from the Participant. The Plan or Plan Administrator may designate a default fund under the Plan.

10.11 Life Insurance. Plan assets may not be held under a life insurance contract issued on or after September 24, 2007. If Plan assets include life insurance contracts issued before September 24, 2007, those contracts will continue to be held pursuant to the terms of the plan relating to life insurance as in effect immediately prior to September 24, 2007 until discontinued by the Participant.

SECTION 11
PLAN ADMINISTRATION AND OPERATION

11.01 **Plan Administrator.** The Employer is the Plan Administrator, unless the Employer designates in writing an alternative Plan Administrator and such party accepts the designation. The Plan Administrator has the responsibilities described in this Section 11.

11.02 **Allocation of Administrative Functions.** Administrative functions, including functions to comply with Code §403(b) and other tax requirements, may be allocated among various persons pursuant to service agreements or other written documents. However, in no case shall administrative functions be allocated to Participants (other than permitting Participants to make investment elections for self-directed accounts). Any administrative functions not allocated to other persons are reserved to the Administrator.

11.03 **Administrative and Vendor Addendums.** Persons to whom administrative functions have been allocated and the specific functions allocated to such persons shall be identified in Addendum A – Allocation of Administrative Functions – in the Adoption Agreement. Service agreements and other records or information pertaining to the administration of the Plan may be included or incorporated by reference in Addendum A. Addendum B of the Adoption Agreement will include a list of all the Vendors of Investment Arrangements approved for use under the Plan, including sufficient information to identify the approved Investment Arrangements. Addendums A and B may be modified from time to time. A modification of the Addendums is not an amendment of the Plan.

11.04 **Information Provided by a Participant.** Each Participant shall provide at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the administration of the Plan, including any information required under the terms governing the Investment Arrangement.

11.05 **Duties, Powers and Responsibilities of the Plan Administrator.** The Plan Administrator will administer the Plan for the exclusive benefit of the Plan Participants, Beneficiaries and Alternate Payees, and in accordance with the terms of the Plan. If the terms of the Plan are unclear, the Plan Administrator may interpret the Plan. This right to interpret the Plan is an express grant of discretionary authority to resolve ambiguities in the Plan document and to make discretionary decisions regarding the interpretation of the Plan's terms, including who is eligible to participate under the Plan, and the benefit rights of a Participant, Beneficiary or Alternate Payee. Unless an interpretation or decision is determined to be arbitrary and capricious, the Plan Administrator will not be held liable for any interpretation of the Plan terms or decision regarding the application of a Plan provision.

(a) **Delegation of duties, powers and responsibilities.** The Employer, as Plan Administrator, may delegate its duties, powers or responsibilities to one or more persons under Addendum A. Such delegation must be in writing and accepted by the person or persons receiving the delegation. The Employer may not delegate responsibilities to Plan Participants. The Employer must agree to such delegation by an alternative Plan Administrator. In delegating responsibilities, the Plan may, under Addendum A, incorporate by reference other documents, including annuity policies and custodial agreements.

(b) **Specific Plan Administrator responsibilities.** The Plan Administrator has the general responsibility to control and manage the operation of the Plan. This responsibility includes, but is not limited to, the following:

(1) To interpret and enforce the provisions of the Plan and applicable rules under Code §403(b) including those related to Plan eligibility, vesting, benefits and other tax requirements;

(2) To communicate with the appropriate persons with respect to the crediting of Plan contributions, the disbursement of Plan distributions and other relevant matters;

(3) To develop separate procedures (if necessary) consistent with the terms of the Plan to assist in the administration of the Plan, including the adoption of a separate or modified loan policy), procedures for direction of investment by Participants, procedures for determining whether domestic relations orders are QDROs), and procedures for the determination of investment earnings to be allocated to Participants' Accounts:

(4) To maintain all records necessary for tax and other administration purposes;

(5) To furnish and to file all appropriate notices, reports and other information to Participants, Beneficiaries, the Employer, the Custodian, Insurance Company and government agencies (as necessary);

(6) To provide information relating to Plan Participants and Beneficiaries;

(7) To retain the services of other persons, including investment managers, attorneys, consultants, advisers and others, to assist in the administration of the Plan;

(8) To review and decide on claims for benefits under the Plan;

(9) To correct any defect or error in the operation of the Plan;

(10) To establish a "funding policy and method" for the Plan for purposes of ensuring the Plan is satisfying its financial objectives and is able to meet its liquidity needs.

11.06 **Plan Administration Expenses.** All reasonable expenses related to plan administration may be paid from Plan assets, except to the extent the expenses are paid (or reimbursed) by the Employer. For this purpose, Plan expenses include, but are not limited to, all reasonable costs, charges and expenses incurred in connection with the administration of the Plan.

11.07 **Qualified Domestic Relations Orders (QDROs).**

(a) **In general.** The Plan Administrator must develop written procedures for determining whether a domestic relations order is a QDRO and for administering distributions under a QDRO. For this purpose, the Plan Administrator may use the default QDRO procedures set forth in subsection (h) below or may develop separate QDRO procedures. If applicable, the procedures must recognize the requirements under applicable State law.

(b) **Definitions related to QDROs.**

(1) **QDRO.** A QDRO is a domestic relations order that creates or recognizes the existence of an Alternate Payee's right to receive, or assigns to an Alternate Payee the right to receive, all or a portion of the benefits payable with respect to a Participant under the Plan. (See Code §414(p).) The QDRO must contain certain information and meet other requirements described in this Section 11.07.

(2) **Domestic relations order.** A domestic relations order is a judgment, decree, or order (including the approval of a property settlement) that is made pursuant to state domestic relations law (including community property law).

(3) **Alternate Payee.** An Alternate Payee must be a Spouse, former Spouse, child, or other dependent of a Participant.

(4) **Revision of QDRO.** A domestic relations order otherwise meeting the requirements to be a QDRO under Code §414(p) shall not fail to be treated as a QDRO solely because:

(i) the order is issued after, or revises, another domestic relations order or QDRO; or

(ii) of the time at which the order is issued, including orders issued after the death of the Participant.

Any QDRO described in this Section 11.07 shall be subject to the same requirements and protections which apply to QDROs under Code §414(p)(7).

(c) **Recognition as a QDRO.** To be a QDRO, an order must be a domestic relations order (as defined in subsection (b)(2) above) that relates to the provision of child support, alimony payments, or marital property rights for the benefit of an Alternate Payee. The Plan Administrator is not required to determine whether the court or agency issuing the domestic relations order had jurisdiction to issue an order, whether state law is correctly applied in the order, whether service was properly made on the parties, or whether an individual identified in an order as an Alternate Payee is a proper Alternate Payee under state law.

(d) **Contents of QDRO.** A QDRO must contain the following information:

(1) the name and last known mailing address of the Participant and each Alternate Payee;

(2) the name of each plan to which the order applies;

(3) the dollar amount or percentage (or the method of determining the amount or percentage) of the benefit to be paid to the Alternate Payee; and

(4) the number of payments or time period to which the order applies.

(e) **<u>Impermissible QDRO provisions.</u>**

(1) The order must not require the Plan to provide an Alternate Payee or Participant with any type or form of benefit, or any option, not otherwise provided under the Plan;

(2) The order must not require the Plan to provide for increased benefits (determined on the basis of actuarial value);

(3) The order must not require the Plan to pay benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a QDRO; and

(4) The order must not require the Plan to pay benefits to an Alternate Payee in the form of a Qualified Joint and Survivor Annuity for the lives of the Alternate Payee and his or her subsequent Spouse.

(f) **<u>Immediate distribution to Alternate Payee.</u>** Even if a Participant is not eligible to receive an immediate distribution from the Plan, an Alternate Payee may receive a QDRO benefit immediately in a lump sum, provided such distribution is consistent with the QDRO provisions.

(g) **<u>Fee for QDRO determination.</u>** The Plan Administrator may condition the making of a QDRO determination on the payment of a fee by a Participant or an Alternate Payee, or both (either directly or as a charge against the Participant's Account).

(h) **<u>Default QDRO procedure.</u>** If the Plan Administrator chooses this default QDRO procedure or if the Plan Administrator does not establish a separate QDRO procedure, this subsection (h) will apply as the procedure the Plan Administrator will use to determine whether a domestic relations order is a QDRO. This default QDRO procedure incorporates the requirements set forth below.

(1) **<u>Access to information.</u>** The Plan Administrator will provide access to Plan and Participant benefit information sufficient for a prospective Alternate Payee to prepare a QDRO. Such information might include the summary plan description, other relevant plan documents, and a statement of the Participant's benefit entitlements. The disclosure of this information is conditioned on the prospective Alternate Payee providing to the Plan Administrator information sufficient to reasonably establish that the disclosure request is being made in connection with a domestic relations order.

(2) **<u>Notifications to Participant and Alternate Payee.</u>** The Plan Administrator will promptly notify the affected Participant and each Alternate Payee named in the domestic relations order of the receipt of the order. The Plan Administrator will send the notification to the address included in the domestic relations order. Along with the notification, the Plan Administrator will provide a copy of the Plan's procedures for determining whether a domestic relations order is a QDRO.

(3) **<u>Alternate Payee representative.</u>** The prospective Alternate Payee may designate a representative to receive copies of notices and Plan information that are sent to the Alternate Payee with respect to the domestic relations order.

(4) **<u>Evaluation of domestic relations order.</u>** Within a reasonable period of time, the Plan Administrator will evaluate the domestic relations order to determine whether it is a QDRO. A reasonable period will depend on the specific circumstances. The domestic relations order must contain the information described in subsection (d). If the order is only deficient in a minor respect, the Plan Administrator may supplement information in the order from information within the Plan Administrator's control or through communication with the prospective Alternate Payee.

(i) **<u>Separate accounting.</u>** Upon receipt of a domestic relations order, the Plan Administrator will separately account for and preserve the amounts that would be payable to an Alternate Payee until a determination is made with respect to the status of the order. During the period in which the status of the order is being determined, the Plan Administrator will take whatever steps are necessary to ensure that amounts that would be payable to the Alternate Payee, if the order were a QDRO, are not distributed to the Participant or any other person. The separate accounting requirement may be satisfied, at the Plan Administrator's discretion, by a segregation of the assets that are subject to separate accounting.

(ii) **<u>Separate accounting until the end of "18-month period."</u>** The Plan Administrator will continue to separately account for amounts that are payable under the QDRO until the end of an "18-month period." The "18-month period" will begin on the first date following the Plan's receipt of the order upon which a payment would be required to be made to an Alternate Payee under the order. If, within the "18-month period," the Plan Administrator determines that the order is a QDRO, the Plan Administrator must pay the Alternate Payee in accordance with the terms of the QDRO. If, however, the Plan Administrator determines within the "18-month period" that the order is not a QDRO, or, if the status of the order is not resolved by the end of the "18-month period," the Plan Administrator may pay out the amounts otherwise payable under the order to the person or persons who would have been entitled to such amounts if there had been no order. If the order is later determined to be a QDRO, the order will apply only prospectively; that is, the Alternate Payee will be entitled only to amounts payable under the order after the subsequent determination.

(iii) **Preliminary review.** The Plan Administrator will perform a preliminary review of the domestic relations order to determine if it is a QDRO. If this preliminary review indicates the order is deficient in some manner, the Plan Administrator will allow the parties to attempt to correct any deficiency before issuing a final decision on the domestic relations order. The ability to correct is limited to a reasonable period of time.

(iv) **Notification of determination.** The Plan Administrator will notify in writing the Participant and each Alternate Payee of the Plan Administrator's decision as to whether a domestic relations order is a QDRO. In the case of a determination that an order is not a QDRO, the written notice will contain the following information:

(A) references to the Plan provisions on which the Plan Administrator based its decision;

(B) an explanation of any time limits that apply to rights available to the parties under the Plan (such as the duration of any protective actions the Plan Administrator will take); and

(C) a description of any additional material, information, or modifications necessary for the order to be a QDRO and an explanation of why such material, information, or modifications are necessary.

(v) **Treatment of Alternate Payee.** If an order is accepted as a QDRO, the Plan Administrator will act in accordance with the terms of the QDRO as if it were a part of the Plan. An Alternate Payee will be considered a Beneficiary under the Plan and be afforded the same rights as a Beneficiary. The Plan Administrator will provide any appropriate disclosure information relating to the Plan to the Alternate Payee.

11.08 **Claims Procedure.** The Plan Administrator may establish procedures for administering benefit claims. Such benefit claims procedures should provide claimants with a reasonable opportunity to have a full and fair review of a denied claim. The Plan Administrator is authorized to conduct an examination of the relevant facts to determine the merits of a Participant's or Beneficiary's claim for Plan benefits.

11.09 **Operational Rules for Short Plan Years.** The following operational rules apply if the Plan has a Short Plan Year. A Short Plan Year is any Plan Year that is less than a 12-month period, either because of the amendment of the Plan Year, or because the Effective Date of a new Plan is less than 12 months prior to the end of the first Plan Year.

(a) If the Plan is amended to create a Short Plan Year, and an Eligibility Computation Period or Vesting Computation Period is based on the Plan Year, the applicable computation period begins on the first day of the Short Plan Year, but such period ends on the day which is 12 months from the first day of such Short Plan Year. Thus, the computation period that begins on the first day of the Short Plan Year overlaps with the computation period that starts on the first day of the next Plan Year. This rule applies only to an Employee who has at least one Hour of Service during the Short Plan Year.

If a Plan has an initial Short Plan Year, the rule in the above paragraph applies only for purposes of determining an Employee's Vesting Computation Period and only if the Employer elects under AA §8-3 to exclude service earned prior to the adoption of the Plan. For eligibility and vesting (where service prior to the adoption of the Plan is not ignored), if the Eligibility Computation Period or Vesting Computation Period is based on the Plan Year, the applicable computation period will be determined on the basis of the Plan's normal Plan Year, without regard to the initial short Plan Year.

(b) If Employer Contributions and/or Matching Contributions are allocated for a Short Plan Year, any allocation condition under AA §6-7 or AA §6B-7 that requires a Participant to complete a specified number of Hours of Service to receive an allocation of such Employer Contributions and/or Matching Contributions will not be prorated as a result of such Short Plan Year unless otherwise specified in AA §6-7 or AA §6B-7, if applicable.

(c) The Compensation Limit will be prorated to reflect the number of months (or partial months) included in the Short Plan Year unless the compensation used for such Short Plan Year is a period of 12 months.

In all other respects, the Plan shall be operated for the Short Plan Year in the same manner as for a 12-month Plan Year, unless the context requires otherwise. If the terms of the Plan are ambiguous with respect to the operation of the Plan for a Short Plan Year, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

SECTION 12
CUSTODIAL ACCOUNTS/ANNUITY CONTRACTS

12.01 **Creation of Custodial Account.** If the Employer elects in the Adoption Agreement to fund the Plan using Custodial Accounts, the Employer (or, if applicable each Participant) will execute a custodial agreement with the Custodian, as a Vendor, in which Participants' Accounts are invested. The custodial agreement will describe the duties and responsibilities of the Custodian. The Custodian will be listed in Addendum B – Vendors of Investment Arrangements. The terms governing each Investment Arrangement under the Plan, excluding those terms that are inconsistent with the Plan or Code §403(b), are incorporated by reference in the Plan.

12.02 **Annuity Contracts.** If the Employer elects in the Adoption Agreement to provide Annuity Contracts as an investment option, the Employer will list the Vendor of the Annuity Contract in Addendum B – Vendors of Investment Arrangements. The terms governing each Investment Arrangement under the Plan, excluding those terms that are inconsistent with the Plan or Code §403(b), are incorporated by reference in the Plan.

SECTION 13
PARTICIPANT LOANS

13.01 **Availability of Participant Loans.** Subject to the terms governing the applicable Investment Arrangement, the Employer may elect under Appendix B of the Adoption Agreement to permit Participants to take loans from their vested Account Balance under the Plan. Unless otherwise elected in Appendix B of the Adoption Agreement, loans are not available to a Beneficiary or an Alternate Payee. If the Employer elects to permit loans under the Plan and subject to the terms of the Investment Arrangement, the Employer may elect to use the default loan policy under this Section 13, as modified under Appendix B of the Adoption Agreement, or may establish an outside loan policy for purposes of administering Participant loans under the Plan. If the Employer adopts a separate written loan policy, the terms of such separate loan policy will control over the terms of this Plan with respect to the administration of any Participant loans. Any separate written loan policy must satisfy the requirements under Code §72(p) and the regulations thereunder. Participant loans are subject to the terms of any Investment Arrangements associated with the Plan.

To receive a Participant loan, a Participant must sign (including, where applicable, using electronic or other means recognized as sufficient) a promissory note along with a pledge or assignment of the portion of the Account Balance used for security on the loan. The loan will be evidenced by a legally enforceable agreement which specifies the amount and term of the loan, and the repayment schedule.

The Plan may not make any Participant loan through any credit card or any other similar arrangement.

See Sections 8.12 and 8.13 relating to special loan rules coronavirus-related loans and federal disaster-related loans.

13.02 **Must be Available in Reasonably Equivalent Manner.** Participant loans must be made available to Participants in a reasonably equivalent manner. The Employer may elect under AA §B-8 to limit the availability of Participant loans to specified events.

13.03 **Loan Limitations.** A Participant loan may not be made to the extent such loan (when added to the outstanding balance of all other loans made to the Participant) exceeds the lesser of:

(a) $50,000 (reduced by the excess, if any, of the Participant's highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan is made, over the Participant's outstanding balance of loans from the Plan as of the date such loan is made) or

(b) one-half (½) of the Participant's vested Account Balance, determined as of the Valuation Date coinciding with or immediately preceding such loan, adjusted for any contributions or distributions made since such Valuation Date

If elected under AA §B-4, a Participant may take a loan of the Participant's total vested Account Balance up to $10,000, even if greater than 50% of the Participant's vested Account Balance. However, if a Participant takes a loan in excess of 50% of the Participant's vested Account Balance, such loan is still subject to the adequate security requirements under Section 13.06.

In applying the limitations under this Section 13.03, all plans maintained by the Employer are aggregated and treated as a single plan. In addition, any assignment or pledge of any portion of the Participant's interest in the Plan and any loan, pledge, or assignment with respect to any insurance contract purchased under the Plan will be treated as loan under this Section.

13.04 **Limit on Amount and Number of Loans.** Unless elected otherwise under AA §B-5 and/or AA §B-6, or under a separate written loan policy, and except as otherwise provided in an Investment Arrangement, a Participant may not receive a Participant loan of less than $1,000 nor may a Participant have more than one Participant loan outstanding at any time.

(a) **Loan renegotiation.** A Participant may renegotiate a loan without violating the one outstanding loan requirement to the extent such renegotiated loan is a new loan (i.e., the renegotiated loan separately satisfies the reasonable interest rate requirement under Section 13.05, the adequate security requirement under Section 13.06, and the periodic repayment requirement under Section 13.07) and the renegotiated loan does not exceed the limitations under Section 13.03 above, treating both the replaced loan and the renegotiated loan as outstanding at the same time. However, if the term of the renegotiated loan does not end later than the original term of the replaced loan, the replaced loan may be ignored in applying the limitations under Section 13.03 above.

(b) **Participant must be creditworthy.** The Plan Administrator may refuse to make a loan to any Participant who is determined to be not creditworthy. For this purpose, a Participant is not creditworthy if, based on the facts and circumstances, it is reasonable to believe that the Participant will not repay the loan. A Participant who has defaulted on a previous loan from the Plan and has not repaid such loan (with accrued interest) at the time of any subsequent loan will be treated as not creditworthy until such time as the Participant repays the defaulted loan (with accrued interest).

13.05 **Reasonable Rate of Interest.** All Participant loans will be charged a reasonable rate of interest. For this purpose, the interest rate charged on a Participant loan must be commensurate with the interest rates charged by persons in the business of lending money for loans under similar circumstances. The Employer may identify alternative methods for determining a reasonable rate of interest under AA §B-7 or under a separate written loan policy. The Plan Administrator must periodically review its interest rate assumptions to ensure the interest rate charged on Participant loans is reasonable.

If a Participant is in "military service" while such Participant has an outstanding Participant loan, the applicable interest charged on such loan during the period while the Participant is in "military service" will not exceed 6% per year provided the Participant provides written notice and a copy of such Participant's call-up or extension orders to the Plan Administrator within 180 days following the Participant's termination or release from "military service." For this purpose, "military service" is as defined in the Soldier's and Sailor's Civil Relief Act of 1940 as modified by the Servicemembers Civil Relief Act of 2003. The Participant may voluntarily waive this 6% interest limitation and the Plan Administrator may petition the court to retain the original interest rate if the ability to repay is not affected by the Participant's activation to military duty.

13.06 **Adequate Security.** All Participant loans must be adequately secured. The Participant's vested Account Balance shall be used as security for a Participant loan provided the outstanding balance of all Participant loans made to such Participant does not exceed 50% of the Participants vested Account Balance, determined immediately after the origination of each loan, and, if applicable, the spousal consent requirements have been satisfied. The Plan Administrator may require a Participant to provide additional collateral to receive a Participant loan if the Plan Administrator determines such additional collateral is required to protect the interests of Plan Participants. A separate loan policy or written modifications to this loan policy may prescribe alternative rules for obtaining adequate security.

13.07 **Periodic Repayment.** A Participant loan must provide for level amortization with payments to be made not less frequently than quarterly. A Participant loan must be payable within a period not exceeding five (5) years from the date the Participant receives the loan from the Plan, unless the loan is for the purchase of the Participant's principal residence, in which case the loan must be payable within a reasonable time commensurate with the repayment period permitted by commercial lenders for similar loans. Loan repayments must be made through payroll withholding, except to the extent the Plan Administrator determines payroll withholding is not practical given the level of a Participant's wages, the frequency with which the Participant is paid, or other circumstances.

(a) **Unpaid leave of absence.** A Participant with an outstanding Participant loan may suspend loan payments to the Plan for up to 12 months for any period during which the Participant's pay is insufficient to fully repay the required loan payments. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant's outstanding loan will be re-amortized over the remaining period of such loan to make up for the missed payments. The re-amortized loan may extend beyond the original loan term so long as the loan is paid in full by whichever of the following dates comes first:

(1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner); or

(2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

Alternatively, upon a Participant's return to employment (or after the end of the 12-month period, if earlier), the Plan Administrator may allow the Participant's outstanding loan payments to resume at the same loan payment amount as of the time of the loan suspension, with a balloon payment of the remaining balance due by the earlier of (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

A Participant with an outstanding Participant loan may suspend loan payments to the Plan for up to 12 months for any period during which the Participant is on an unpaid leave of absence. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant's outstanding loan will be reamortized over the remaining period of such loan to make up for the missed payments. The reamortized loan may extend beyond the original loan term so long as the loan is paid in full by whichever of the following dates comes first: (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period. Alternatively, the Participant may resume loan payments under the pre-leave of absence amortization schedule with a balloon payment due at the end of the loan term.

(b) **Military leave.** A Participant with an outstanding Participant loan also may suspend loan payments for any period such Participant is on military leave, in accordance with Code §414(u)(4). Upon the Participant's return from military leave (or the expiration of five years from the date the Participant began such Participant's military leave, if earlier), loan payments will recommence under the amortization schedule in effect prior to the Participant's military leave, without regard to the five-year maximum loan repayment period. Alternatively, the loan may be reamortized to require a different level of loan payment, as long as the amount and frequency of such payments are not less than the amount and frequency under the amortization schedule in effect prior to the Participant's military leave.

13.08 **Spousal consent.** If the Employer elects under the AA to require spousal consent to a Plan loan, the Spouse's consent will be required with respect to a loan. A Spouse's consent, if required, must conform to any requirement imposed by the Employer or applicable State or local law.

13.09 **Designation of Accounts.** A Participant loan will be treated as a segregated investment on behalf of the individual Participant for whom the loan is made or may be treated as a general investment of the Plan. Unless designated otherwise under the AA or under a separate loan procedure and except as otherwise provided in an Investment Arrangement and the loan agreement, loan amounts may be taken from any available contribution type under the Plan. The Plan Administrator may determine the contribution types from which a loan is taken or may follow directions of the Participant. Each payment of principal and interest paid by a Participant on such Participant's loan shall be credited to the same Participant Accounts and investment funds within such Accounts from which the loan was taken, except as otherwise provided in an Investment Arrangement or loan agreement.

13.10 **Procedures for Loan Default.** A Participant will be considered to be in default with respect to a loan if any scheduled repayment with respect to such loan is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due.

If a Participant defaults on a Participant loan, the Plan may not offset the Participant's Account Balance until the Participant is otherwise entitled to an immediate distribution of the portion of the Account Balance which will be offset and such amount being offset is available as security on the loan, pursuant to Section 13.06. For this purpose, a loan default is treated as an immediate distribution event to the extent the law does not prohibit an actual distribution of the type of contributions which would be offset as a result of the loan default (determined without regard to the consent requirements under Sections 8.03 and 9.02, so long as spousal consent was properly obtained at the time of the loan, if required under Section 9.02). The Participant may repay the outstanding balance of a defaulted loan (including accrued interest through the date of repayment) at any time.

Pending the offset of a Participant's Account Balance following a defaulted loan, the following rules apply to the amount in default.

(a) Interest continues to accrue on the amount in default until the time of the loan offset or, if earlier, the date the loan repayments are made current or the amount is satisfied with other collateral.

(b) A subsequent offset of the amount in default is not reported as a taxable distribution, except to the extent the taxable portion of the default amount was not previously reported by the Plan as a taxable distribution.

(c) The post-default accrued interest included in the loan offset is not reported as a taxable distribution at the time of the offset.

A separate loan policy or written modifications to this loan policy may modify the procedures for determining a loan default.

13.11 **Severance from Employment.**

(a) **Offset of outstanding loan.** If permitted under the Investment Arrangement, the loan agreement and any loan policy, a Participant loan becomes due and payable in full immediately upon the Participant's Severance from Employment. Upon a Participant's Severance from Employment, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period following Severance from Employment. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account Balance will be reduced by the remaining outstanding balance of the loan (without regard to the consent requirements under Sections 8.03 and 9.02, so long as spousal consent was properly obtained at the time of the loan, if required), to the extent such Account Balance is available as security on the loan, pursuant to Section 13.06, and the remaining vested Account Balance will be distributed in accordance with the distribution provisions under Section 8. If the outstanding loan balance of a deceased Participant is not repaid, the outstanding loan balance shall be treated as a distribution to the Participant and shall reduce the death benefit amount payable to the Beneficiary under Section 8.07.

(b) **Direct Rollover.** Unless otherwise elected under the Adoption Agreement**,** upon Severance from Employment, a Participant may request a Direct Rollover of the loan note (provided the distribution is an Eligible Rollover Distribution as defined in Section 8.04(a)(1)) to another plan (other than an IRA) which agrees to accept a Direct Rollover of the loan note. A Participant may not engage in a Direct Rollover of a loan to the extent the Participant has already received a deemed distribution with respect to such loan.

(c) **Modified loan policy.** A separate loan policy or written modifications to this loan policy may modify this Section 13.11, including, but not limited to: (1) a provision to permit loan repayments to continue beyond Severance from Employment; (2) to prohibit the Direct Rollover of a loan note; and (3) to provide for other events that may accelerate the Participant's repayment obligation under the loan.

13.12 **Mergers, Transfers or Direct Rollovers from another Plan/Change in Loan Record Keeper.** Except as otherwise provided in an Investment Arrangement and related loan agreement, and subject to applicable requirements in the Code and regulations, any Participant loan transferred into the Plan as the result of a merger, consolidation, or plan to plan transfer, or rolled over to the Plan from another plan, shall be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Employer may permit the renegotiation of the terms of the loan to the extent necessary to ensure the administration of such loan continues to satisfy the requirements of Code §72(p) and the regulations thereunder. In addition, if there is a change in the person or persons to whom the record keeping of Participant loans has been delegated, a loan shall continue to be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Employer may permit the renegotiation of the terms of a loan to the extent necessary to ensure the administration of the loan after the change in the loan record keeper continues to satisfy the requirements of Code §72(p) and the regulations thereunder, regardless of any contrary election under AA §B-14.

13.13 **Amendment of Plan to Eliminate Participant Loans.** The Plan may be amended at any time to eliminate Participant loans on a prospective basis. However, the elimination of a Participant loan feature may not result in the acceleration of payment of any existing Participant loans, unless the terms of the Participant loan permit such acceleration.

SECTION 14
PLAN AMENDMENTS, TERMINATION, MERGERS, EXCHANGES, AND TRANSFERS

14.01 Plan Amendments.

(a) **Amendment by the Provider.** The Provider (as described in §4.21 of Revenue Procedure 2021-37 or its successor) may amend any part of the plan. However, for purposes of reliance on a Favorable IRS Letter, the Provider will no longer have the authority to amend the Plan on behalf of the Employer and the Plan will be treated as an individually designed plan, where: (1) the Employer makes any amendment to a Standardized Plan other than an amendment that is permissible pursuant to §9.05 of Revenue Procedure 2021-37; (2) the Employer amends the Plan to incorporate a type of plan that is not permitted under the Pre-Approved Plan program, as described in §6.03 of Revenue Procedure 2021-37; (3) the Internal Revenue Service, in its sole discretion, determines that a Nonstandardized Plan is an individually designed plan due to the nature and extent of amendments to the Plan; (4) the Employer chooses to discontinue participation in a §403(b) Pre-Approved Plan that has been amended by the Provider without substituting another §403(b) Pre-Approved Plan; or (5) the Employer amends the Plan to remove any required provisions as described in §5 of Revenue Procedure 2021-37 from the Plan. The Provider may amend the Plan to reflect a change of a Provider's name, in which case the Provider must notify the IRS, in writing, of the change in name and certify that it still meets the conditions to be a Provider described in §4.21 of Revenue Procedure 2021-37.

For purposes of Provider amendments, the Mass Submitter (as defined in §4.14 of Revenue Procedure 2021-37) shall be recognized as the agent of the Provider. If the Provider does not adopt the amendments made by the Mass Submitter, it will no longer be identical to or a minor modifier of the Mass Submitter plan.

The Provider will maintain, or have maintained on its behalf, a record of the Employers that have adopted the Plan, and the Provider will make reasonable and diligent efforts to ensure that adopting Employers have actually received and are aware of all Plan amendments and that such Employers adopt new documents when necessary.

(b) **Amendment by the Employer.** The Employer shall have the right at any time to amend the Adoption Agreement in the following manner without affecting the Plan's status as a Pre-Approved Plan. (The ability to amend the Plan as authorized under this subsection (b) applies only to the Employer that executes the Employer Signature Page of the Adoption Agreement. Any amendment to the Plan by the Employer under this subsection (b) also applies to any other Employer that participates under the Plan as a Participating Employer.)

(1) The Employer may change any optional selections under the Adoption Agreement.

(2) The Employer may add overriding language to the Adoption Agreement when such language is necessary to satisfy Code §415 because of the required aggregation of multiple plans, in accordance with §5.09 of Revenue Procedure 2021-37.

(3) The Employer may change the administrative selections under Appendix C of the Adoption Agreement by replacing the appropriate page(s) within the Adoption Agreement. Such amendment does not require re-execution of the Employer Signature Page of the Adoption Agreement.

(4) The Employer may amend Addendum A – Allocation of Administrative Functions – and Addendum B – Vendors of Investment Arrangements - in the Adoption Agreement. Such amendment does not require re-execution of the Employer Signature Page of the AA.

(5) The Employer may add certain sample or model amendments published by the IRS which specifically provide that their adoption will not cause the Plan to fail to be identical to the §403(b) Pre-Approved Plan.

(6) The Employer may add or change provisions permitted under the Plan and/or specify or change the effective date of a provision as permitted under the Plan.

(7) The Employer may adopt any amendments that it deems necessary to satisfy the requirements for resolving qualification failures under the IRS' compliance resolution programs.

The Employer may amend the Plan at any time for any other reason. The Plan will not lose its status as a Pre-Approved Plan, unless the amendment causes the Plan to include provisions that are not allowed in a Pre-Approved Plan under Revenue Procedure 2021-37.

(c) **Method of amendment.** An amendment to the Plan may be adopted as a modification to the Adoption Agreement and/or Basic Plan Document or as a separate snap-on amendment. An amendment to the Plan may be adopted as part of a properly executed board resolution or other authorized action of the Employer. Any such amendment must be executed by the board of directors or a duly authorized officer of the Employer.

14.02 **Plan Termination.** The Employer may terminate this Plan at any time by delivering to the Plan Administrator written notice of such termination. However, to the extent that the Plan holds Salary Deferral Accounts and/or Custodial Accounts, Plan termination is only permitted if the Employer does not make contributions to any Code §403(b) plan that is not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after the distribution of all assets from the terminated Plan. The Employer may terminate the Plan pursuant to a Board resolution or other appropriate Employer action. The Employer should amend the Plan to reflect the effective date of the Plan termination and any applicable laws or regulations effective as of the date of termination.

(a) **Full and immediate vesting.** Upon a full or partial termination of the Plan (or the complete discontinuance of contributions), all amounts credited to an affected Participant's Account become 100% vested, regardless of the Participant's vested percentage. The Plan Administrator has discretion to determine whether a partial termination has occurred.

(b) **Distribution upon Plan termination.** Upon the termination of the Plan, the Plan Administrator shall direct the distribution of Accumulated Benefits (regardless of the amount) to Participants in accordance with the provisions under Section 8 and subject to any restrictions contained in the terms governing the applicable Investment Arrangement as soon as administratively practicable after termination of the Plan.

(c) **Termination upon merger, liquidation or dissolution of the Employer.** The Plan may terminate upon the liquidation or dissolution of the Employer provided however, that in any such event, arrangements may be made for the Plan to be continued by any successor to the Employer.

(d) **Missing Participants.** Upon termination of the Plan, if any Participant cannot be located after a reasonable diligent search, the Plan Administrator may make a direct rollover to an IRA selected by the Plan Administrator. For this purpose, the Plan Administrator will adopt procedures similar to the procedures required under Section 8.05 for making Automatic Rollovers in applying the provisions under this subsection (d). An Automatic Rollover under this subsection (d) may be made on behalf of any missing Participant, regardless of the value of such Participant's vested Account Balance under the Plan. (Alternatively, as allowed under state and federal law, the Plan Administrator may escheat such Accounts to the applicable state unclaimed property fund.)

(e) **Participants with outstanding loans.** A Participant loan becomes due and payable in full immediately upon the termination of the Plan. Upon the Plan's termination, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period upon Plan termination. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account Balance will be reduced by the remaining outstanding balance of the loan. The Plan Administrator may develop administrative procedures with respect to the timing and manner of repayment or offset of the Participant's vested Account Balance.

14.03 **Merger or Consolidation.** In the event the Plan is merged or consolidated with another plan, each Participant must be entitled to a benefit immediately after such merger or consolidation that is at least equal to the benefit the Participant would have been entitled to had the Plan terminated immediately before such merger or consolidation.

14.04 **Contract exchanges within the Plan.** Subject to the terms governing the applicable Investment Arrangement, the Plan Administrator may, but is not required to permit Participant-directed exchanges of Section 403(b) contracts among the Vendors of Investment Arrangements approved for use under the Plan. Such exchanges must satisfy the following conditions:

(a) The Plan provides for the exchange;

(b) The Participant, Beneficiary or Alternate Payee has an Accumulated Benefit immediately after the exchange that is at least equal to the Accumulated Benefit of that Participant, Beneficiary or Alternate Payee immediately before the exchange (taking into account the Accumulated Benefit of that Participant, Beneficiary or Alternate Payee under both Section 403(b) Contracts immediately before the exchange);

(c) The other Section 403(b) contract is subject to distribution restrictions with respect to the Participant that are not less stringent than those imposed on the contract being exchanged, and the Employer enters into an agreement with the issuer of the other Section 403(b) contract under which the employer and the issuer will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting Section 403(b) contract, or any other contract to which contributions have been made by the employer, to satisfy Code §403(b), including information concerning the Participant's employment and information that takes into account other Section 403(b) contracts or employer plans (such as whether a Severance from Employment has occurred for purposes of the distribution restrictions in Treas. Reg. §1.403(b)-6 and whether the hardship withdrawal rules of Treas. Reg. §1.403(b)-6(d)(2) are satisfied).

(2) Information necessary for the resulting Section 403(b) contract, or any other contract to which contributions have been made by the Employer, to satisfy other tax requirements (such as whether a plan loan satisfies the conditions in Code §72(p)(2) so that the loan is not a deemed distribution under Code §72(p)(1)).

14.05 **Plan-To-Plan Transfers.** Subject to the terms governing the applicable Investment Arrangement, the Plan Administrator may, but is not required to, permit plan-to-plan transfers. The Plan Administrator may decide in a separate policy whether the Plan accepts plan-to-plan transfers into the Plan and separately whether the Plan allows plan-to-plan transfers from the plan. Plan-to-plan transfers must satisfy the following conditions:

(a) In the case of a transfer for a Participant, the Participant is an Employee or former Employee of the Employer (or the business of the employer) for the receiving plan;

(b) In the case of a transfer for a Beneficiary of a deceased Participant, the Participant was an Employee or former Employee of the Employer (or business of the Employer) for the receiving plan;

(c) The transferor plan provides for transfers;

(d) The receiving plan provides for the receipt of transfers;

(e) The Participant, Beneficiary or Alternate Payee whose assets are being transferred has an Accumulated Benefit immediately after the transfer that is at least equal to the Accumulated Benefit of that Participant, Beneficiary or Alternate Payee immediately before the transfer;

(f) The receiving plan provides that, to the extent any amount transferred is subject to any distribution restrictions under Treas. Reg. §1.403(b)-6, the receiving plan imposes restrictions on distributions to the Participant, Beneficiary or Alternate Payee whose assets are being transferred that are not less stringent than those imposed on the transferor plan; and

(g) If a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the transferee plan treats the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the Plan.

14.06 **Transfers to purchase permissive service credits.** The Plan Administrator may, but is not required to, permit transfers to purchase service credits as provided under this Section.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code §414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Accumulated Benefit transferred to the defined benefit governmental plan. A transfer may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made only if the transfer is either for the purchase of permissive service credits (as defined in Code §415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code §415 does not apply by reason of Code §415(k)(3).

SECTION 15
MISCELLANEOUS

15.01 **Exclusive Benefit.** Except as provided under Section 15.02, no part of the Plan assets may revert to the Employer prior to the satisfaction of all liabilities under the Plan nor will such Plan assets be used for, or diverted to, a purpose other than the exclusive benefit of Participants or their Beneficiaries.

No amendment may authorize or permit any portion of the assets held under the Plan to be used for or diverted to a purpose other than the exclusive benefit of Participants or their Beneficiaries, except to the extent such assets are used to pay taxes or administrative expenses of the Plan. An amendment also may not cause or permit any portion of the assets held under the Plan to revert to or become property of the Employer.

15.02 **Return of Contributions.** Upon written request by the Plan Administrator, the Custodian/Insurance Company must return any Plan contributions (adjusted for any income or loss in value, if any) made because of a good-faith mistake of fact within one year of the contribution.

15.03 **General Compliance with Code §403(b).**

(a) A Participant may not transfer his interest in the Plan, except as allowed by IRS regulations and approved by the Plan Administrator.

(b) A Participant may not make Salary Deferrals under the Plan and all other plans, contracts or arrangements maintained by the Employer in any calendar year which exceeds the dollar limitation in effect under Code §402(g)(1).

(c) Except as otherwise permitted under the Code and regulations, distributions of a Participant's benefits from the Plan shall begin no later than the Participant's required beginning date under Code §401(a)(9) and all payments shall satisfy the minimum distribution and incidental death benefit requirements of Code §401(a)(9).

(d) In form and in operation, the Plan shall satisfy the direct rollover rules under Code §§403(b)(10) and 401(a)(31).

15.04 **Alienation or Assignment.** Except as permitted under applicable statute or regulation, a Participant, Beneficiary or Alternate Payee may not assign, alienate, transfer or sell any right or claim to a benefit or distribution from the Plan, and any attempt to assign, alienate, transfer or sell such a right or claim shall be void, except as permitted by statute or regulation. Any such right or claim under the Plan shall not be subject to attachment, execution, garnishment, sequestration, or other legal or equitable process. This prohibition against alienation or assignment also applies to the creation, assignment, or recognition of a right to a benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be a QDRO pursuant to Section 11.07, or any domestic relations order entered before January 1, 1985.

This Section 15.04 shall not preclude the following:

(a) The enforcement of a Federal tax levy made pursuant to Code §6331.

(b) The collection by the United States on a judgment resulting from an unpaid tax assessment.

(c) Any arrangement for the recovery by the plan of overpayments of benefits previously made to a participant.

This Section 15.04 shall not apply to an offset of a Participant’s benefits as a result of a judgment of conviction for a crime involving the Plan.

15.05 **Participants’ Rights.** The adoption of this Plan by the Employer does not give any Participant, Beneficiary, or Employee a right to continued employment with the Employer and does not affect the Employer’s right to discharge an Employee or Participant at any time. This Plan also does not create any legal or equitable rights in favor of any Participant, Beneficiary, or Employee against the Employer or Plan Administrator. Unless the context indicates otherwise, any amendment to this Plan is not applicable to determine the benefits accrued (and the extent to which such benefits are vested) by a Participant or former Employee whose has a Severance from Employment before the effective date of such amendment, except where application of such amendment to the Participant who has a Severance from Employment or former Employee is required by statute, regulation or other guidance of general applicability. Where the provisions of the Plan are ambiguous as to the application of an amendment to a Participant who has a Severance from Employment or former Employee, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

15.06 **Military Service.** To the extent required under Code §414(u), an Employee who returns to employment with the Employer following a period of qualified military service will receive any contributions, benefits and service credit required under Code §414(u), provided the Employee satisfies all applicable requirements under the Code and regulations. In addition, the survivors of any Participant who dies on or after January 1, 2007, while performing qualified military service, are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the Participant resumed employment and then terminated employment on account of death.

The Employer may, for benefit accrual purposes, treat an individual who dies or becomes disabled while performing qualified military service as if that individual had resumed employment in accordance with USERRA reemployment rights on the day preceding the death or disability and then terminated employment on the actual date of death or disability.

15.07 **Annuity Contracts.** Any annuity contract distributed under the Plan must be nontransferable. In addition, the terms of any annuity contract purchased and distributed to a Participant or to a Participant's Spouse must comply with all requirements under this Plan.

15.08 **IRS Levy.** The Plan Administrator may pay from a Participant's, Beneficiary's or Alternate Payee's Accumulated Benefit the amount that the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant, Beneficiary or Alternate Payee. As provided under Code §6343(f) and effective for Taxable Years beginning after December 31, 2017, if it is later determined that such levy was wrongful and is returned to the Participant or Beneficiary, such Participant or Beneficiary may contribute the returned amount plus interest as a Rollover Contribution to the Plan.

15.09 **Use of IRS compliance programs.** Nothing in this Plan document should be construed to limit the availability of the IRS' voluntary compliance programs. An Employer may take whatever corrective actions are permitted under the IRS voluntary compliance programs or other statutory authority as is deemed appropriate by the Plan Administrator or Employer.

15.10 **Governing Law.** The provisions of this Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the State (which includes an Indian tribe (as defined under 25 U.S.C. § 5304), the District of Columbia, or any State, commonwealth, territory, or possession of the United States the laws of the state in in which the Employer has its principal place of business.

15.11 **Waiver of Notice.** Any person entitled to a notice under the Plan may waive the right to receive such notice, to the extent such a waiver is not prohibited by law, regulation or other pronouncement.

15.12 **Use of Electronic Media.** The Plan Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to immediate distribution, as required by Section 8.03, may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Plan Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) salary reduction elections, electing (and changing) investment allocations, applying for Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

15.13 **Severability of Provisions.** In the event that any provision of this Plan shall be held to be illegal, invalid or unenforceable for any reason, the remaining provisions under the Plan shall be construed as if the illegal, invalid or unenforceable provisions had never been included in the Plan.

15.14 **Binding Effect.** The Plan, and all actions and decisions made thereunder, shall be binding upon all applicable parties, and their heirs, executors, administrators, successors and assigns.

SECTION 16
PARTICIPATING EMPLOYERS

16.01 **Participation by Participating Employers.** An Employer (other than the Employer that executes the Employer Signature Page of the Adoption Agreement) may elect to participate under this Plan by executing a Participating Employer Adoption Page under the Adoption Agreement. A Participating Employer (including a Related Employer) may not contribute to this Plan unless it executes the Participating Employer Adoption Page and after obtaining consent from the Employer that executed the Employer Signature Page of the Adoption Agreement. If an unrelated Employer executes a Participating Employer Adoption Page, the Plan will be a Multiple Employer Plan (see Section 16.07 for special rules applicable to Multiple Employer Plans).

16.02 **Participating Employer Adoption Page.**

(a) **Application of Plan provisions.** By executing a Participating Employer Adoption Page, a Participating Employer adopts all the provisions of the Plan, including the elective choices made by the signatory Employer under the Adoption Agreement. Subject to the consent described in Section 16.01, the Participating Employer may elect under the Participating Employer Adoption Page to modify the elective provisions under the Adoption Agreement as they apply to the Participating Employer.

(b) **Plan amendments.** In addition, unless provided otherwise under the Participating Employer Adoption Page, a Participating Employer is bound by any amendments made to the Plan in accordance with Section 14.01.

(c) **Investment Arrangements.** The Participating Employer agrees to use the same Vendors of Investment Arrangements designated in Addendum B – Vendors of Investment Arrangements. The Participating Employer may add additional Vendors of Investment Arrangements under Addendum B, subject to the consent of the Employer that executed the Employer Signature Page of the Adoption Agreement and to authorization under such Employer's agreements with the Investment Arrangement providers.

16.03 **Compensation of Related Employers.** In applying the provisions of this Plan, Total Compensation includes amounts earned with a Related Employer, regardless of whether such Related Employer executes a Participating Employer Adoption Page. The Employer may elect under AA §5-3(h) to exclude amounts earned with a Related Employer that does not execute a Participating Employer Adoption Page for purposes of determining an Employee's Plan Compensation.

16.04 **Allocation of Contributions and Forfeitures.** Unless selected otherwise under the Participating Employer Adoption Page, any contributions made by a Participating Employer (and any forfeitures relating to such contributions) will be allocated to all Participants employed by the Employer and Participating Employers in accordance with the provisions under this Plan. A Participating Employer may elect under the Participating Employer Adoption Page to allocate its contributions (and forfeitures relating to such contributions) only to the Participants employed by the Participating Employer making such contributions. If so elected, Employees of the Participating Employer will not share in an allocation of contributions (or forfeitures relating to such contributions) made by any other Participating Employer (except in such individual's capacity as an Employee of that other Participating Employer). Thus, for example, a Participating Employer may make a different discretionary contribution and allocate such contribution only to its Employees. Where contributions are allocated only to the Employees of a contributing Participating Employer, a separate accounting must be maintained of Employees' Account Balances attributable to the contributions of a particular Participating Employer. This separate accounting is necessary only for contributions that are not 100% vested, so that the allocation of forfeitures attributable to such contributions can be allocated for the benefit of the appropriate Employees.

16.05 **Discontinuance of Participation by a Participating Employer.** A Participating Employer may discontinue its participation under the Plan at any time. To document a Participating Employer's cessation of participation, the following procedures should be followed: (1) the Participating Employer should adopt a resolution that formally terminates active participation in the Plan as of a specified date, (2) the Employer that has executed the Employer Signature Page of the Adoption Agreement should re-execute such page, indicating an amendment by page substitution through the deletion of the Participating Employer Adoption Page executed by the withdrawing Participating Employer, and (3) the withdrawing Participating Employer should provide any notices to its Employees that are required by law. Discontinuance of participation means that no further benefits accrue after the effective date of such discontinuance with respect to employment with the withdrawing Participating Employer. The portion of the Plan attributable to the withdrawing Participating Employer may continue as a separate plan, under which benefits may continue to accrue, through the adoption by the Participating Employer of a successor plan (which may be created through the execution of a separate Adoption Agreement by the Participating Employer) or by spin-off of the portion of the Plan attributable to such Participating Employer followed by a merger or transfer into another existing plan, as specified in a merger or transfer agreement.

16.06 **Operational Rules for Related Employer Groups.** If an Employer has one or more Related Employers, the Employer and such Related Employer(s) constitute a Related Employer group. In such case, the following rules apply to the operation of the Plan.

(a) If the term "Employer" is used in the context of administrative functions necessary to the operation, establishment, maintenance, or termination of the Plan, only the Employer executing the Employer Signature Page under the Adoption Agreement, and any Related Employer executing a Participating Employer Adoption Page, is treated as the Employer.

(b) Hours of Service are determined by treating all members of the Related Employer group as the Employer.

(c) The term Excluded Employee is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.

(d) Compensation is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.

(e) An Employee generally is not treated as a Severance from Employment if the Employee is employed by any member of the Related Employer group.

(f) The Code §415 Limitation described in Section 5.03 is applied by treating all members of the Related Employer group as the Employer.

In all other contexts, the term "Employer" generally means a reference to all members of the Related Employer group, unless the context requires otherwise. If the terms of the Plan are ambiguous with respect to the treatment of the Related Employer group as the Employer, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

16.07 **Special rules for Multiple Employer Plans.** If an Employer (other than a Related Employer) executes a Participating Employer Adoption Page under the Adoption Agreement, the Plan is treated as a Multiple Employer Plan. If the Plan is a Multiple Employer Plan, the following rules apply.

(a) **Eligibility requirements.** If the Plan is a Multiple Employer Plan, the eligibility rules under Section 2 are applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer.

(b) **Vesting rules.** If the Plan is a Multiple Employer Plan, the vesting rules under Section 7 are applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer.

(c) **Code §415 Limit.** If the Employer is a Multiple Employer Plan, the Code §415 Limit under Section 5.03 is applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer. Thus, if a Participant receives contributions from more than one Employer within the Multiple Employer Plan, such contributions must be aggregated for purposes of applying the Code §415 Limit. For this purpose, Includible Compensation from all participating Employers may be considered in applying the Code §415 Limit.

(d) **Other rules applicable to Multiple Employer Plans.** To the extent not addressed in this Section 16.07, rules similar to the rules under Code §413(c) and applicable regulations will apply to a Multiple Employer Plan as applicable to Code §403(b) plans. The Plan Administrator may develop administrative procedures consistent with the rules applicable to a Code §403(b) plan.

(e) **Cessation of participation.** Any Participating Employer that fails to comply with an applicable provision may be required to cease participation under the Plan.

APPENDIX A
ACTUARIAL FACTORS
(For use with age-based allocation formula)

Actuarial Factor Table. The following table sets forth Actuarial Factors based on a testing age of 65, an interest rate of 8.5% and a UP-1984 mortality table. The Actuarial Factors in this table must be modified if the Employer uses a testing age other than age 65 or selects a different interest rate or mortality table under AA §6-3(f). To determine a Participant's Actuarial Factor, use the factor corresponding to the number of years to the Participant's testing age. The number of years to the testing age is determined by counting the number of years from the last day of the current Plan Year to the last day of the Plan Year in which the Participant reaches the testing age. If the Participant has reached the testing age as of the last day of the current Plan Year, the number of years is 0 for that year and all subsequent years.

Years to Testing Age	Actuarial Factor		Years to Testing Age	Actuarial Factor
0	0.07949		25	0.01034
1	0.07326		26	0.00953
2	0.06752		27	0.00878
3	0.06223		28	0.00810
4	0.05736		29	0.00746
5	0.05286		30	0.00688
6	0.04872		31	0.00634
7	0.04490		32	0.00584
8	0.04139		33	0.00538
9	0.03814		34	0.00496
10	0.03516		35	0.00457
11	0.03240		36	0.00422
12	0.02986		37	0.00389
13	0.02752		38	0.00358
14	0.02537		39	0.00330
15	0.02338		40	0.00304
16	0.02155		41	0.00280
17	0.01986		42	0.00258
18	0.01831		43	0.00238
19	0.01687		44	0.00219
20	0.01555		45	0.00202
21	0.01433		46	0.00186
22	0.01321		47	0.00172
23	0.01217		48	0.00158
24	0.01122		49	0.00146

APPENDIX B
INTERIM AMENDMENT #1
SECURE 2.0 ACT OF 2022

SECTION 1
PURPOSE OF INTERIM AMENDMENT

B-1.01 **Application.** To the extent that this SECURE 2.0 Act Interim Amendment (SECURE 2.0 Act Interim Amendment" or "S2IA") applies to a Plan, it supersedes any contrary provisions under the Plan, except as provided under S2IA §B-1.02 below. Unless the Employer wishes to override the pre-selected elections (defaults), if any, made by the Provider as elected under the Interim Amendment Elective Provisions ("Elective Provisions") in Article IX, no signature is required by the Employer to adopt this SECURE 2.0 Act Interim Amendment. This SECURE 2.0 Act Interim Amendment applies to the signatory Employer and any other Participating Employers of the Plan.

B-1.02 **Prior Amendments.** If the Employer previously amended the Plan to implement one or more of the provisions addressed by this SECURE 2.0 Act Interim Amendment, such amendment(s) shall remain in effect and shall not be superseded, unless otherwise provided under the Elective Provisions. The Employer may use the Elective Provisions of this SECURE 2.0 Act Interim Amendment to memorialize prior amendments.

SECTION 2
APPLICABLE LAWS AND PLANS COVERED BY INTERIM AMENDMENT

B-2.01 **Applicable Laws.** This SECURE 2.0 Act Interim Amendment includes provisions that are required or allowed under the SECURE 2.0 Act of 2022 (SECURE 2.0 Act).

B-2.02 **Application to Cycle 2 403(b) Plans.** The SECURE 2.0 Act Interim Amendment applies to the following ASC Institute Cycle 2 403(b) Pre-Approved Plans: the Pre-Approved 403(b) Plan for 501(c)(3) Organizations and Electing Churches (#08-001), the Pre-Approved Retirement Income Account (RIA) 403(b) Plan (#09-001), the Salary Reduction Only 403(b) Plan (#10-001), the Church 403(b) Plan (#11-001), and the Public School/Dual Status 403(b) Plan (#12-001).) Certain provisions of this SECURE 2.0 Act Interim Amendment may not be applicable to all types of Plans or a specific adopting Employer. Application of the SECURE 2.0 Act Interim Amendment may depend on the Investment Arrangement(s) associated with the Plan.

SECTION 3
PROVISIONS RELATING TO EMPLOYER CONTRIBUIONS

B-3.01 **Optional treatment of Employer Contributions as Designated Roth Nonelective Contributions.** As provided under §402A(a)(2) and §604 of the SECURE 2.0 Act and effective for Employer Contributions made on or after December 30, 2022, if elected by the Employer under Elective Provisions §S2-1, a Participant may elect to treat a nonforfeitable Employer Contribution as a Designated Roth Nonelective Contribution, as defined under IRS Notice 2024-2. The Plan Administrator may adopt administrative procedures consistent with Code §402A(a)(2), IRS Notice 2024-2, Q&As L-1 through L-11, and other IRS guidance.

(a) **Roth Deferral rules generally apply.** Rules similar to the requirements under Treas. Reg. §1.401(k)-1(f) (other than Treas. Reg. §§1.401(k)-1(f)(4)(i) and (6)) apply to Designated Roth Nonelective Contributions. Contribution and distribution restrictions applicable to Roth Deferrals do not apply to Designated Roth Nonelective Contributions.

(b) **Taxable year of inclusion.** A Designated Roth Nonelective Contribution is includible in a Participant's gross income for the taxable year in which the contribution is allocated to the Participant's Account (even if the Designated Roth Nonelective Contribution is deemed to have been made on the last day of the prior taxable year of the Employer under Code §404(a)(6)).

(c) **Employer Contribution must be fully vested.** An Employer Contribution may be designated as a Designated Roth Nonelective Contribution only if the Participant is fully vested in such Employer Contribution at the time the contribution is allocated to the Participant's Account. As provided under IRS Notice 2024-2, Q&A L-4, the Plan will not be treated as failing to satisfy Code §401(a)(4) as applicable to rights and features merely because of this requirement.

(d) **Designated Roth Nonelective Contributions not treated as wages.** Designated Roth Nonelective Contributions that are made to the Plan are excluded from wages under Code §3401(a) (withholding wages), under Code §§3121(a)(5)(A) and (B) (FICA wages) and under Code §§3306(b)(5)(A) and (B) (FUTA wages).

(e) **Designated Roth Nonelective Contributions not included under safe harbor definition of Plan Compensation.** Designated Roth Nonelective Contributions that are made to the Plan are not included under any Code §414(s) safe harbor definition of Plan Compensation under the Plan.

SECTION 4
PROVISIONS RELATED TO SALARY DEFERRALS

B-4.01 **Mandatory automatic enrollment.** Unless the Plan is otherwise exempt as described in §B-4.01(e) below, if the Plan includes a cash or deferred arrangement (CODA) under Code §403(b) (including a QACA Safe Harbor 403(b) Plan), the Plan must satisfy the automatic enrollment requirements under Code §414A and §101 of the SECURE 2.0 Act, effective for Plan Years beginning on or after January 1, 2025. The Plan Administrator may apply a reasonable, good faith interpretation of the requirements under Code §414A until Plan Years that begin more than 6 months after the date that the IRS issues final regulations under Code §414A. The Plan Administrator may use proposed Treas. Reg. §1.414A-1 and proposed Treas. Reg. §1.414(w)-1 to assist in the interpretation of the Code §414A requirements. If the IRS issues final regulations under Code §414A that modify the rules under proposed Treas. Reg. §1.414(A)-1 or proposed Treas. Reg. §1.414(w)-1, the Employer and/or Plan Administrator may revise its operation and administration of this §B-4.01 in conformance with those final regulations.

(a) **Arrangement must be an Eligible Automatic Contribution Arrangement (EACA).** The Plan must include an EACA (as defined under Code §414(w)(3)) that covers all Employees (including Long-Term Part-Time Employees) who are eligible to make Salary Deferrals under the Plan and that satisfies the additional requirements under S2IA §§B-4.01(b)-(d) below.

(b) **Arrangement must permit permissible withdrawals.** The EACA must permit any Employee who has default Salary Deferrals made to the Plan to elect permissible withdrawals (as defined in Code §414(w)(2) and described in Treas. Reg. §1.414(w)-1(c)).

(c) **Contribution requirements.** The EACA must provide that the default Salary Deferral on behalf of an Eligible Employee must equal a uniform percentage of such Employee's Plan Compensation, unless the Employee affirmatively elects to have a different amount (including no Salary Deferrals) under such Employee's Salary Reduction Agreement. The contribution requirements are not required to apply to an Employee who, on the date the Code §414A requirements are effective for the Plan, had an affirmative Salary Deferral election in effect (and that remains in effect) to make Salary Deferrals (in a specified amount or percentage of Plan Compensation), or to not make Salary Deferrals to the Plan.

(1) **Uniform percentage for initial period**. The contribution percentage under the default Salary Deferral for each Employee's initial period must be a uniform percentage that is not less than 3 percent and not more than 10 percent of such Employee's Plan Compensation. An Employee's initial period begins when the Employee is first eligible to elect to make Salary Deferrals under the Plan. An Employee's initial period ends on the last day of the Plan Year that follows the Plan Year that includes the date the initial period begins.

(2) **Subsequent Plan Years.** For each Plan Year beginning after an Employee's initial period under the arrangement, the percentage of the default Salary Deferral must be increased by 1 percentage point until the percentage is at least 10 percent. However, the percentage may not exceed 15 percent (or the lower percentage specified in Code §414A(b)(3)(B), if applicable).

(3) **Exception to uniform percentage requirement.** The EACA does not fail to satisfy the uniform percentage requirement merely because:

(i) The percentage used for the default Salary Deferral varies based on the number of years (or portions of years) since the beginning of the initial period for an Employee;

(ii) The rate of contributions under a Salary Reduction Agreement that is in effect for an Employee immediately prior to the date that the default Salary Deferral under S2IA §B-4.01(c)(1) above first applies to the Employee is not reduced;

(iii) The rate of contributions under a Salary Reduction Agreement is limited so as not to exceed the applicable limits of Code §§401(a)(17), 401(k)(16), 402(g) (determined with or without Catch-Up Contributions), 403(b)(16), and 415; or

(iv) The default Salary Deferral provided under this S2IA §B-4.01(c) is not applied during the period an Employee is not eligible to make Salary Deferrals under the Plan as required under the six-month suspension rule of Code §414(u)(12)(B)(ii).

(4) **Treatment of periods without default Salary Deferrals.** Generally, the uniform percentages described in S2IA §§B-4.01(c)(1) and (2) above are based on the date an Employee's initial period begins. However, if, after the

Employee's initial period began, the Employee did not have default Salary Deferrals made for an entire Plan Year, then the Plan may provide that the Employee's initial period is redetermined as follows:

(i) **<u>Redetermination for Employee who became ineligible.</u>** If, for an entire Plan Year, no default Salary Deferrals were made solely because the Employee was not eligible to make Salary Deferrals under the Plan for that Plan Year, then the Plan is permitted to provide that the Employee's initial period is redetermined so that it begins on the date the Employee is again eligible to make Salary Deferrals under the Plan.

(ii) **<u>Redetermination for Employee who remained eligible and made an affirmative Salary Deferral election.</u>** If, for an entire Plan Year, no default Salary Deferrals were made solely because the Employee made an affirmative Salary Deferral election (including an election to not make Salary Deferrals), then the Plan may provide that the initial period is redetermined so that it begins on any specified date that is later than the last day of the Plan Year following the Plan Year in which the initial period began.

(d) **<u>Investment requirements.</u>** The EACA must provide that amounts contributed pursuant to the EACA, and for which no investment is elected by the Employee, will be invested in accordance with the qualified default investment arrangement (QDIA) requirements under 29 CFR 2550.404c-5 (or any successor regulations).

(e) **<u>Exemptions for certain types of plans and employers.</u>** The following types of plans and employers are exempt from the requirements under Code §414A and this S2IA §B-4.01:

(1) Governmental plans (within the meaning of Code §414(d));

(2) Church plans (within the meaning of Code §414(e));

(3) Employers that normally employ 10 or fewer Employees. The Plan Administrator and Employer may use the rules under proposed Treas. Reg. §1.414A-1(d)(4) (or subsequent final regulations) to assist in applying this exception;

(4) Employers that have been in existence for less than three (3) years. The Plan Administrator and Employer may use the rules under proposed Treas. Reg. §1.414A-1(d)(4) (or subsequent final regulations) to assist in applying this exception;

(5) Any Plan that was established before December 29, 2022, without regard to the date of adoption of Plan terms that provide for Salary Reduction Agreements. (The Plan Administrator and Employer may apply guidance provided under proposed Treas. Reg. §1.414A-1(d) (or subsequent final regulations) to assist in applying this exception.)

B-4.02 **<u>Age 50 Catch-Up Contributions.</u>** As provided under §109 of the SECURE 2.0 Act, effective for taxable years beginning on or after January 1, 2025, this §B-4.02 applies in place of Section 3.03(d) of the BPD. If permitted under AA §6A-4 or the Elective Provisions, a Participant who is age 50 or over by the end of such Participant's taxable year beginning in the calendar year may make Age 50 Catch-Up Contributions under the Plan, provided such Age 50 Catch-Up Contributions are in excess of an otherwise applicable limit under the Plan. For this purpose, an otherwise applicable Plan limit is a limit in the Plan that applies to Salary Deferrals without regard to Age 50 Catch-Up Contributions, such as a Plan-imposed Salary Deferral limit under AA §6A-2, the Code §415 Limitation, and the Elective Deferral Dollar Limit. In administering the Age 50 Catch-Up Contribution rules under the Plan, the Plan Administrator may develop administrative procedures consistent with the requirements under Treas. Reg. §1.401(k)-1, §1.403(b)-3, 1.414(v)-1 and 1.414(v)-2, effective with respect to contributions in taxable years beginning on or after January 1, 2027. (Later effective dates apply to governmental plans under Code §414(d) and collectively bargained plans.) For periods before the applicable regulatory effective date, the Plan Administrator may apply a reasonable, good faith standard with respect other applicable statutory provisions.

(a) **<u>Age 50 Catch-Up Contribution Limit.</u>** Age 50 Catch-Up Contributions for a Participant for a calendar year may not exceed the Age 50 Catch-Up Contribution Limit. The Age 50 Catch-Up Contribution Limit for 2025 is $7,500 ($8,000 for 2026) (regular Age 50 Catch-Up Contribution Limit). The Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C). Effective for calendar years beginning on or after January 1, 2025, the Plan's Age 50 Catch-Up Contribution Limit increases to the greater of $10,000 (as adjusted for cost of living changes under Code §414(v)(2)(C)) or 150% of the regular Age 50 Catch-Up Contribution Limit starting in the 2025 calendar year for Participants who have attained ages 60 - 63 by the end of the Participant's taxable year, as provided under Code §414(v)(2)(B) (higher Age 50 Catch-Up Contribution Limit). The higher Age 50 Catch-Up Contribution Limit for 2025 and 2026 is $11,250. The Employer may operationally limit Catch-Up Contributions so that a Participant's total Catch-Up Contributions, when added to other Salary Deferrals, may not exceed 75 percent of the Participant's Plan Compensation for the taxable year. The Employer may elect to not permit this higher Age 50 Catch-Up Contribution under the Elective Provisions §S2-3.

(b) **<u>Special treatment of Age 50 Catch-Up Contributions.</u>** Age 50 Catch-Up Contributions are not subject to the Elective Deferral Dollar Limit or the Code §415 Limitation.

(c) **<u>Universal availability of Age 50 Catch-Up Contributions.</u>** As provided under Treas. Reg. §1.414(v)-1(e), the Plan generally may only offer Age 50 Catch-Up Contributions if all applicable employer plans (as defined under Treas. Reg.§1.414(v)-1(g)) maintained by the Employer or Related Employers allow all eligible Participants an effective opportunity to make the same dollar amount of Catch-Up Contributions. This universal availability of Catch-Up Contributions requirement may be administered consistent with the rules under Treas. Reg. §§1.414(v)-1 and 1.414(v)-2. The Plan will not fail the universal availability requirement merely because Employees described in Code §410(b)(3) are not provided the opportunity to make Age 50 Catch-Up Contributions (or are provided the opportunity to make Age 50 Catch-Up Contributions to a lesser extent than other Employees).

(d) **<u>Certain Age 50 Catch-Up Contributions must be Roth Deferrals.</u>** As provided under §603 of the SECURE 2.0 Act, effective for calendar years on or after January 1, 2026, any eligible Participant whose wages (as defined in Code §3121(a)) for the preceding calendar year from the employer sponsoring the Plan exceeded $150,000 (as adjusted) (i.e., a "Highly Paid Individual" or "HPI") may make such Age 50 Catch-Up Contributions only as a Roth Deferral, as provided under Code §414(v)(7) and applicable regulations. In any event, a Participant must be permitted to make Pre-Tax Salary Deferrals in order for the Participant to designate such Pre-Tax Salary Deferrals as Roth Deferrals. The Plan Administrator may use Treas. Reg. §1.414(v)-2 as guidance to administer this S2IA §B-4.02.

(1) **<u>Determination of employer sponsoring the Plan.</u>** The "employer sponsoring the Plan" generally refers only to the Participant's common law employer, as described in Treas. Reg.§1.414(v)-2(b)(4)(i). However, in determining the employer sponsoring the Plan, the Employer may apply the optional rules under Treas. Reg. §1.414(v)-(2)(b)(4)(ii) (relating to employers using a common paymaster), Treas. Reg. §1.414(v)-(2)(b)(4)(iii) (relating to aggregation for other controlled group members), Treas. Reg. §1.414(v)-(2)(b)(4)(iv) (relating to aggregation in the year of an asset purchase). For this purpose, the Employer may list the aggregated employers under the Elective Provision §S2-3(e) or in a separate written administrative procedure. In the case of an Employee who receives wages from an entity that is disregarded as an entity separate from its owner, the owner is treated as the employer sponsoring the Plan for purposes of determining the employer sponsoring the Plan. In such a case, the Employee's wages from the employer sponsoring the Plan include the Employee's wages from the disregarded entity and from its owner.

(2) **<u>Plans that allow Age 50 Catch-Up Contributions but not Roth Deferrals.</u>** For any particular Plan Year, if a Plan allows Participants to make Age 50 Catch-Up Contributions but does not allow Participants to make Roth Deferrals, any HPI is precluded from making any Age 50 Catch-Up Contributions to the Plan for such Plan Year.

(3) **<u>Deemed Roth Age 50 Catch-Up Contribution election.</u>** The Plan may deem a Participant who is subject to the Roth Age 50 Catch-Up Contribution requirement to have irrevocably designated any Age 50 Catch-Up Contributions as a Roth Deferral. If the Plan provides for such a deemed Roth Catch-Up Contribution election, the Plan must treat Age 50 Catch-Up Contributions subject to the deemed Roth Catch-Up Contribution election as not excludible from the Participant's gross income and maintain the Age 50 Catch-Up Contributions in a designated Roth Deferral Account. The Plan may provide for a deemed Roth Catch-Up Contribution election without regard to whether administrative policies or a salary Reduction Agreement requires separate elections for Salary Deferrals that are not Age 50 Catch-Up Contributions and for additional Salary Deferrals that are Age 50 Catch-Up Contributions or uses a so-called "spillover design." The Employer may elect not to provide for a deemed Roth Catch-Up Contribution election under Elective Provisions §S2-3(d).

(i) **<u>Conditions for application of deemed Roth Catch-Up Contribution election.</u>** The application of a deemed Roth Catch-Up Contribution election to a Participant is conditioned on the Participant having an effective opportunity (determined based on all of the relevant facts and circumstances) to make a new Salary Deferral election that is different than the deemed Roth Catch-Up Contribution election. The deemed Roth Catch-Up Contribution election ceases to apply to an Employee within a reasonable period of time following the date the Employee ceases to be subject to the requirement under Code §414(v)(7) to make any Age 50 Catch-Up Contributions as designated Roth contributions, or an amended Form W-2 (Wage and Tax Statement) is filed or furnished to the Employee indicating that the Employee is not subject to the requirement under Code §414(v)(7) to make any Age 50 Catch-Up Contributions as Roth Deferrals.

(ii) **<u>Plans that do not provide for deemed Roth Catch-Up Contribution election.</u>** If the Plan does not provide for a deemed Roth Catch-Up Contribution election, the Plan will not accept Salary Deferrals that exceeds an applicable limit on Salary Deferrals and the Plan will automatically stop Salary Deferrals for an eligible Participant who is subject to the Roth Catch-Up Contribution requirements after the

Participant's Salary Deferrals reach an applicable limit (unless the Participant has designated the additional Salary Deferrals as Roth Deferrals). If the Plan does not provide for a deemed Roth Catch-Up Contribution election, the Plan may be precluded from using certain correction methods under Treas. Reg.§1.414(v)-2(c)(2).

(4) **Rules of operation.** The Employer and/or Plan Administrator may utilize the rules of operation, including the correction principles, under Treas. Reg. §1.414(v)-2(b) in administering this S2IA §B-4.02(d).

(5) **Special rules applicable to 403(b) plans.** Participants eligible to make Special Catch-Up Contributions are permitted to make such contributions in addition to the Age 50 Catch-Up Contributions. Special Catch-Up Contributions are not subject to Code §414(v).

B-4.03 **Long-Term Part-Time Employees (LTPT Employees).** As provided under §125 of the SECURE 2.0 Act, effective for Plan Years beginning on or after January 1, 2025, to satisfy the rules under Code §403(b)(12) and ERISA §202(c), the Plan must permit LTPT Employees to make Salary Deferrals into the Plan. The Employer may use the guidance provided under IRS Notice 2024-73 (including guidance on the application of the nondiscrimination requirements) to apply the LTPT Employee rules to the Plan. An Employer is not required to make Employer Contributions or Matching Contributions on behalf of LTPT Employees. If no Employees are eligible to make Salary Deferrals solely because of the LTPT Employee requirements under Code §§403(b)(12) or if the Plan is not subject to Title I of ERISA (such as salary reduction only, governmental and church plans), then the Employer has no LTPT Employees and the requirements under this S2IA §B-4.03 do not apply. The Employer may make elections relating to LTPT Employees under Elective Provisions §S2-4.

(a) **Definition of an LTPT Employee.** An Employee who is eligible to make Salary Deferrals into the Plan solely by reason of having:

(1) Completed two consecutive Eligibility Computation Periods during each of which the Employee is credited with at least 500 Hours of Service; and

(2) Attained age 21 by the close of the last of the Eligibility Computation Periods described in subsection (1).

LTPT Employees do not include: (a) Employees who are Collectively Bargained Employees; (b) Employees who are nonresident aliens and who receive no earned income (within the meaning of Code §911(d)(2)) from the Employer that constitutes income from sources within the United States (within the meaning of Code §861(a)(3)); or (c) any other Employees described in Code §410(b)(3). As provided under IRS Notice 2024-73, the Plan may exclude Student Employees from making Salary Deferrals, even if such Student Employees would be classified as LTPT Employees.

(b) **Participation rules applicable to LTPT Employees.**

(1) **In general.** An LTPT Employee must become eligible to make Salary Deferrals into the Plan no later than the earlier of:

(i) The first day of the first Plan Year beginning after becoming an LTPT Employee; or

(ii) The date 6 months after becoming an LTPT Employee.

(2) **Employees who terminate employment.** The time of participation rule in (1) does not apply to an LTPT Employee who terminates employment and is not reemployed by the Employer before such LTPT Employee's applicable Entry Date. However, if an LTPT Employee described in the prior sentence returns to employment with the Employer after such LTPT Employee's applicable Entry Date and is otherwise eligible to make Salary Deferrals, the LTPT Employee must be eligible to make Salary Deferrals immediately upon reemployment with the Employer.

(3) **Change in status.** If an Employee who would otherwise be eligible to make Salary Deferrals as an LTPT Employee does not participate solely because the Employee does not satisfy the Plan's eligibility conditions that are not based on age or service as of the Employee's applicable Entry Date, and the Employee satisfies those conditions after that date, the Employee must be eligible to make Salary Deferrals immediately upon satisfying those conditions.

(4) **Crediting of service.** Except for any Eligibility Computation Period beginning before January 1, 2023, all Eligibility Computation Periods during which an Employee is credited with at least 500 Hours of Service with the Employer must be taken into account for purposes of determining whether an Employee has satisfied the time of participation requirements under S2IA §B-4.03(a)(1). Eligibility Computation Periods for LTPT Employees are determined under the rules set forth under the BPD or under the Elective Provisions.

(5) **Student and part-time Employees.** The Plan may exclude student employees under Code §403(b)(12(A) from the LTPT Employee requirements. The Plan may not exclude part-time employees under the "normally works less than 20 hours per week" exclusion category under Code §403(b)(12)(A) from the LTPT Employee requirements.

(c) **Eligibility conditions not based on age or service.** The Plan may establish an eligibility condition that an LTPT Employee must satisfy in order to make Salary Deferrals under the Plan, provided that the condition is not a proxy for imposing an impermissible age or service requirement.

(d) **Restrictions on the right to make Salary Deferrals by LTPT Employees.** The Plan may not restrict the right to make Salary Deferrals by LTPT Employees who are eligible Nonhighly Compensated Employees (NHCEs) in a manner that would not be permitted for an NHCE under Treas. Reg. §1.401(k)–3(c)(6).

(e) **Employer Contributions and Matching Contributions.** Notwithstanding the nondiscrimination rules under Code §401(a)(4), an Employer is not required to make Employer Contributions or Matching Contributions on behalf of LTPT Employees, even if such contributions are made on behalf of other Eligible Employees.

A Safe Harbor 403(b) Plan that is intended to satisfy the ACP safe harbor provisions of Code §§401(m)(11) or (12) will not fail to satisfy the Safe Harbor 403(b) Plan requirements merely because the Employer does not make an Employer Contribution or Matching Contribution on behalf of an eligible NHCE who is a LTPT Employee (or makes an Employer Contribution or Matching Contribution that does not satisfy the safe harbor contribution requirements of Treas. Reg. §1.401(m)–3 on behalf of the eligible NHCEs), provided that LTPT Employees are excluded for purposes of determining whether the Plan satisfies the ACP safe harbor provisions of Code §§401(m)(11) or (12) pursuant to the election under Elective Provisions §S2-4(j).

(f) **Employer elections relating to nondiscrimination, coverage and top-heavy**.

(1) **Nondiscrimination and coverage election.**

(i) **General rule.** The Employer may elect to exclude LTPT Employees for purposes of determining whether the Plan satisfies the following provisions:

(A) The nondiscrimination requirements of Code §401(a)(4);

(B) The ACP test of Code §401(m)(2); and

(C) The ACP safe harbor provisions of Code §§401(m)(11) and (12).

(ii) **Additional rules**.

(A) The Employer's nondiscrimination and coverage election applies for purposes of every provision listed in subsection (i).

(B) The Employer's nondiscrimination and coverage election applies with respect to all LTPT Employees who are able to participate under the Plan.

(C) The Employer may administratively make a nondiscrimination and coverage election on an annual basis, unless the Plan is a Safe Harbor 403(b) Plan that intends to satisfy the ACP safe harbor provisions of Code §§401(m)(11) or (12), as set forth in subsections (D) below.

(D) If the Plan is a Safe Harbor 403(b) Plan intended to satisfy the ACP safe harbor provisions of Code §§401(m)(11) or (12), the Employer must make the nondiscrimination and coverage election under Elective Provisions §S2-4(j) before the beginning of the applicable Plan Year.

(g) **Vesting.** An LTPT Employee is always fully vested in such LTPT Employee's Pre-Tax Deferral Account and Roth Deferral Account. If the Employer makes Employer Contributions or Matching Contributions on behalf of LTPT Employees, the following rules apply for purposes of determining the vested (i.e., nonforfeitable) interest of an LTPT Employee (or former LTPT Employee) in such Employee's Employer Contribution Account and Matching Contribution Account:

(1) **Year of vesting service.** Each Vesting Computation Period during which an LTPT Employee (or Former LTPT Employee) is credited with at least 500 Hours of Service is treated as a Year of Service for vesting purposes.

(2) **Vesting Computation Periods.** Except for any Vesting Computation Period beginning before January 1, 2023, all Vesting Computation Periods with the Employer are taken into account for determining an LTPT Employee's vested percentage, except for periods the Employer excludes under AA §8-3. The Employer may elect to include

Vesting Computation Periods beginning before January 1, 2023 for determining an LTPT Employee's vested percentage under Elective Provisions §S2-4(i).

(3) **Break in Service rules.** For purposes of determining whether an LTPT Employee has a Break in Service (if the Employer applies the Break in Service rules), the definition of Break in Service is revised by substituting "at least 500 Hours of Service" for "more than 500 Hours of Service."

(4) **Plan's other vesting rules apply.** Unless otherwise provided under this S2IA §B-4.03 or in the Adoption Agreement, the Plan's rules relating to vesting apply to LTPT Employees.

(h) **Other rules applicable to LTPT Employees.**

(1) **Elapsed Time Method.** If the Plan uses the Elapsed Time Method for crediting eligibility service, no Employees are considered LTPT Employees and the rules under this S2IA §B-4.03 do not apply.

(2) **Equivalency Methods.** The Plan may use the Equivalency Methods described under the Plan for eligibility and for vesting purposes. A Plan may not prorate the applicable Equivalency Method hours for determining Years of Service for LTPT Employees (or Former LTPT Employees).

(3) **Catch-Up Contributions.** LTPT Employees may make Age 50 Catch-Up Contributions and Special Catch-Up Contributions if such Catch-Up Contributions are permitted under the Plan.

(4) **Roth Deferrals.** LTPT Employees may make Roth Deferrals if Roth Deferrals are permitted under the Plan, unless the Employer elects to prohibit LTPT Employees from making Roth Deferrals under Elective Provisions §S2-4(e).

(5) **After-Tax Employee Contributions.** LTPT Employees may make After-Tax Employee Contributions if After-Tax Employee Contributions are permitted under the Plan, unless the Employer elects to prohibit LTPT Employees from making After-Tax Employee Contributions under Elective Provisions §S2-4(f).

(6) **Rollover Contributions.** LTPT Employees may make Rollover Contributions if Rollover Contributions are permitted under the Plan, unless the Employer elects to prohibit LTPT Employees from making Rollover Contributions under Elective Provisions §S2-4(g).

(7) **Automatic Contribution Arrangements.** LTPT Employees are subject to the Plan's Automatic Contribution Arrangement provisions, unless the Employer elects otherwise under Elective Provisions §S2-4(h).

(8) **Automatic Increase for Participants with Affirmative Salary Deferral election.** LTPT Employees are subject to the Plan's provisions relating to automatic increase for Participants with affirmative Salary Deferral Election under AA §6A-6, unless the Employer elects otherwise under Elective Provisions §S2-4(k).

(9) **Plan's other rules apply.** Unless otherwise specifically provided under this S2IA §B-4.03, other provisions in the BPD or in the Adoption Agreement (including Eligible Employee class exclusions that are not a proxy for imposing an impermissible age or service requirement), the Plan's provisions apply to LTPT Employees. The Plan Administrator may apply the Plan's provisions to LTPT Employees consistent with a "good-faith" interpretation of the Plan's requirements.

(i) **IRS guidance.** To the extent that the IRS issues additional guidance with respect to the requirements applicable to LTPT Employees, the Employer or Plan Administrator may administer the Plan consistent with such guidance.

B-4.04 **De minimis immediate financial incentives for contributing to the Plan.** As provided under §113 of the SECURE 2.0 Act, Code §403(b)(12)(A) and applicable IRS guidance, effective for Plan Years beginning on or after December 30, 2022, the Employer may provide Employees with de minimis financial incentives (such as gift cards) to encourage such Employees to make Salary Deferrals into the Plan. The Employer may not pay for such de minimis financial incentives with Plan assets.

B-4.05 **Starter 403(b) Salary Deferral-Only Plans.** As provided under §121 of the SECURE 2.0 Act, effective for Plan Years beginning on or after January 1, 2024, an Eligible Employer, as defined in S2IA §B-4.05(e)(1) below, may designate in Elective Provisions §S2-5 to treat the Plan as a Starter 403(b) Salary Deferral-Only Plan under Code §403(b)(16) with respect to Eligible Employees, as defined in S2IA §B-4.05(e)(2) below. A Starter 403(b) Salary Deferral-Only Plan is subject to the automatic enrollment requirements under Code §414A for years on or after January 1, 2025. A Starter 403(b) Salary Deferral-Only Plan is subject to the requirements under this S2IA §B-4.05. An Eligible Employer adopting a Starter 403(b) Plan should complete the Adoption Agreement consistent with the requirements applicable to a Starter 403(b) Plan, as described under this S2IA §B-4.05.

(a) **Automatic deferral**. The Employer will automatically withhold the "qualified percentage," as required under Code §403(b)(16)(C), and as designated under the Adoption Agreement from each Eligible Employee's Plan Compensation, unless the Participant completes a Salary Reduction Agreement electing a different Salary Deferral amount (including a zero-Salary Deferral amount). The "qualified percentage" must be applied uniformly for all Eligible Employees and may not be less 3 percent or more than 15 percent of Plan Compensation.

(b) **Salary Deferrals only**. The only contributions that may be made to the Starter 403(b) Salary Deferral-Only Plan are Salary Deferrals. The Employer may not make any Employer Contributions or Matching Contributions to the Plan.

(c) **Salary Deferral limitations**. The aggregate amount of Salary Deferrals that may be made on behalf of any Eligible Employee in any calendar year may not exceed $6,000 (as adjusted for cost of living increases under Code§403(b)(16)(D)(ii)).

(d) **Catch-Up Contribution limitation**. In the case of an Eligible Employee who has attained the age of 50 before the close of the taxable year, the limitation under (c) above shall be increased by the applicable amount determined under Code §219(b)(5)(B)(ii) (after the application of Code §219(b)(5)(C)(iii)).

(e) **Definitions**.

(1) **Eligible Employer.** An "Eligible Employer" with respect to this S2IA §B-4.05 is any Employer that may maintain a qualified plan under Code §401(a) but does not maintain such a qualified plan with respect to which contributions are made, or benefits are accrued, for service in the year for which the determination is being made. If only Employees other than Employees described in Code §410(b)(3)(A) are eligible to participate in such arrangement, then the preceding sentence shall be applied without regard to any qualified plan in which only Employees described in such subparagraph are eligible to participate. The Eligible Employer may utilize the relief provided under Code §408(p)(10).

(2) **Eligible Employee.** An "Eligible Employee" with respect to this S2IA §4.05 is any Employee who meets the minimum age and service conditions under Code §410(a)(1). The Eligible Employer may elect to exclude from the definition of Eligible Employee any Employee described in Code §§410(b)(3) and (4).

B-4.06 **Pension-Linked Emergency Savings Accounts (PLESAs).** As provided under §127 of the SECURE 2.0 Act, effective for Plan Years beginning on or after January 1, 2024 and pursuant to Code §402A(e), the Plan may include a PLESA established pursuant to ERISA §801, which, except as otherwise provided in this S2IA §B-4.06, shall be treated as a Roth Deferral Account. The Plan may either offer to enroll an eligible participant in a PLESA or automatically enroll an eligible participant in a PLESA pursuant to an automatic contribution arrangement (described in S2IA §B-4.06(d) below). The Plan must separately account for contributions to the PLESA (and any earnings properly allocable to the contributions), maintain separate recordkeeping with respect to each PLESA, and allow withdrawals from the PLESA in accordance with distribution rules described in S2IA §B-4.06(h) below. The Employer may elect to establish a PLESA and make other related elections under Elective Provisions §S2-6.

(a) **Eligible Participants.** For purposes of this S2IA §B-4.06, an eligible Participant means an individual, without regard to whether the individual otherwise participates in the Plan, who meets any age, service, and other eligibility requirements of the Plan and is not a Highly Compensated Employee. An eligible Participant on whose behalf a PLESA is established who thereafter becomes a Highly Compensated Employee may not make further contributions to the PLESA but retains the right to withdraw any Account Balance in accordance with the rules in Code §§402A(e)(7) and (8).

(b) **Contribution limitations.** The Plan will not accept contributions to a PLESA to the extent such contribution would cause the portion of the PLESA Account Balance attributable to Participant contributions to exceed the lesser of (i) $2,500 (as indexed) or (ii) an amount elected by the Employer under Elective Provisions §S2-6. In applying the PLESA $2,500 contribution limits, a Plan may administratively use an "exclusion approach" (under which the Plan would cap Participant contributions at $2,500, with earnings excluded from the calculation of the limitation) or an "inclusion approach" (under which the Plan considers the entire PLESA Account Balance (including contributions and earnings) in applying the $2,500 limit).

The Plan does not impose a minimum requirement on the amount required to open a PLESA or a minimum balance to be maintained in a PLESA. However, the Plan's administrative procedures may require that PLESA contributions be made in whole dollars. The Plan's administrative procedures also may require that percentage-based contributions be no less than one percent (1%) or be made in whole percent increments if such requirements are applied uniformly to other Participant contributions to the plan and Participants are allowed to elect to have contributions made in whole dollar amounts as an alternative.

(c) **Excess PLESA contributions.** To the extent any contribution to the PLESA of a Participant for a taxable year would exceed the limitation of S2IA §B-4.06(b) in the case of an eligible Participant with another Roth Deferral Account under the Plan, the Plan may provide under a Salary Reduction Agreement or administrative procedures that the Participant may elect to increase the Participant's contribution to such other account, or, in the absence of such a Participant election, deem the Participant to have elected to increase the Participant's contributions to such account at the rate at which contributions were being made to the PLESA. In any other case, the Plan will not accept any excess PLESA contributions.

(d) **PLESA automatic contribution arrangement.** For purposes of this S2IA §B-4.06, a PLESA automatic contribution arrangement is an arrangement under which an eligible Participant is treated as having elected to have the Employer make Salary Deferrals to a PLESA at a Participant contribution rate that is not more than 3 percent of Plan Compensation of the eligible Participant, unless the eligible Participant, at any time (subject to such reasonable advance notice as is required by the plan administrator), affirmatively elects to make contributions at a different rate, or to opt out of such contributions. The Employer may elect the PLESA contribution rate under Elective Provision §S2-6. The Employer may amend the PLESA Contribution rate prior to the Plan Year for which such amendment would take effect) but not more than once annually.

(e) **Investment of PLESA contributions.** The Plan will hold PLESA contributions as cash, in an interest-bearing deposit account, or in an investment product designed to maintain over the term of the investment the dollar value that is equal to the amount invested in the product and preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with the need for liquidity. The investment product also must be offered by a state-regulated or federally-regulated financial institution.

(f) **Disclosures by Plan Administrator.**

(1) In general. The Plan Administrator, not less than 30 days and not more than 90 days prior to the date of the first contribution to the PLESA, including any contribution under a PLESA automatic contribution arrangement, or the date of any adjustment to the Participant contribution rate, and not less than annually thereafter, shall furnish to the Participant a notice describing:

(i) the purpose of the PLESA, which is for short-term, emergency savings;

(ii) the limits on, and tax treatment of, contributions to the PLESA of the Participant;

(iii) any fees, expenses, restrictions, or charges associated with such PLESA;

(iv) procedures for electing to make contributions or opting out of the PLESA, changing Participant contribution rates for such PLESA, and making Participant withdrawals from such PLESA, including any limits on frequency;

(v) the amount of the intended contribution or the change in the percentage of the Plan Compensation of the Participant of such contribution, if applicable;

(vi) the amount in the PLESA and the amount or percentage of Plan Compensation that a Participant has contributed to such account;

(vii) the designated investment option under ERISA §801(c)(1)(A)(iii) for amounts contributed to the PLESA;

(viii) the options under ERISA §801(e) for the Account Balance of the PLESA after termination from employment of the Participant; and

(ix) the ability of a Participant who becomes a Highly Compensated Employee to withdraw any Account Balance from a PLESA and the restriction on the ability of such a Participant to make further contributions to the PLESA.

(2) **Notice requirements.** The notice furnished to a Participant under S2IA §B-4.06(f)(1) shall be sufficiently accurate and comprehensive to apprise the Participant of the rights and obligations of the Participant with regard to the PLESA of the Participant and be written in a manner calculated to be understood by the average Participant. The notice may be consolidated with other notices as allowed under ERISA or IRS guidance.

(g) **Matching Contribution requirements.** If the Employer makes any Matching Contributions to the Plan of which a PLESA is part, subject to the limitations of S2IA §B-4.06(b) above, the Employer shall make Matching Contributions on behalf of an eligible Participant on account of the Participant's contributions to the PLESA at the same rate as any other Matching Contribution on account of a Salary Deferral by such Participant. The Matching Contributions shall be made to the Participant's account under the Plan which is not the PLESA. Such Matching contributions on account of contributions to the PLESA shall not exceed the maximum Account Balance under S2IA §B-4.06(b) for such Plan Year.

(h) Distributions.

(1) In general. A Participant may withdraw amounts in such Participant's PLESA, in whole or in part at the discretion of the Participant, at least once per calendar month. The Plan shall distribute such withdrawal amount as soon as practicable after the date on which the Participant elects to make such withdrawal.

(2) Treatment of distributions. Any distribution from a PLESA account in accordance with S2IA §B-4.06(h)(1) shall be treated as a qualified distribution for purposes of Code §402(A)(d), and shall be treated as meeting the requirements of Code §§401(k)(2)(B)(i), 403(b)(7)(A)(i), 403(b)(11), and 457(d)(1)(A), as applicable.

(3) Imposition of fees. The Plan may not assess any fees or charges, direct or indirect, solely on the basis of a withdrawal of funds from the PLESA for the first four withdrawals in a Plan Year. However, the Plan may assess reasonable fees or charges in connection with any subsequent withdrawals. The Plan may charge reasonable fees, expenses, or other charges associated with administration of the PLESA, including imposing such fees, expenses or other charges against Participant Accounts.

(i) Terminations and Transfers. Upon Severance from Employment of the Participant, or termination by the Employer of the PLESA, the Employer or Plan Administrator may elect to transfer such Participant's PLESA balance, in whole or in part, into another Roth Deferral Account of the Participant under the Plan; and, for any amounts in such PLESA not transferred, make such amounts available within a reasonable time to the Participant. No amounts shall be transferred by the Participant from another account of the Participant under any plan of the Employer into the PLESA of the Participant.

(j) Coordination with distributions of Excess Deferrals. If any Excess Deferrals are distributed to a Participant under the Plan, such amounts shall be distributed first from any PLESA of the Participant to the extent contributions were made to such account for the taxable year.

(k) Treatment of PLESA Account Balances. A distribution from a PLESA shall not be treated as an Eligible Rollover Distribution for purposes of sections 401(a)(31), 402(f), and 3405. However, in the case of Severance from Employment of the Participant, or termination by the Employer of the PLESA, except for purposes of Code §401(a)(31)(B), a distribution from a PLESA which the Participant elects to transfer, in whole or in part, into another Roth Deferral Account of the Participant under the Plan shall be treated as an Eligible Rollover Distribution.

(l) Cessation of PLESA. Notwithstanding Code §411(d)(6), the Employer may cease to offer the PLESA under the Plan any time.

(m) Anti-abuse rules. The Plan may employ reasonable procedures to limit the frequency or amount of Matching Contributions with respect to contributions to such account, solely to the extent necessary to prevent manipulation of the rules of the Plan to cause Matching Contributions to exceed the intended amounts or frequency, and shall not be required to suspend Matching Contributions following any Participant withdrawal of contributions, including Salary Deferrals and After-Tax Employee Contributions, whether or not matched and whether or not made pursuant to a PLESA automatic contribution arrangement.

(n) Administrative procedures. The Employer and Plan Administrator may develop administrative procedures, consistent with the statutory requirements under Code §414A(e) and ERISA §801, to assist in providing PLESAs under the Plan.

SECTION 5
PROVISIONS RELATED TO MATCHING CONTRIBUTIONS

B-5.01 Optional treatment of Matching Contributions as Designated Roth Matching Contributions. As provided under Code §402A(a)(2) and §604 of the SECURE 2.0 Act and effective for Matching Contributions made on or after December 30, 2022, if elected by the Employer under Elective Provisions §S2-7, a Participant may elect to treat a nonforfeitable Matching Contribution as a Designated Roth Matching Contribution as defined under IRS Notice 2024-2. The Plan Administrator may adopt administrative procedures consistent with Code §402A(a)(2), IRS Notice 2024-2, Q&As L-1 through-11, or other IRS guidance.

(a) Roth Deferral rules generally apply. Rules similar to the requirements under Treas. Reg. §1.401(k)-1(f) (other than Treas. Reg. §§1.401(k)-1(f)(4)(i) and (6)) apply to Designated Roth Matching Contributions. Contribution and distribution restrictions applicable to Roth Deferrals do not apply to Designated Roth Matching Contributions

(b) Taxable year of inclusion. A Designated Roth Matching Contribution is includible in a Participant's gross income for the taxable year in which the contribution is allocated to the Participant's Account (even if the Designated Roth Matching Contribution is deemed to have been made on the last day of the prior taxable year of the Employer under Code §404(a)(6)).

(c) **Matching Contribution must be fully vested.** A Matching Contribution may be designated as a Designated Roth Matching Contribution only if the Participant is fully vested in Matching Contributions at the time the contribution is allocated to the Participant's Account. As provided under IRS Notice 2024-2, Q&A L-4, the Plan will not be treated as failing to satisfy Code §401(a)(4) as applicable to rights and features merely because of this requirement.

(d) **Designated Roth Matching Contributions not treated as wages.** Designated Roth Matching Contributions that are made to the Plan are excluded from wages under Code §3401(a) (withholding wages), under Code §§3121(a)(5)(A) and (B) (FICA wages) and under Code §§3306(b)(5)(A) and (B) (FUTA wages).

(e) **Designated Roth Matching Contributions not included in safe harbor definition of Plan Compensation.** Designated Roth Matching Contributions that are made to the Plan are not included under any safe harbor definition of Plan Compensation under the Plan.

B-5.02 **Treatment of Qualified Student Loan Payments as Salary Deferrals for purposes of Matching Contributions.** As provided under §110 of the SECURE 2.0 Act, effective for Plan Years beginning on or after January 1, 2024, the Plan may elect under Elective Provisions §S2-8 to treat Qualified Student Loan Payments as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions. The Employer may use IRS Notice 2024-63 in applying the Qualified Student Loan Payment rules under the Plan.

(a) **Conditions.** The Plan may only treat Qualified Student Loan Payments as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions if:

(1) the Plan provides Matching Contributions on account of Salary Deferrals (or After-Tax Employee Contributions, if applicable) at the same rate as Matching Contributions on account of Qualified Student Loan Payments;

(2) the Plan provides Matching Contributions on account of Qualified Student Loan Payments only on behalf of Employees otherwise eligible to receive Matching Contributions on account of Salary Deferrals (or After-Tax Employee Contributions, if applicable);

(3) all Employees eligible to receive Matching Contributions on account of Salary Deferrals (or After-Tax Employee Contributions, if applicable) are eligible to receive Matching Contributions on account of Qualified Student Loan Payments; and

(4) the Plan provides that Matching Contributions on account of Qualified Student Loan Payments vest in the same manner as Matching Contributions on account of Salary Deferrals (or After-Tax Employee Contributions, if applicable).

(b) **Definitions.**

(1) **Qualified Student Loan Payment.** A payment made by an Eligible Employee in repayment of a Qualified Education Loan (as defined in Code §221(d)(1)) incurred by such Employee to pay Qualified Higher Education Expenses, but only to the extent such payments in the aggregate for the year do not exceed an amount equal to the Elective Deferral Dollar Limit under Section 5.02 of the BPD for the year, reduced by the Salary Deferrals made by the Employee for such year.

(2) **Qualified Higher Education Expenses.** The cost of attendance (as defined in §472 of the Higher Education Act of 1965, as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an Eligible Educational Institution (as defined in Code §221(d)(2)). Qualified Higher Education Expenses may be incurred on behalf of the Eligible Employee, the Eligible Employee's Spouse or any dependent of the Eligible Employee as of the time the indebtedness was incurred.

(c) **Special rules relating to the treatment of Qualified Student Loan Payments as Salary Deferrals for purposes of Matching Contributions.**

(1) **Employee certification.** The Employee must certify annually that such Employee has made Qualified Student Loan Payments and the amount of such payments. The Employer may rely on such Employee certification. The Employee certification must include (i) the amount of the loan payment; (ii) the date of the loan payment; (iii) that the payment was made by the Participant; (iv) that the loan being repaid is a Qualified Education Loan and was used to pay for qualified higher education expenses of the Participant, the Participant's Spouse, or the Participant's dependent; and (v) that the loan was incurred by the Participant. The Employer may use the certification methods described under IRS Notice 2024-63.

(2) **Nondiscrimination and coverage rules.** For purposes of Code §§401(a)(4) and 410(b), Matching Contributions described in this S2IA §B-5.02 shall not fail to be treated as available to an Employee solely because such Employee does not have debt incurred under a Qualified Education Loan.

(3) **Treatment as a Plan contribution.** A Qualified Student Loan Payment generally shall not be treated as a contribution to the Plan. However, the Plan may treat a Qualified Student Loan Payment as a Salary Deferral (or After-Tax Employee Contribution, if appropriate) for purposes of requirements of Code §§401(m)(11)(B), 401(m)(12), or 401(m)(13).

(4) **Reasonable administrative procedures.** The Employer or Plan Administrator may establish any reasonable administrative procedures, including establishing a reasonable claim deadline, to implement the Qualified Student Loan Payments feature under this S2IA §B-5.02.

(5) **Allocation of Matching Contribution attributable to Qualified Student Loan Payments**. The Plan may allocate Matching Contributions attributable to Qualified Student Loan Payments on an annual or more frequent basis. Such allocations may differ from the frequency of allocations for other Matching Contributions.

B-5.03 **Federal saver's matching contributions.** Pursuant to Code §6433 and §103 of the SECURE 2.0 Act, effective no earlier than for calendar years beginning on or after January 1, 2027, if elected under Elective Provisions §S2-9, the Plan may accept on behalf of an eligible Participant a federal saver's matching contribution. Neither the Employer nor Plan Administrator has a responsibility for determining whether a Participant is entitled to receive a federal saver's matching contribution. The Plan shall not be treated as violating any requirement under Code §403(b) solely by reason of accepting such federal saver's matching contribution.

(a) **Treatment of federal saver's matching contribution.** The Plan shall treat a federal saver's matching contribution as a Salary Deferral by the Participant under the Plan. However, such federal saver's matching contribution will not be taken into account with respect to any limitation under Code §§402(g)(1), 403(b), 414(v)(2), or 415(c) and shall be disregarded for purposes of Code §401(a)(4).

(b) **Distribution of erroneous federal saver's matching contribution.** Notwithstanding any distribution restrictions or other requirements of Code §403(b) under the Plan, the Plan Administrator may distribute amounts attributable to a federal saver's matching contribution which is determined to be an erroneous federal saver's matching contribution.

(c) **Administrative procedures.** The Employer and/or the Plan Administrator may develop procedures to assist in administering the receipt and retention of federal saver's matching contributions. Such procedures shall be consistent with the requirements under Code §6433 and IRS guidance as applicable to the Plan.

SECTION 6
PROVISIONS RELATED TO DISTRIBUTIONS

B- 6.01 **Dollar limitations for Involuntary Cash-Out Distributions and other $5,000 thresholds.** As provided under §304 of the SECURE 2.0 Act, effective for distributions made on or after January 1, 2024 (or as soon as administratively feasible after such date), the Involuntary Cash-Out Distribution threshold and certain other $5,000 thresholds under the Plan (as listed below) are increased from $5,000 to $7,000. The Employer may designate a threshold other than $7,000 for purposes of Involuntary Cash-Out Distributions in Elective Provisions §S2-10 or under separate administrative procedures.

(a) **Basic Plan Document (BPD) References to $5,000 increased to $7,000.** For purposes of the following BPD sections, the $5,000 threshold referenced in the section is increased to $7,000: Sections 3.03(h)(1)(iii); 8.06(a) and (b); and 8.07(b).

(b) **AA References to $5,000 increased to $7,000.** For purposes of the following Adoption Agreement sections, the $5,000 threshold referenced in the section is increased to $7,000: Sections 9-2(a)(ii); 9-3(a) and (b); and 9-6.

B-6.02 **Hardship distributions.**

(a) **Amounts that may be distributed upon Hardship.** As provided under §602 of the SECURE 2.0 Act and Code §403(b)(17), effective for Plan Years beginning on or after January 1, 2024, the Plan may allow a Participant to take an in-service distribution (which may include Account earnings) upon the occurrence of a Hardship that satisfies the Hardship distribution rules with respect to the following Accounts (whether held in an Annuity Contract, Custodial Account or Retirement Income Account):

(1) Pre-Tax Deferral Account

(2) Roth Deferral Account

(3) Qualified Nonelective Contribution (QNEC) Account

(4) Qualified Matching Contribution (QMAC) Account

(5) Traditional Safe Harbor Employer Contribution Account

(6) Traditional Safe Harbor Matching Contribution Account

(7) QACA Employer Contribution Account

(8) QACA Matching Contribution Account

The Employer may elect to allow Hardship distributions from permissible sources under AA §§10-1 and 10-2. Unless otherwise limited under AA §§10-1 and 10-2 or under Elective Provisions §S2-11(f), Hardship distributions may include Account earnings.

(b) **Participant certification for Hardship distributions.** As provided under §312 of the SECURE 2.0 Act, notwithstanding any other conditions for receiving a Hardship distribution under the Plan, effective for Plan Years beginning on or after December 30, 2022, the Plan Administrator may, but is not required to, rely on a written certification by a Participant that: (i) a requested Hardship distribution is on account of a financial need of a type which is deemed to be an immediate and heavy financial need; (ii) a requested Hardship is not in excess of the amount necessary to satisfy such financial need; and (iii) the Participant has no alternative means reasonably available to satisfy such financial need. The acceptance of a Participant's written certification is an administrative decision by the Plan Administrator.

B-6.03 **Emergency Personal Expense Distributions.** As provided under §115 of the SECURE 2.0 Act, effective for distributions made on or after January 1, 2024, the Plan may permit a Participant to receive an Emergency Personal Expense Distribution from the contribution sources as designated in Elective Provisions §S2-11. An Emergency Personal Expense Distribution will meet the distribution requirements under Code §§403(b)(7)(A)(i) and 403(b)(11). The Employer may use IRS Notice 2024-55 in applying the Emergency Personal Expense Distribution rules under the Plan.

(a) **Definition of Emergency Personal Expense Distribution.** An Emergency Personal Expense Distribution (as defined under Code §72(t)(2)(I)(iv)) is a distribution to an individual for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, subject to the limitations under (b) below. Whether an individual has an unforeseeable or immediate financial need relating to necessary personal or family emergency expenses is determined by the relevant facts and circumstances for each individual. Factors to be considered include, but are not limited to, whether the individual (or a family member of the individual) has expenses relating to:

(1) medical care (including the cost of medicine or treatment that would be deductible under Code §213(d), determined without regard to the limitations in Code §213(a));

(2) accident or loss of property due to casualty;

(3) imminent foreclosure or eviction from a primary residence;

(4) the need to pay for burial or funeral expenses;

(5) auto repairs, or

(6) any other necessary emergency personal expenses.

(b) **Limitations.** Emergency Personal Expense Distributions are subject to the following limitations, as provided under Code §72(t)(2)(I);

(1) **Annual limitation.** A Participant may not receive more than one distribution per calendar year as an Emergency Personal Expense Distribution.

(2) **Dollar limitation.** The amount that a Participant may receive as Emergency Personal Expense Distribution in any calendar year may not exceed the lesser of $1,000 or an amount equal to the excess of (I) the individual's total nonforfeitable Account Balance under the Plan, determined as of the date of each such distribution, over (II) $1,000.

(3) **Aggregation of Emergency Personal Expense Distributions.** Emergency Personal Expense Distributions from all plans maintained by the Employer are aggregated for annual and dollar limitation purposes.

(4) **Limitation on subsequent Emergency Personal Expense Distributions.** If a distribution is treated as an emergency personal expense distribution, then no amount may be treated as such a distribution during the immediately following three (3) calendar years unless the previous Emergency Personal Expense Distribution is fully recontributed, or the aggregate of the Salary Deferrals and After-Tax Employee Contributions to the Plan subsequent to such previous Emergency Personal Expense Distribution is at least equal to the amount of such previous distribution which has not been recontributed.

(c) **Self-certification of Emergency Personal Expense Distribution.** The Plan Administrator may reasonably rely on an Employee's written certification that the Employee satisfies the conditions for receiving an Emergency Personal Expense Distribution.

(d) **Recontributions to applicable Eligible Retirement Plans.** A Participant who received one or more Emergency Personal Expense Distributions under the Plan is entitled to recontribute the distribution(s) (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the Emergency Personal Expense Distribution in an Eligible Rollover Distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(e) **Exemption from 10% additional tax.** An Emergency Personal Expense Distribution is includible in gross income, but it is not subject to the 10% additional tax under Code §72(t)(1).

B-6.04 **Domestic Abuse Distributions.** As provided under §314 of the SECURE 2.0 Act, effective for distributions made on or after January 1, 2024, the Plan may permit a Participant to receive a Domestic Abuse Distribution from the contribution sources as designated in Elective Provisions §S2-11. Domestic Abuse Distributions may not be made from the portion of any plan to which the qualified joint and survivor annuity rules of Code §§401(a)(11) and 417 apply. A Domestic Abuse Distribution will meet the distribution requirements under Code §§403(b)(7)(A)(i) and 403(b)(11). The Employer may use IRS Notice 2024-55 in applying the Domestic Abuse Distribution rules under the Plan.

(a) **Definition of Domestic Abuse Distribution.** A Domestic Abuse Distribution is a distribution to a Domestic Abuse victim which is made during the 1-year period beginning on any date on which the Domestic Abuse victim is a victim of Domestic Abuse by a spouse or domestic partner and that meets the following conditions and definitions.

(1) **Definition of Domestic Abuse.** Domestic Abuse is physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household.

(2) **Limitation.** The aggregate amount which the Plan may treat as a Domestic Abuse Distribution to a Domestic Abuse victim shall not exceed an amount equal to the lesser of (i) $10,000 (indexed for inflation), or (ii) 50 percent of the value of the nonforfeitable Account Balances of the Domestic Abuse victim under all plans of the Employer.

(3) **Aggregation of Domestic Abuse Distributions.** Domestic Abuse Distributions from all plans maintained by the Employer, including any Related Employer, are aggregated for limitation purposes.

(b) **Recontributions to applicable Eligible Retirement Plans.** Any portion of a Domestic Abuse Distribution may, at any time during the 3-year period beginning on the day after the date on which the Participant received such distribution, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. In the case of a recontribution made with respect to a Domestic Abuse Distribution, an individual is treated as having received the Domestic Abuse Distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(c) **Other applicable rules.** The following rules apply to Domestic Abuse Distributions:

(1) A Domestic Abuse Distribution is includible in the Domestic Abuse victim's gross income, but it is not subject to the 10% additional tax under Code §72(t)(1).

(2) In making a determination whether an individual is eligible for a Domestic Abuse Distribution, the Employer or Plan Administrator is permitted to rely on reasonable representations from the individual, unless the Employer or Plan Administrator has actual knowledge to the contrary.

B-6.05 **Terminally Ill Individual Distributions.** *[Terminally Ill Individual Distributions are not available with respect to Salary*

Deferrals or amounts held in a Custodial Account unless legislation amends Code §72(t)(2)(L) to allow a Terminally Ill Individual Distribution as a permissible distribution event under Code §403(b).] The Employer may elect under Elective Provision §S2-11 to allow Terminally Ill Individual Distributions.

(a) **Definition of Terminally Ill Individual Distribution.** A Terminally Ill Individual Distribution is any distribution from the Plan to a Participant who is a terminally ill individual that is made on or after the date on which the Participant has been certified by a physician as having a terminal illness. A terminally ill individual means an individual who has been certified by a physician as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification.

(b) **Certification for a Terminally Ill Individual Distribution.** A certification of terminal illness from a physician must include the following:

(1) A statement that the individual's illness or physical condition can be reasonably expected to result in death in 84 months or less after the date of certification;

(2) A narrative description of the evidence that was used to support the statement of illness or physical condition;

(3) The name and contact information of the physician making the statement;

(4) The date the physician examined the individual or reviewed the evidence provided by the individual, and the date that the certification is signed by the physician; and

(5) The signature of the physician making the statement, and an attestation from the physician that, by signing the form, the physician confirms that the physician composed the narrative description based on the physician's examination of the individual or the physician's review of the evidence provided by the individual.

(c) **Recontributions of Terminally Ill Individual Distributions.** A Participant who received a Terminally Ill Individual Distribution (including any other in-service distribution to a Participant who qualifies for a Terminally Ill Individual Distribution under the Plan), may recontribute the distribution(s) (not to exceed the amount of the distribution(s)) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a Rollover Contribution to the Plan at the time of recontribution. The Plan Administrator may develop procedures and conditions for accepting recontributions of Terminally Ill Individual Distributions. A Participant who makes a recontribution to the Plan will be treated as having received the Terminally Ill Individual Distribution in an Eligible Rollover Distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

B-6.06 **Qualified Disaster Recovery Distributions and loans from the Plan.** This S2IA §B-6.06 incorporates §331 of the SECURE 2.0 Act relating to special disaster-related rules for retirement plans. The provisions of this S2IA §B-6.06 will apply only to the extent a distribution or loan has been made to a qualified individual as provided under the SECURE 2.0 Act. If the Plan does not operationally apply the rules under this S2IA §B-6.06, such provisions do not apply to the Plan. **The Plan Administrator must document under administrative procedures the operational application of this S2IA §B-6.06.** To the extent this S2IA §B-6.06 applies to the Plan, these provisions supersede any inconsistent provisions of the Plan or loan program.

(a) **Eligibility for Qualified Disaster Recovery Distribution.** A qualified individual (as determined under S2IA §B-6.06(a)(1)(i) below) may, if permitted by the Plan Administrator, take a Qualified Disaster Recovery Distribution without regard to certain distribution restrictions otherwise applicable under the Plan.

(1) **Definitions**

(i) **Qualified Disaster Recovery Distribution.** A Qualified Disaster Recovery Distribution is a distribution made (1) on or after the first day of the Incident Period of the applicable Qualified Disaster and before 180 days after the Applicable Date with respect to such disaster, and (2) to an individual whose principal place of abode at any time during the incident period of such Qualified Disaster is located in the Qualified Disaster Area with respect to such Qualified Disaster and who has sustained an economic loss by reason of such Qualified Disaster (i.e., a qualified individual).

(ii) **Qualified Disaster.** A Qualified Disaster is any disaster with respect to which a major disaster has been declared by the President under §401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act on or after December 28, 2020.

(iii) **Qualified Disaster Area.** A Qualified Disaster Area is, with respect to any Qualified Disaster, the area with respect to which the major disaster was declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

(iv) **Incident Period.** The Incident Period is, with respect to any Qualified Disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred.

(v) **Applicable Date.** The Applicable Date is the latest of: (1) December 29, 2022; (2) the first day of the Incident Period with respect to the Qualified Disaster, or (3) the date of the disaster declaration with respect to the Qualified Disaster.

(2) **Limit on amount of Qualified Disaster Recovery Distributions.** The aggregate amount of Qualified Disaster Recovery Distributions received by an individual (from all plans maintained by the Employer, including any Related Employer) may not exceed $22,000 with respect to the same Qualified Disaster.

(b) **Repayment of Qualified Disaster Recovery Distribution.** A Participant who received a Qualified Disaster Recovery Distribution from the Plan may, at any time during the 3-year period beginning on the day after the receipt of such distribution, make one or more Rollover Contributions to an Eligible Retirement Plan (including this Plan) in an aggregate amount that does not exceed the amount of such Qualified Disaster Recovery Distribution. This subsection (b) only applies if the Eligible Retirement Plan permits Rollover Contributions.

(c) **Recontributions of Withdrawals for Home Purchases.** As provided under Code §402(c)(13) as added by §331 of the SECURE 2.0 Act, a Participant who received a Qualified Disaster Distribution may make one or more Rollover Contributions to the Plan during the applicable period (as defined in Code §72(t)(8)(F)) in an aggregate amount not to exceed the amount of such Qualified Disaster Distribution. For this purpose, a Qualified Disaster Distribution is any Hardship distribution which (1) was to be used to purchase or construct a principal residence in a Qualified Disaster Area, but was not so used on account of the Qualified Disaster with respect to such area, and (2) was received during the period beginning on the date which is 180 days before the first day of the Incident Period of such Qualified Disaster and ending on the date which is 30 days after the last day of such Incident Period. This S2IA §6.06(c) only applies if the Plan permits Rollover Contributions.

(d) **Special Loan Rules.** As provided under Code §72(p)(6) as added by §331(c) of the SECURE 2.0 Act, the Plan Administrator is authorized (but not required) to revise the applicable loan requirements under the Plan to reflect (1) and (2) below.

(1) **Increased Participant loan limits.** Notwithstanding the Participant loan limitations under the Plan, for purposes of determining the permissible Participant loans for qualified individuals during the applicable periods (as defined under Code §72(p)(6)(C)(ii)), the loan limit under Code §72(p)(2)(A) shall be applied by substituting "$100,000" for "$50,000" and the adequate security requirement under Code §72(p)(2)(A) (ii) may be applied using "the Participant's vested Account Balance" rather than "one-half (½) of the Participant's vested Account Balance."

(2) **Delayed loan repayment date.** If a qualified individual has an outstanding Participant loan on or after the qualified beginning date (as provided under Code §72(p)(6)(B)), and the due date for repayment of such loan occurs during the applicable period beginning on the qualified beginning date (as described under the applicable disaster relief law):

(i) the due date for repayment of the Participant loan shall be delayed for one year;

(ii) any subsequent repayments with respect to such loan shall be appropriately adjusted to reflect the delay in the due date under subsection (i) and any interest accruing during such delay; and

(iii) in determining the five-year period and the term of the loan under Code §72(p)(2)(B) and (C), the one-year delay period described in subsection (i) shall be disregarded.

B-6.07 **Qualified Long-Term Care Distributions.** Pursuant to Code §401(a)(39) and §334 of the SECURE 2.0 Act as applicable to a Code §403(b) plan, effective no earlier than for distributions made on or after December 30, 2025, if elected under Elective Provisions §S2-11, the permissible in-service distribution events may include Qualified Long-Term Care Distributions. A Qualified Long-Term Care Distribution will meet the distribution requirements under Code §§403(b)(7)(A)(i) and 403(b)(11).

(a) **Definition of Qualified Long-Term Care Distribution.** A Qualified Long-Term Care Distribution is any distribution that is the least of the following:

(1) the amount paid by or assessed to the Employee receiving the distribution during the taxable year for certified long-term care insurance for the Employee, the Employee's spouse or other family member of the Employee (as provided by the Secretary of the Treasury);

(2) an amount equal to 10% of the Employee's vested Account Balance; or

(3) $2,500 (adjusted for cost of living adjustments)

(b) **Certified long-term care insurance.** Certified long-term care insurance is a qualified long-term care insurance contract (as defined in Code §7702B(b)) covering qualified long-term care services (as defined in Code §7702B(c)), coverage of the risk that an insured individual would become a chronically ill individual (within the meaning of Code §101(g)(4)(B)) under a rider or other provision of a life insurance contract which satisfies the requirements of Code §101(g)(3) (determined without regard to subparagraph (D) thereof), or coverage of qualified long-term care services (as so defined) under a rider or other provision of an insurance or annuity contract which is treated as a separate contract under Code §7702B(e) and satisfies the requirements of Code §7702B(g), if such coverage provides meaningful financial assistance in the event the insured needs home-based or nursing home care. For purposes of the preceding sentence, coverage shall not be deemed to provide meaningful financial assistance unless benefits are adjusted for inflation and consumer protections are provided, including protection in the event the coverage is terminated.

(c) **Distributions must otherwise be includible in income.** To be considered a Qualified Long-Term Care Distribution, such distribution must otherwise be includible in the Employee's income under rules similar to the rules of Code §402(l)(3).

(d) **Long-term care premium statement.** No distribution shall be treated as a Qualified Long-Term Care Distribution unless a long-term care premium statement with respect to the Employee has been filed with the Plan. A long-term care premium statement is a statement provided by the issuer of the longer-term care coverage, which includes, but is not limited to:

(1) the name and taxpayer identification number of such issuer;

(2) a statement that the coverage is certified long-term care insurance;

(3) identification of the Employee as the owner of such coverage;

(4) identification of the individual covered and such individual's relationship to the Employee; and

(5) the premiums owed for the coverage for the calendar year.

The Plan will accept a long-term care premium statement only if the issuer has completed a disclosure to the Secretary of the Treasury for the specific coverage product to which the statement relates. Such disclosure shall identify the issuer, type of coverage, and such other information as the Secretary may require which is included in the filing of the product with the applicable State authority.

B-6.08 **Required minimum distributions.** The Plan shall comply with the required minimum distribution requirements of Code §401(a)(9) and applicable regulations in accordance with the terms governing each Investment Arrangement (if applicable), unless and to the extent otherwise permitted by law and in regulations or other rules of general applicability published by the Department of the Treasury or the Internal Revenue Service. For purposes of applying the distribution rules of Code §401(a)(9), each Investment Arrangement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treas. Reg. §1.408-8, except as provided in Treas. Reg. §1.403(b)-6(e). The Employer may develop administrative procedures to assist the Plan in complying with the required minimum distribution requirements of Code §401(a)(9) and applicable regulations. Effective for Participants turning age 70 ½ on or after January 1, 2020, and for the distribution of a Participant's Accumulated Benefit who dies on or after January 1, 2020, the amendments made by the SECURE Act are hereby reflected. In addition, changes to the required minimum distribution rules under Code §401(a)(9) as required under the SECURE 2.0 Act are hereby reflected.

B-6.09 **Qualified Distributions for Retired Public Safety Officers.** Subject to the Plan's administrative policies, a Participant who is an eligible retired public safety officer may elect, after Severance from Employment, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan. As provided under Code §402(l)(5)(A) and §328 of the SECURE 2.0 Act, effective for distributions made on or after December 30, 2022, the exclusion from income for such distributions Code §402(l)(5) applies without regard to whether payment of the premiums is made directly to the provider of the accident or health plan or qualified long-term care insurance contract by deduction from a distribution from the Plan, or is made to the Participant.

SECTION 7
MISCELLANEOUS PROVISIONS

B-7.01 **Elimination of unnecessary plan requirements related to unenrolled Participants.** Pursuant to Code §414(bb) and §320 of the SECURE 2.0 Act, effective for Plan Years beginning on or after January 1, 2023, notwithstanding any other provision of the Plan, law or regulations, the Plan Administrator is not required to provide any disclosure, notice, or other plan-related document (other than the notices and documents described in subparagraphs (a) and (b) below) to any unenrolled Participant if the unenrolled Participant receives:

(a) an annual reminder notice (as described under ERISA §111(c)) of such Participant's eligibility to participate in the Plan and any applicable election deadlines under the Plan, and

(b) any document requested by such Participant that the Participant would be entitled to receive notwithstanding Code §414(bb).

For purposes of this S2IA §B-7.01, an unenrolled Participant is any Employee that is eligible to participate in the Plan, has been furnished the summary plan description for the Plan and any other required notices related to eligibility under the Plan in connection with such Participant's initial eligibility to participate in the Plan, is not participating in the Plan, and satisfies such other criteria as the Secretary of the Treasury may determine appropriate, as prescribed in guidance issued in consultation with the Secretary of Labor. For purposes of this S2IA §B-7.01, any eligibility to participate in the Plan following any period for which an Employee was not eligible to participate shall be treated as initial eligibility.

B-7.02 **Special rules applicable to inadvertent benefit overpayments.** Effective as of December 29, 2022 (and with respect to certain actions before December 29, 2022, the provisions of Code §414(aa) – Special Rules Applicable to Benefit Overpayments (as added under §301 of the SECURE 2.0 Act) apply to the Plan. The Employer may use IRS Notice 2024-77 in applying the inadvertent benefit overpayment rules.

(a) **Impact on Plan qualification.** The Plan shall not fail to be treated as satisfying the requirements of Code §403(b) merely because: (i) the Plan fails to obtain payment from any Participant, Beneficiary, employer, plan sponsor, fiduciary, or other party on account of any inadvertent benefit overpayment made by the Plan, or (ii) the Employer amends the Plan to increase past, or decrease future, benefit payments to affected Participants and Beneficiaries in order to adjust for prior inadvertent benefit overpayments.

(b) **Reduction in future benefit payments and recovery from responsible party.** This S2IA §B-7.02 shall not fail to apply to the Plan merely because, after discovering a benefit overpayment, the Plan: (i) reduces future benefit payments to the correct amount provided for under the terms of the Plan, or (ii) seeks recovery from the person or persons responsible for such overpayment.

(c) **Prevention and restoration of impermissible forfeitures.** Nothing in this S2IA §B-7.02 shall relieve the Employer of any obligation imposed on it to prevent or restore an impermissible forfeiture in accordance with Code §411, as applicable to Code §403(b) plans.

(d) **Observance of benefit limitations.** Notwithstanding the provisions of this S2IA §B-7.02, the Plan shall observe any limitations imposed on it by Code §§401(a)(17) or 415. The Plan may enforce such limitations using any method approved by the IRS for recouping benefits previously paid or allocations previously made in excess of such limitations.

(e) **Coordination with other Code §403(b) requirements.** The Plan shall comply with any regulations or other guidance of general applicability issued by the IRS specifying how benefit overpayments and their recoupment or non-recoupment from a Participant or Beneficiary shall be taken into account for purposes of satisfying any requirement applicable to the Plan.

(f) **Rollovers.** As provided for under Code §402(c)(12), as added by §301(b)(2) of the SECURE 2.0 Act, in the case of an inadvertent benefit overpayment from the Plan to which Code §414(aa)(1) applies that is transferred to an Eligible Retirement Plan by or on behalf of a Participant or Beneficiary:

(1) the portion of such overpayment with respect to which recoupment is not sought on behalf of the Plan shall be treated as having been paid in an Eligible Rollover Distribution if the payment would have been an Eligible Rollover Distribution but for being an overpayment, and

(2) the portion of such overpayment with respect to which recoupment is sought on behalf of the Plan shall be permitted to be returned to such Plan and in such case shall be treated as an Eligible Rollover Distribution transferred to such Plan by the Participant or Beneficiary who received such overpayment (and the plans making and receiving such transfer shall be treated as permitting such transfer).

B-7.03 **Automatic portability transactions.** Effective for transactions occurring on or after December 29, 2023, the Plan Administrator may, in its discretion, accept transfers of assets into the Plan on behalf of an active Participant pursuant to an automatic portability transaction, as described under §120 of the SECURE 2.0 Act and Code §4975(f)(12).

B-7.04 **Code §403(b)(7) plans investment in group trusts.** If security law or other legislation is enacted to allow Code §403(b)(7) plans investment in group trusts, such plans may invest in a group trust intended to satisfy the requirements of IRS Revenue Ruling 81-100 (or any successor guidance), as provided under Code 403(b)(7)(A) as amended by §128 of the SECURE 2.0 Act.

SECTION 8
MULTIPLE EMPLOYER PLAN AND POOLED EMPLOYER PLAN PROVISIONS

B-8.01 **Multiple Employer Plans and Pooled Employer Plans.** §106 of the SECURE 2.0 Act, which is effective for Plan Years beginning on or after January 1, 2023, adds Code §403(b)(15) relating to Multiple Employer Plans. Until such time that the IRS and the Department of Labor issue guidance applicable to Code §403(b)(15), the Employer and Plan Administrator may apply a reasonable, good-faith interpretation of the Multiple Employer Plan and Pooled Employer Plan rules under Code §403(b)(15) that are applicable to Code §403(b) plans. The Plan Administrator may develop administrative procedures to apply to Multiple Employer Plans and Pooled Employer Plans. As provided under §106(g) of the SECURE 2.0 Act, no inference shall be made from Code §403(b)(15)(A) not applying to church plans (as defined in Code §414(e)).The Plan shall not be treated as meeting the requirements of Code §403(b)(15) unless the Plan satisfies rules similar to the rules of Code §§413(e)(1)(A) or (B), except in the case of a Multiple Employer Plan maintained solely by a State, a political subdivision of a State, or an agency or instrumentality of any one or more of the foregoing.

Effective for Plan Years beginning on or after January 1, 2023, Section 16.07 of the applicable Pre-Approved 403(b) BPD is deleted and the following rules apply if the Plan is a Multiple Employer Plan or a Pooled Employer Plan.

(a) **Multiple Employer Plans.** Regardless of any election under AA §2-6, if an Employer (other than a Related Employer) executes a Participating Employer Adoption Page under the Adoption Agreement, the Plan is treated as a Multiple Employer Plan. If the Plan is a Multiple Employer Plan, the following rules apply (as reasonably and in good-faith interpreted by the Employer and Plan Administrator):

(1) **Eligibility requirements.** If the Plan is a Multiple Employer Plan, the eligibility rules under Section 2 of the BPD are applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer.

(2) **Vesting rules.** If the Plan is a Multiple Employer Plan, the vesting rules under Section 7 of the BPD are applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer.

(3) **Code §415 Limit.** If the Employer is a Multiple Employer Plan, the Code §415 Limit under Section 5 of the BPD is applied as if the Employees of all Employers participating in the Multiple Employer Plan are employed by a single Employer. Thus, if a Participant receives contributions from more than one Employer within the Multiple Employer Plan, such contributions must be aggregated for purposes of applying the Code §415 Limit. For this purpose, Total Compensation from all Participating Employers may be considered in applying the Code §415 Limit.

(4) **Minimum coverage and nondiscrimination testing.** Each Participating Employer (that is not a Related Employer) that participates in a Multiple Employer Plan must separately satisfy the minimum coverage requirements under Code §410(b) and the nondiscrimination requirements under Code §401(a)(4) (including the ACP Test if applicable) taking into account only Employees of that Employer. The failure of any Participating Employer to satisfy the minimum coverage or nondiscrimination rules for a particular Plan Year may affect the qualified status of the entire Plan.

(5) **Governmental plans.** If the Participating Employer is a State, a political subdivision of a State, or an agency or instrumentality of any one or more of the foregoing, any special rule or exception otherwise applicable to such governmental employers continue to apply under the Multiple Employer Plan.

(6) **Other rules applicable to Multiple Employer Plans.** To the extent not addressed in this §8.01(a), the rules under Code §403(b)(15), as added under §106 of the SECURE 2.0 Act, will apply to a Multiple Employer Plan.

(b) **Definitions that apply to Multiple Employer Plans.**

(1) **Lead Employer.** The signatory Employer under the Adoption Agreement.

(2) **Participating Employer.** An Employer which, with the consent of the Lead Employer, executes a Participating Employer Adoption Page. To the extent permitted by the Lead Employer, a Participating Employer may modify the selections made by the Lead Employer under the Adoption Agreement. Any modifications made by a Participating Employer may be described as an attachment to the Participating Employer Signature Page for that Participating Employer.

(3) **Professional Employer Organization (PEO).** An organization described in Rev. Proc. 2002-21 and any successor legislation or regulation. If the Lead Employer is a PEO, each Participating Employer is a Client Organization as defined in Rev. Proc. 2002-21. Any Employee on the PEO's payroll who receives amounts from the PEO for providing services pursuant to a service agreement between the PEO and the Client Organization shall be deemed to be the Employee of the Client Organization for whom the Employee performs services, and not of the PEO. Any amounts paid by a PEO to an Employee of a Client Organization shall be treated as paid by the Client Organization for all purposes under the Plan.

(c) **Other special rules for Multiple Employer Plans.** The Lead Employer is the Named Fiduciary (if applicable) and Plan Administrator under the Plan, unless specifically designated otherwise under separate written procedures assigning such responsibilities to another party. The underlying Participating Employers are co-sponsors of the Multiple Employer Plan.

(1) **Safe Harbor 403(b) Plans.** If a Participating Employer elects to separately apply the Safe Harbor 403(b) Plan provisions, such provisions will be applied solely with respect to the Participating Employer electing Safe Harbor 403(b) status. Thus, Traditional Safe Harbor/QACA Safe Harbor Contributions only need to be made for Employees of the Participating Employer and the Plan of the Participating Employer will qualify as a Safe Harbor 403(b) Plan if it separately satisfies the requirements for a Safe Harbor 403(b) Plan.

(2) **Amendment of Plan document.** The Lead Employer reserves the right to amend the Plan on behalf of all Participating Employers. Each Employer signing a Participating Employer Signature Page shall be bound by the provisions in this Plan document and any selections made under the Adoption Agreement, except to the extent the Participating Employer makes a contrary election under the Adoption Agreement, as set forth under §8.01 above.

(i) **Plan amendments.** The Lead Employer shall be responsible for ensuring the Plan is updated for any required amendments. Unless provided otherwise under the Participating Employer Signature Page, a Participating Employer is bound by any amendments made to the Plan by the Lead Employer.

(ii) **Investment Arrangement designation.** The Participating Employer agrees to use the same Investment Arrangement(s) as is designated by the Lead Employer, except as provided in a separate agreement.

(iii) **Plan termination.** The Lead Employer may terminate this Plan at any time by delivering to the Investment Arrangement(s) and each Participating Employer a written notice of such termination.

(iv) **Execution of Participating Employer Adoption Page.** The Employer that has executed the Employer Signature Page of the Adoption Agreement, or its designated representative, is authorized to sign the Participating Employer Adoption Page on behalf of a Participating Employer to adopt an amendment or subsequent Plan restatement, unless otherwise provided under the Participating Employer Adoption Page.

(3) **Ability of Lead Employer to Remove Participating Employers.** The Lead Employer may remove any Participating Employer from the Plan if the Participating Employer refuses to correct a qualification defect under the Plan maintained by such Participating Employer. Upon removal from the Plan, the Participating Employer may continue to maintain its portion of the Plan as a single-Employer Plan. Upon removal of a Participating Employer, Employees of such terminated Participating Employer will cease to be eligible to accrue additional benefits under this Plan with respect to Plan Compensation earned on or after the date of termination.

The Lead Employer may develop reasonable administrative procedures outlining the procedures for removing a Participating Employer from the Plan. By adopting this Plan, each Participating Employer authorizes the Lead Employer to exercise the option to remove a Participating Employer from the Plan in accordance with such administrative procedures.

(4) **Withdrawal from Plan.** Upon thirty (30) days written notice to the other party, either the Lead Employer or Participating Employer may voluntarily withdraw from the Plan. If a Participating Employer withdraws from the Plan, the Participating Employer may continue to maintain the Plan as a single-Employer Plan. Plan assets attributable to the Employees of the Participating Employer will be transferred to the Participating Employer's Plan. No distributions will be permitted from the Plan solely on account of a Participating Employer's withdrawal from the Plan. The withdrawing Employer will bear all reasonable costs associated with the withdrawal and transfer of assets to a new plan. Employees of a withdrawing Employer will cease to be eligible to accrue additional benefits under this Plan with respect to Plan Compensation earned on or after the date of withdrawal. The withdrawal of a Participating Employer from the Plan is not considered a Plan termination which allows distributions to the Participants of the withdrawing Participating Employer.

(d) <u>Pooled Employer Plans.</u> If elected in the Elective Provisions, the Plan is treated as a Pooled Employer Plan ("PEP") consistent with the rules under Code §403(b)(15), Code §413(c), Code §413(e), ERISA §3(43) and applicable regulations or guidance. To the extent the IRS or the Department of Labor has not issued guidance with respect provisions applicable to PEPs, a PEP Participating Employer, and the Pooled Plan Provider ("PPP") for the Plan may reasonably and in good faith interpret the requirements of Code §403(b)(15), Code §413(c), Code §413(e) and ERISA §3(43) as applicable to Code §403(b) PEPs.

(1) <u>Application of qualification rules to PEPs.</u> If the Plan is a PEP, the following qualification rules apply, unless the IRS issues guidance indicating that one or more qualification rules are applied differently or are not applicable to PEPs.

(i) <u>Eligibility requirements.</u> The eligibility rules under Section 2 of the BPD are applied as if the Employees of all the Employers participating in the PEP are employed by a single Employer.

(ii) <u>Vesting rules.</u> The vesting rules under Section 7 of the BPD are applied as if the Employees of all the Employers participating in the PEP are employed by a single Employer.

(iii) <u>Code §415 Limit.</u> The Code §415 Limit under Section 5 of the BPD is applied as if the Employees of all the Employers participating in the PEP are employed by a single Employer. Thus, if a Participant receives contributions from more than one PEP Participating Employer within the PEP, such contributions must be aggregated for purposes of applying the Code §415 Limit. For this purpose, Total Compensation from all PEP Participating Employers may be considered in applying the Code §415 Limit.

(iv) <u>Minimum coverage and nondiscrimination testing.</u> Each PEP Participating Employer that participates in a PEP must separately satisfy the minimum coverage requirements under Code §410(b) and the nondiscrimination requirements under Code §401(a)(4) (including the ACP Test if applicable) taking into account only Employees of that PEP Participating Employer.

(v) <u>Governmental plans</u>. If the Participating Employer is a State, a political subdivision of a State, or an agency or instrumentality of any one or more of the foregoing, any special rule or exception otherwise applicable to such governmental employers continue to apply under the Pooled Employer Plan.

(vi) <u>Other rules applicable to PEPs.</u> To the extent not addressed in this S2IA §8.01(d), the rules under Code §401(a), Code §413(c), Code §413(e) and applicable regulations and guidance will apply to the PEP, as provided by the IRS and the Department of Labor.

(2) <u>Definitions that apply to PEPs.</u>

(i) <u>Pooled Employer Plan.</u> A Pooled Employer Plan ("PEP") is a tax qualified plan under Code §403(b) which is established and maintained for the purpose of providing benefits to the Employees of two or more PEP Participating Employers. A PEP shall not include a Plan maintained by employers which have a common interest other than having adopted the Plan. The PEP shall be treated as a single employee pension benefit plan or single pension plan for purposes of ERISA. ERISA §210(a) applies to the Plan.

PEPs are subject to the following rules and requirements:

(A) The PEP must designate the Pooled Plan Provider ("PPP") under the Pooled Employer Plan Adoption Page.

(B) The PEP must designate one or more named fiduciaries (or other entity allowed by law or regulation) to be responsible for collecting contributions to the PEP. Such named fiduciary may not be a PEP Participating Employer and must implement written procedures for collecting contributions that are reasonable, diligent and systematic. Unless otherwise designed under the Elective Provisions §S2-12, the fiduciary responsible for collecting contributions is the PPP.

(C) Each PEP Participating Employer retains fiduciary responsibility under ERISA §404(a) for:

(I) the selection and monitoring of the PPP and any other person, designated as a Named Fiduciary of the PEP, and

(II) to the extent not otherwise delegated to another fiduciary (such as a 3(38) investment manager) by the PPP and subject to the provisions of ERISA §404(c), the investment and management of the portion of the PEP's assets attributable to the Employees of the PEP Participating Employer (or beneficiaries of such Employees).

(D) PEP Participating Employers, Participants and beneficiaries will not be subject to unreasonable restrictions, fees, or penalties with regard to ceasing participation, receipt of distributions, or otherwise transferring assets of the Plan in accordance with ERISA §208 or ERISA §(44)(C)(i)(II).

(E) The PPP must provide the PEP Participating Employers with any disclosures or other information which the IRS or Department of Labor may require, including any disclosures or other information to facilitate the selection or any monitoring of the PPP by the PEP Participating Employers.

(F) Each PEP Participating Employer must take such actions as the IRS, the Department of Labor or the PPP determines are necessary to administer the Plan or for the Plan to meet any requirement applicable under ERISA or the Code.

(G) The PEP or the PPP may provide any disclosure or other information required to be provided by the IRS or Department of Labor in electronic form. Such disclosures or other information will be designed to ensure only reasonable costs are imposed on PPPs and PEP Participating Employers.

(H) The PEP may not be a multiemployer plan.

(I) A Plan established before January 1, 2023 may not be a PEP unless the Plan Administrator or Employer elects that the Plan will be treated as a PEP and the Plan meets the requirements applicable to a PEP established on or after such date.

(ii) **PEP Participating Employer.** An Employer which executes a Pooled Employer Plan Adoption Page. Except with respect to the administrative duties assumed by the PPP, each PEP Participating Employer in the Plan is the Plan sponsor with respect to the portion of the Plan attributable to Employees (or beneficiaries) of such PEP Participating Employer.

(iii) **Pooled Plan Provider.** A Pooled Plan Provider ("PPP") is the person who is identified as the Pooled Plan Provider on the Pooled Employer Plan Adoption Page.

(A) The PPP must register as a PPP with the Department of Labor before beginning operations as a PPP.

(B) The PPP is a Named Fiduciary, is the Plan Administrator and is responsible for performing all administrative duties, including conducting proper testing with respect to the Plan and the Participants of each PEP Participating Employer which are reasonably necessary to ensure that:

(I) the Plan meets any applicable requirements under ERISA and Code §403(b); and

(II) each PEP Participating Employer in the Plan takes such actions as the IRS, the Department of Labor or the PPP determines are necessary under ERISA or the Code, including providing an applicable disclosure or other information.

(C) The PPP must acknowledge it is a Named Fiduciary under the Pooled Employer Plan Adoption Page.

(D) The PPP will ensure that all persons who handle assets of, or who are fiduciaries of the Plan, are bonded in accordance with ERISA §412.

(E) The PPP includes all persons and entities aggregated under the related employer rules of Code §§414(b), (c), (m), or (o).

(F) The PPP must choose the elective provisions of the Adoption Agreement for each Lead PEP and assumes the appropriate duties otherwise required of an Employer, as defined under the Plan. The PPP may reasonably interpret the terms of the Plan as such terms apply to a PEP.

(iv) **Lead PEP.** The Lead PEP is the PEP identified on the Pooled Employer Plan Adoption Page that includes the Adoption Agreement elections made by the PPP. To the extent permitted by the PPP, a PEP Participating Employer may modify the Adoption Agreement selections made in the Lead PEP. Any modifications made by a PEP Participating Employer may be described under the Pooled Employer Plan Adoption Page or in an attachment to the Pooled Employer Plan Adoption Page for that PEP Participating Employer.

(3) **Special rules for PEPs.**

(i) **Allocation of contributions.** Any contributions (and forfeitures relating to such contributions) made by a PEP Participating Employer will be allocated only to the Participants employed by the PEP Participating Employer making such contributions. By adopting the Plan, a PEP Participating Employer agrees to make any contributions required under the Plan to maintain the qualified status of the Plan.

If a PEP Participating Employer elects to separately apply the Safe Harbor 403(b) Plan provisions, such provisions will be applied solely with respect to the PEP Participating Employer electing Safe Harbor 403(b) status. Thus, Traditional Safe Harbor/QACA Safe Harbor Contributions only need to be made for Participants of the PEP Participating Employer and the Plan of the PEP Participating Employer will qualify as a Safe Harbor 403(b) Plan if it separately satisfies the requirements for a Safe Harbor 403(b) Plan.

(ii) **Failures by PEP Participating Employer.** If a PEP Participating Employer fails to take actions required under Code §413(e), the assets of the Plan attributable to Employees (and their beneficiaries) of such PEP Participating Employer will be transferred to a plan maintained only by such PEP Participating Employer (or its successor), to an Eligible Retirement Plan for each individual whose account is transferred, or to any other arrangement that the IRS or Department of Labor determines is appropriate, unless the IRS or the Department of Labor determines that it is in the best interest of the Employees (and their beneficiaries) of such PEP Participating Employer to retain the assets in the Plan. Furthermore, if a PEP Participating Employer fails to take actions required under Code §413(e), such PEP Participating Employer (and not the PEP or any other PEP Participating Employer under the Plan) shall, except to the extent provided by the IRS or the Department of Labor, be liable for any liabilities with respect to the PEP attributable to Employees (or their beneficiaries) of such PEP Participating Employer.

(iii) **Failures by PPP.** If the PPP for the Plan does not perform substantially all of the administrative duties which are required of the PPP under §8.01(d)(2)(iii) above for any Plan Year, the IRS may provide that the determination as to whether the Plan meets the requirements applicable to a PEP shall be made in the same manner as would be made without regard to whether the Plan is a PEP.

(iv) **Other special rules applicable to the PEP.** The PEP Participating Employer and/or PPP for the Plan may describe any modification, clarification, or revision to a specific PEP Participating Employer's Adoption Agreement or List of Modifications. Any special rules must satisfy the nondiscrimination requirements under Code §401(a)(4) as applicable to PEPs and must satisfy the rules applicable to PEPs under Code §413(e).

(4) **Administrative procedures.** The PEP Participating Employer and the PPP may develop separate written procedures deemed necessary to properly administer the PEP. Such administrative procedures must satisfy the nondiscrimination requirements under Code §401(a)(4) as applicable to the PEP and must satisfy the rules applicable to PEPs under Code §403(b)(15) and Code §413(e).

Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
1111 Constitution Ave., NW
Washington, DC 20224

Date: BH
12/16/2025
Employer ID number:
16-1538542
Case number:
202502052
File folder number:
FFN: 317E077BH09-001
Letter Serial number:
Q706414a
Plan number:
09-001
Plan description:
Non-Standardized Pre-Approved 403(b) Plan
Date of submission:
11/26/2025
Person to contact:
Name: Janell Hayes
ID number: 1000203103
Telephone: 513-975-6319
Hours: 10:00 a.m. to 5:00 p.m. EST. Mon-Fri

US OMNI & TSACG COMPLIANCE SERVICES INC
220 ALEXANDER STREET, SUITE 400
ROCHESTER, NY 14607

Dear Applicant:

Why you're receiving this letter

In our opinion, we found the form of the plan shown above is acceptable for use by eligible employers for the benefit of their employees under Internal Revenue Code (IRC) Section 403(b).

What you need to do

You must provide to each eligible employer who adopts this plan:
. A copy of this letter.
. A copy of the approved plan.
. Copies of later amendments including their dates of adoption.
. The plan provider's contact information including their address and telephone number.

What you should know

Our opinion relates only to the satisfaction of the plan's form with the requirements of IRC Section 403(b) contained in the 2022 Cumulative List of Notice 2022-8, 2022-7 Internal Revenue Bulletin (IRB) 491, and certain other requirements of IRC Section 403(b) as detailed in Section 13 of Revenue Procedure (Rev. Proc.) 2021-37, 2021-38 IRB 385. We didn't consider the effect of other federal or local statutes.

Our opinion on the acceptability of the form of the plan isn't a determination of an eligible employer's plan satisfying the requirements of IRC Section 403(b). An eligible employer that adopts this plan can generally rely on this letter as described and outlined below.

An eligible employer that adopts an IRC Section 403(b) nonstandardized plan may rely on this letter that the form of the plan satisfies the requirements of IRC Section 403(b) if the employer has not amended the plan other than to choose options provided under the plan or to make amendments that are described in Section 9.03 of Rev. Proc. 2021-37 relating to employer amendments that will not affect reliance.

The IRS doesn't issue a determination letter to an eligible employer who adopts this plan, except as noted in Section 25 of Rev. Proc. 2023-37, 2023-51 IRB 1491. For example, an adopting employer of a nonstandardized plan that makes amendments to the plan that are not extensive may obtain reliance that the form of the plan, as amended, satisfies the requirements of IRC Section 403(b) by requesting a determination letter using Form 5307, Application for Determination for Adopters of Modified Nonstandardized Pre-Approved Plans.

Additionally, see Section 8.02(1) - (3) of Rev. Proc. 2021-37 for exceptions with respect to IRC Sections 401(a)(4), 410(b), 414(s), and 415.

For other rules and procedures related to an IRC Section 403(b) pre-approved plan submitted for the second remedial amendment cycle, generally see Rev. Proc. 2021-37.

As stated in the plan, the provisions of this plan override any conflicting provision contained in any investment arrangements under the plan or any other documents that may be incorporated by reference into an adopting eligible employer's plan. This opinion letter doesn't cover any provisions contained in the investment arrangements or any other documents incorporated by reference outside the plan or adoption agreement, such as a collective bargaining agreement.

An eligible employer who adopts this plan may not rely on this letter when the employer:

. Uses the plan to amend or restate a plan which didn't previously meet the requirements of IRC Section 403(b).

. Adopts the plan before the opinion letter is issued.

. Doesn't correctly complete the adoption agreement or other elective provisions in the plan.

. Has any investment arrangement under the plan or any other document that may be incorporated by reference that provides that they govern if there's a conflict between their terms and the terms of the plan.

. Amends the plan other than by choosing options provided under the plan or by making amendments other than those that are described in Section 9.03 of Rev. Proc. 2021- 37 (relating to employer amendments that will not affect reliance).

Our opinion doesn't:

. Consider issues which the Department of Labor administers under Title I of the Employee Retirement Income Security Act (ERISA).

. Constitute a determination that the plan is an IRC Section 414(d) governmental plan.

. Constitute a determination that the adopting employer is a church within the meaning of IRC Section 3121(w)(3)(A) or a qualified church-controlled organization within the meaning of IRC Section 3121(w)(3)(B) (QCCO).

If this plan is not a Retirement Income Account plan described under IRC Section 403(b)(9), the adopting employer must be an eligible employer within the meaning of Treasury Regulations Section 1.403(b)-2(b)(8).

If this plan is a Retirement Income Account plan described under IRC Section 403(b)(9), the plan must either be established or maintained by a church, or a convention or association of churches, including an organization described in IRC Section 414(e)(3)(A). For a Retirement Income Account plan, the adopting employer may be a church, QCCO, non-QCCO, or minister; however, if the plan is not established by a church, or a convention or association of churches, including an organization described in IRC Section 414(e)(3)(A), the plan must be maintained by a church, or a convention or association of churches, including an organization described in IRC Section 414(e)(3)(A).

This is not a determination regarding language in the plan that reflects Section 3 of the Defense of Marriage Act, Pub. L. 104199, 110 Stat. 2419 (DOMA) or U.S. v. Windsor, 570 U.S. 12 (2013), which invalidated Section 3 of DOMA, except to the extent that the definition of spouse is relevant for purposes of required minimum distributions under IRC Section 401(a)(9) and spousal rollover rights under IRC Section 402(c)(9).

This letter doesn't rule on whether this plan meets any requirements that apply due to a plan's coverage of multiple employers that are not in a single controlled group.

A pre-approved plan restatement that generally is effective as of a certain date should not be treated as superseding a previously adopted interim plan amendment that is effective before or after the restatement's effective date and that has not been incorporated or reflected in the restatement, provided that the pre-approved plan is operated in a manner consistent with the interim plan amendment. A plan is presumed to be operating in compliance with an interim plan amendment in any case in which the operation of the plan cannot be determined.

Who can you contact

If you, the pre-approved plan provider, have questions, you can call the telephone number at the top of the first page of this letter. This number is only for the provider's use. Individual participants or adopting eligible employers with questions about the plan should contact you.

If you prefer, you can write to the address at the top of the first page of this letter. When you write, include a copy of this letter, your telephone number and the hours we can reach you.

Let us know if you change or stop sponsorship of this plan.

Keep this letter for your records.

Sincerely,

Daniel Dragoo
Director, EP Rulings & Agreements

Lehighton Area School District

GOVERNMENTAL PRE-APPROVED 403(b) PLAN
ADOPTION AGREEMENT #12-001
For Government Entities, including Public Schools and Dual Status 501(c)(3)/Governmental Organizations

By executing this Governmental Pre-Approved 403(b) Plan Adoption Agreement (the "Adoption Agreement or AA"), the undersigned Employer agrees to establish or continue a 403(b) Plan. The 403(b) Plan adopted by the Employer consists of the Pre-Approved 403(b) Plan Basic Plan Document #12 (the "BPD") and the elections made under this Adoption Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Adoption Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Adoption Agreement.** Unless the context clearly requires otherwise, all capitalized terms used in this Adoption Agreement shall have the same meaning as when used in the BPD.

In completing the provisions of this Adoption Agreement, unless designated otherwise, selections under the Deferral column apply to all Salary Deferrals (including Roth Deferrals and Catch-Up Contributions) and After-Tax Employee Contributions. The selections under the Match column apply to Matching Contributions under AA §6B. Selections under the ER column apply to Employer Contributions under AA §6 and Mandatory Contributions under AA §6C.

As a Governmental Plan, this Plan is not subject to the nondiscrimination and coverage rules (other than the universal availability rule under Code §403(b)(12)(A)(ii)) under the Code. Also, as a Governmental Plan, this Plan is not subject to Title I of ERISA and may make elections under this Adoption Agreement accordingly.

All elections the Employer makes under the Adoption Agreement are subject to the terms governing the applicable Investment Arrangement(s) and any applicable state or local law.

SECTION 1
EMPLOYER INFORMATION

The information contained in this Section 1 is required for informational purposes only and may be modified without amending this Adoption Agreement by substituting a new Section 1 with the updated information. Any changes to the provisions under this Section 1 will not affect the Employer's reliance on the Favorable IRS Letter.

1-1 **EMPLOYER INFORMATION.**

Name: Lehighton Area School District

Address: 1000 Union Street

City, State, Zip Code: Lehighton, PA 18235

Telephone: 6103774490

1-2 **EMPLOYER IDENTIFICATION NUMBER (EIN).** 246002508

1-3 **TYPE OF EMPLOYER. (Select (a) or (b))**

☑ (a) Public School (as defined in Section 1.78 of the BPD)

☐ (b) Dual Status §501(c)(3)/Governmental Organization (as defined in Section 1.28 of the BPD)

1-4 **EMPLOYER'S TAX (ACCOUNTING) YEAR END (optional).** The Employer's tax (accounting) year ends _______________

1-5 **RELATED EMPLOYERS (optional).** Is the Employer part of a group of Related Employers (as defined in Section 1.84 of the BPD)?

☐ Yes

☑ No

If yes, Related Employers may be listed below. A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

____

[***Note:*** *This AA §1-5 is for informational purposes. The failure to identify all Related Employers under this AA §1-5 will not jeopardize the qualified status of the Plan.*]

SECTION 2
PLAN INFORMATION

2-1 **PLAN NAME.** Lehighton Area School District 403(b) Plan

Original Effective Date: January 1, 2009

Restatement Effective Date: January 1, 2026

[***Note:*** *The Plan's Original Effective Date may be no earlier than the first day of the Plan Year in which the Plan is initially adopted. The Plan's Restatement Effective Date may be no earlier than the first day of the Plan Year in which the Plan's restatement is adopted. A Participant's Salary Deferral Agreement may not apply to Plan Compensation that became currently available before the date the Employer adopts the salary reduction feature of the Plan*.]

2-2 **PLAN NUMBER.** 000

2-3 **TYPE OF PLAN. (Check one of (a)-(c) and, if applicable, (d).)**

☐ (a) Custodial Account under Code §403(b)(7)

☐ (b) Annuity Contract under Code §403(b)(1)

☑ (c) Custodial Account and/or Annuity Contract

☐ (d) The Plan is intended to be a FICA Replacement Plan

[***Note:*** *A Favorable IRS Letter issued in accordance with Rev. Proc. 2021-37 to this Plan does not provide any reliance as to whether an Employer who has adopted this Plan satisfies the requirements under Treas. Reg. §31.3121(b)(7)-2 for the Plan to be treated as a FICA Replacement Plan with respect to any Employee*.]

2-4 **PLAN YEAR.**

☑ (a) Calendar year.

☐ (b) The 12-consecutive month period ending on ______ each year.

☐ (c) The Plan has a Short Plan Year running from ____ to ____.

2-5 **FROZEN PLAN.** Check this AA §2-5 if the Plan is a frozen Plan to which no contributions will be made.

☐ This Plan is a frozen Plan effective _____.

[***Note:*** *As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation paid after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.*]

2-6 **MULTIPLE EMPLOYER PLAN.** Is this Plan a Multiple Employer Plan as defined in Section 1.62 of the BPD? (See Section 16.07 of the BPD for special rules applicable to Multiple Employer Plans.)

☐ (a) Yes

☑ (b) No

2-7 **PLAN ADMINISTRATOR.**

☐ (a) The Employer identified in AA §1-1.

☑ (b) Name: U.S. OMNI & TSACG Compliance Services

Address: 73 Eglin Parkway NE, Ste. 202, Fort Walton Beach, FL 32548

Telephone: 888-777-5827

[***Note:*** *To the extent an individual is named in this AA §2-7 and does not take on all responsibilities of Plan Administrator, the Employer will retain those responsibilities as Plan Administrator. (See Section 1.71 of the BPD.)*]

2-8 **DEFINITION OF DISABLED.** Unless otherwise provided under the terms of the applicable Investment Arrangement, an individual is considered Disabled under Section 1.27 of the BPD (option (c) below) unless an alternative definition of Disabled is elected below.

☐ (a) The individual is covered by the Employer's disability insurance plan and is determined to be Disabled under such plan.

☑ (b) The individual is determined to be Disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.

☑ (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled.

[***Note****: An Employer may elect any or all of the elections above. If more than one is selected, the hierarchy for determining whether an individual is considered Disabled is in the order listed above, unless described otherwise under separate administrative procedures or as described below*.]

☐ (d) Alternative definition of Disabled: ____________________

[***Note:*** *Any alternative definition described in this subsection (d) will apply uniformly to all Participants under the Plan. The Employer may describe different definitions of Disabled for different purposes under the Plan.*]

SECTION 3
ELIGIBLE EMPLOYEES

3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the BPD, the following Employees are excluded from participation under the Plan with respect to the contribution type(s) identified in this AA §3-1. (See Sections 2.02(e) and (f) of the BPD for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

Deferral	**Match**	**ER**		
☐	☐	☐	(a)	No exclusions
N/A	☐	☐	(b)	Collectively Bargained Employees (as defined in Section 1.21 of the BPD)
☐	☐	☐	(c)	Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income
☑	☐	☐	(d)	Student Employees (as defined in Section 1.97 of the BPD)
☐	☐	☐	(e)	Employees who normally work less than ___ (not more than 20) hours a week (as defined in Section 2.02(b)(4) of the BPD).
N/A	☐	☐	(f)	Employees who normally work less than ___ hours a week.
☐	☐	☐	(g)	Employees eligible for a governmental Code §457(b) plan sponsored by the Employer that includes salary deferral contributions Specify name of Code §457(b) plan (optional): ____________
☐	☐	☐	(h)	Employees eligible for a 401(k) plan sponsored by the Employer Specify name of the 401(k) plan (optional): ____________
☐	☐	☐	(i)	Employees eligible for another 403(b) plan sponsored by the Employer that includes salary deferral contributions Specify name of the other 403(b) plan (optional): ____________
N/A	☐	☐	(j)	Seasonal Employees
N/A	☐	☐	(k)	Temporary Employees
N/A	☐	☐	(l)	Interns
N/A	☐	☐	(m)	Per diem Employees
N/A	☐	☑	(n)	Other: Eligibility for employer contributions is set forth in the applicable agreements between the employer and employee.
N/A	☐	☐	(o)	Other: ____________

[***Note:*** *With respect to any election to exclude Employees under (e) above, the Employer must satisfy the universal availability requirements under Treas. Reg. §§1.403(b)-5(b)(ii) and (iii)(B) under which the Employer may elect to exclude Employees who normally work fewer than 20 hours per week (or such lower number of hours per week as elected in the Adoption Agreement) with respect to Salary Deferrals, Employer Contributions and Matching Contributions. An Employee normally works fewer than 20 hours per week if and only if (1) for the 12-month period beginning on the date of the Employee's Employment Commencement date, the Employer reasonably expects the Employee to work fewer than 1,000 Hours of Service and (2) for each Plan Year after the close of the 12-month period beginning on the date of the Employee's Employment Commencement date, the*

Employee worked fewer than 1,000 Hours of Service in the preceding 12-month period. Once eligible due to satisfaction of this service condition, the Employee will continue to be eligible under the Plan.]

[***Note:*** *If the Plan is intended to be a FICA Replacement Plan (as elected in AA §2-3(d)) and Part-Time, Seasonal or Temporary Employees are not excluded from participation under the Plan with respect to the contribution type(s) identified in this AA §3-1, such Part-Time, Seasonal, or Temporary Employees are not treated as Qualified Participants for FICA Replacement Plan purposes unless any benefit relied upon to meet the minimum benefit requirement under subsection Section 6.04(a) is 100% vested. See Section 6.04(b)(1).*]

SECTION 4
MINIMUM AGE AND SERVICE REQUIREMENTS

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate in each contribution type under the Plan as specified below as of such Eligible Employee's Entry Date (as defined in AA §4-2 below).

[***Note:*** *As a Governmental Plan, this Plan is not subject to the nondiscrimination and coverage rules (other than the universal availability rule under Code §403(b)(12)(A)(ii)) under the Code and Title I of ERISA.*]

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the contribution type as specified below in the Plan. If a different minimum service requirement applies for the same contribution type for different groups of Employees or for different contribution formulas, such differences may be described below.

Match	ER	
☐	☐	(1) There is no minimum service requirement for participation in the Plan.
☐	☐	(2) One Year of Service (as defined in Section 2.03(a)(1) of the BPD and AA §4-3).
☐	☐	(3) The completion of at least ____ Hours of Service during the first ___ months of employment (or the first ___ days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier. ☐ (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period. ☐ (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. (See Section 2.03(a)(2) of the BPD for rules regarding the application of this subsection (ii).)
☐	☐	(4) The completion of ___ Hours of Service during an Eligibility Computation Period (as defined in AA §4-3). [*An Employee satisfies the service requirement immediately upon completion of the designated Hours of Service rather than at the end of the Eligibility Computation Period.*]
☐	☐	(5) Full-time Employees are eligible to participate as set forth in subsection (i). Employees who are "Part-Time" Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii). (i) Full-time Employees must complete the following minimum service requirements to participate in the Plan: ☐ (A) There is no minimum service requirement for participation in the Plan. ☐ (B) The completion of at least ____ Hours of Service during the first ____ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier. ☐ (C) Under the Elapsed Time Method as defined in AA §4-3 below. ☐ (D) Describe: ____

Match	ER	
		(ii) Part-Time Employees must complete a Year of Service (as defined in AA §4-3).
		☐ (A) For this purpose, a Part-Time Employee is any Employee whose normal work schedule is less than:
		☐ (I) ____ hours per week.
		☐ (II) ____ hours per month.
		☐ (III) ____ hours per year.
		☐ (B) Describe Part-Time Employees for this purpose: _____________
		[***Note:*** *A Part-Time Employee must be described as an individual who works less than a specified number of hours during a standard work week.*]
☐	☐	(6) Two (2) Years of Service.
☐	☐	(7) Under the Elapsed Time Method as defined in AA §4-3 below.
☐	☐	(8) Describe eligibility conditions: _______________________________________
☐	☑	(9) Describe eligibility conditions: Any service requirements for employer contributions is set forth in the applicable agreement between the employer and employee.

[***Note:*** *Any described eligibility conditions must satisfy the definitely determinable requirements under Treas. Reg. §1.401-1(b)(1)(i).*]

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution type(s) identified in this AA §4-1(b).

Match	ER	
☐	☑	(1) There is no minimum age for Plan eligibility.
☐	☐	(2) Age 21.
☐	☐	(3) Age ___.

☐ (c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: ______________________

[***Note:*** *This subsection (c) may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan.*]

4-2 **ENTRY DATE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of such Eligible Employee's applicable Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution type(s) identified under this AA §4-2.

Match	ER	
☐	☐	(a) **Immediate.** The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
☐	☐	(b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.
☐	☐	(c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
☐	☐	(d) **Monthly.** The first day of each calendar month.
☐	☐	(e) **Payroll period.** The first day of the payroll period.
☐	☐	(f) **The first day of the Plan Year.** [See Section 2.03(b) of the BPD for special rules that apply.]
☐	☑	(g) **Describe Entry Date:** All entry dates for employees to receive an employer contributions is set forth in the applicable agreement between the employer and employee.

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

Match	ER		
☐	☑	(h)	**next following** satisfaction of the minimum age and service requirements.
☐	☐	(i)	**coinciding with or next following** satisfaction of the minimum age and service requirements.
☐	☐	(j)	**nearest** the satisfaction of the minimum age and service requirements.
☐	☐	(k)	**preceding** the satisfaction of the minimum age and service requirements.
☐	☐	(l)	**coinciding with or preceding** the satisfaction of the minimum age and service requirements.

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for the same contribution types with respect to different groups of Employees, such different Entry Date provisions may be described below.

Match	ER		
☐	☑	(m)	**Describe** any special rules that apply with respect to the Entry Dates under this AA §4-2: <u>All entry dates for employees to receive an employer contributions is set forth in the applicable agreement between the employer and employee.</u> [***Note:*** *The Employer may describe different Entry Dates for different groups of Employees, provided such Entry Dates are consistent with the permissible elections in this AA §4-2.*]

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution types under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.52 of the BPD for the definition of Hour of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years. If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years. However, if the Employee fails to earn a Year of Service in the first or second Eligibility Computation Period, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years beginning in the first or second Eligibility Computation Period, as applicable.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule (see Section 2.07(b) of the BPD) and the One-Year Break in Service rule (see Section 2.07(d) of the BPD) do NOT apply. Governmental Plans are not subject to the Break in Service rules under Title I of ERISA and can modify the Break in Service rules of the Plan accordingly.

To override the default eligibility rules, complete the applicable sections of this AA §4-3. **If this AA §4-3 is not completed for a particular contribution type, the default eligibility rules apply.**

Match	ER		
☐	☐	(a)	**Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ Hours of Service during an Eligibility Computation Period.
☐	☐	(b)	**Eligibility Computation Period.** The Plan will use Anniversary Years for all Eligibility Computation Periods.
☐	☐	(c)	**Exclusion Years.** Instead of the Plan Year, the Plan will use Anniversary Years for Exclusion Years for purposes of determining whether Employees normally work fewer than 20 hours per week. (See Section 2.02(b)(4) of the BPD.)

Match	ER		
☐	☐	(d)	**Elapsed Time Method.** Eligibility service will be determined under the Elapsed Time Method. An Eligible Employee (as defined in AA §3-1) must complete a period of service, as designated below, to participate in the Plan. ☐ (1) For Match, must complete a _____ period of service ☐ (2) For ER, must complete a ____ period of service [***Note:*** *Under the Elapsed Time Method, service will be measured from the Employee's employment commencement date (or reemployment commencement date, if applicable) without regard to the Eligibility Computation Period.*]
☐	☐	(e)	**Equivalency Method**. For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the BPD). The Equivalency Method will apply to: ☐ (1) All Employees. ☐ (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked. Hours of Service for eligibility will be determined under the following Equivalency Method: ☐ (3) **Monthly.** 190 Hours of Service for each month worked. ☐ (4) **Weekly.** 45 Hours of Service for each week worked. ☐ (5) **Daily.** 10 Hours of Service for each day worked. ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked. ☐ (7) **Hours worked.** 870 hours worked treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service. ☐ (8) **Regular time hours.** 750 regular time hours treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service. ☐ (9) **Describe:** ____ [***Note:*** *Any description under (9) must be definitely determinable with respect to Hours of Service.*]
☐	☐	(f)	**Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service (as defined in Section 2.07(b) of the BPD) will be disregarded in applying the eligibility rules. ☐ The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not had a Severance from Employment.
☐	☐	(g)	**One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 2.07(d) of the BPD) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service. ☐ The One-Year Break in Service rule applies to all Employees, including Employees who have not had a Severance from Employment.
☐	☐	(h)	**Special eligibility provisions:** ____ [***Note:*** *Any special eligibility provision must relate to an Employee's eligibility to participate under the Plan. The Employer may describe different eligibility provisions, including different Eligibility Computation Periods and different service crediting methods, for different groups of Employees, provided such eligibility provisions are consistent with the permissible elections in this AA §4.*]

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution types under the Plan as of such Employee's Entry Date under AA §4-2, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Match	ER	
☐	☐	An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to minimum age and/or service requirements (as designated below):

☐ (a) the Effective Date of this Plan (as designated in the Employer Signature Page).

☐ (b) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).

☐ (c) ____ [*insert date no earlier than the Effective Date of this Plan*].

An Eligible Employee who is employed on the designated date will become eligible to participate in the Plan without regard to the minimum age and service requirements under AA §4-1. If both minimum age and service conditions are not waived, select (d) or (e) to designate which condition is waived under this AA §4-4.

☐ (d) This AA §4-4 only applies to the minimum service condition.

☐ (e) This AA §4-4 only applies to the minimum age condition.

The provisions of this AA §4-4 apply to all Eligible Employees employed on the designated date unless designated otherwise under subsection (f) or (g) below:

☐ (f) The provisions of this AA §4-4 apply to the following group of Employees employed on the designated date: ______________________________

☐ (g) Describe special rules: ______________________________________

[***Note:*** *An Employee who is employed as of the date described in this AA §4-4 will be eligible to enter the Plan as of such date unless a different Entry Date is designated under subsection (g).*]

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** This AA §4-5 may be used to identify any Predecessor Employers for whom service will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan.

If this AA §4-5 is not completed, no service with a Predecessor Employer will be counted.

☐ (a) **Identify Predecessor Employer(s):**

☐ (1) The Plan will count service with all Employers which have been acquired.

☐ (2) The Plan will count service with the following Predecessor Employers:

	Name of Predecessor Employer	Eligibility	Vesting	Allocation Conditions
☐ (i)	____	☐	☐	☐

☐ (b) **Describe** any special provisions applicable to Predecessor Employer service: __________________________________

[***Note:*** *Any special provisions must relate solely to service with a Predecessor Employer.*]

SECTION 5
COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. (See Section 1.101 of the BPD for a specific definition of the various types of Total Compensation.)

☐ (a) W-2 Wages

☑ (b) Code §415 Compensation

☐ (c) "Simplified" Code §415 Compensation

☐ (d) Wages under Code §3401(a)

[***Note:*** *For purposes of determining Total Compensation, the definition includes Elective Deferrals as defined in Section 1.33 of the BPD, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).*]

5-2 **POST-SEVERANCE COMPENSATION.** Total Compensation includes post-severance compensation, to the extent provided in Section 1.101(b) of the BPD. This may be overridden by completing the following elections:

☐ (a) **Exclusion of post-severance compensation from Total Compensation.** The following amounts paid after a Participant's severance of employment are excluded from Total Compensation:

☐ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.

☐ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[***Note:*** *Plan Compensation (as defined in Section 1.72 of the BPD) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3.*]

(b) **Continuation payments for disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for disabled Participants.

☐ **Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.101(c) of the BPD.

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 and adjusted by AA §5-2 above) with the following exclusions described below.

Deferral	Match	ER		
☑	☐	☑	(a)	No exclusions.
N/A	☐	☐	(b)	Elective Deferrals (as defined in Section 1.33 of the BPD), pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).
☐	☐	☐	(c)	All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits.
☐	☐	☐	(d)	Compensation above $___.
☐	☐	☐	(e)	Amounts received as a bonus.
☐	☐	☐	(f)	Amounts received as commissions.
☐	☐	☐	(g)	Overtime payments.
☐	☐	☐	(h)	Amounts received for services performed for a non-signatory Related Employer. (See Section 2.02(c) of the BPD.)
☐	☐	☐	(i)	"Deemed §125 compensation" as defined in Section 1.101(d) of the BPD.

☐	☐	☐	(j) Amounts received after Severance from Employment. (See Section 1.101(b) of the BPD.)
☐	☐	☐	(k) Differential Pay (as defined in Section 1.101(e) of the BPD).
☐	☐	☐	(l) Leave of absence pay.
☐	☐	☐	(m) Describe adjustments to Plan Compensation: ______________________ [*Note:* *Any adjustments to Plan Compensation under this AA §5-3 must be definitely determinable.*]

5-4 **PERIOD FOR DETERMINING COMPENSATION.**

(a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution types identified in this AA §5-4. [*If a period other than Plan Year applies for any contribution type, any reference to the Plan Year as it refers to Plan Compensation for that contribution type will be deemed to be a reference to the period designated under this AA §5-4.*]

Deferral	Match	ER	
☑	☐	☑	(1) The Plan Year.
☐	☐	☐	(2) The calendar year ending in the Plan Year.
☐	☐	☐	(3) The Employer's fiscal tax year ending in the Plan Year.
☐	☐	☐	(4) The 12-month period ending on _____ which ends during the Plan Year.

(b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation paid while an individual is a Participant under the Plan with respect to a particular contribution type will be taken into account.

To count compensation for the entire Plan Year for a particular contribution type, including compensation paid while an individual is not a Participant with respect to such contribution type, check below. (See Section 1.72 of the BPD.)

Match	ER	
☐	☐	All compensation paid during the Plan Year will be taken into account, including compensation paid while an individual is not a Participant.

(c) **Few weeks rule.** The few weeks rule under Code §415 will not apply unless designated otherwise under this subsection (c).

☐ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Includible Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year.

SECTION 6
EMPLOYER CONTRIBUTIONS

6-1 **EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions under the Plan?

☑ Yes
☐ No [*If No, skip to AA §6A.*]

6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-4 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-7 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3.

[*Note:* *As a Governmental Plan, this Plan is not subject to the nondiscrimination and coverage rules (other than the universal availability rule under Code §403(b)(12)(A)(ii)) under the Code and Title I of ERISA.*]

☑ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.

☐ (b) **Fixed contribution.**

☐ (1) __% of each Participant's Plan Compensation.

☐ (2) $____ for each Participant.

☑ (c) **Contributions under collective bargaining agreement, employment contract or equivalent arrangement.** The Employer will make an Employer Contribution based on a collective bargaining agreement, employment contract or equivalent arrangement as follows:

☑ (1) Describe: All employer contribution formulas are set forth in the applicable agreement between the employer and employee.

☐ (2) See Addendum.

[***Note***: *Insert the appropriate contribution formula (and allocation formula, if applicable) from the collective bargaining agreement, employment contract or equivalent arrangement. The formula must be definitely determinable. Alternatively, the Employer may attach an addendum which incorporates by reference the currently applicable collective bargaining agreement, employment contract or equivalent arrangement. The addendum does not need to include the actual collective bargaining agreement, employment contract or equivalent arrangement, but must be sufficiently descriptive to identify incorporated documents.*]

☐ (d) **Service-based contribution.** The Employer will make the following contribution:

☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.

☐ (2) **Fixed percentage.** ___% of Plan Compensation paid for each period of service designated below.

☐ (3) **Fixed dollar.** $____ for each period of service designated below.

The service-based contribution will be based on the following periods of service:

☐ (4) Each Hour of Service

☐ (5) Each week of employment

☐ (6) Describe period: ______________________________

[***Note***: *Any described period must satisfy the definitely determinable requirements under Treas. Reg. §1.401-1(b)(1)(i).*]

The service-based contribution is subject to the following rules:

☐ (7) Describe any special provisions that apply to service-based contribution: ______________________________

☐ (e) **Year of Service contribution.** The Employer will make an Employer Contribution based on Years of Service with the Employer.

Years of Service	Contribution %
☐ (1) From ___ and up through ___	___%
☐ (2) From ___ and up through ___	___%
☐ (3) From ___ and up through ___	___%
☐ (4) From ___ and up through ___	___%
☐ (5) From ___ and up through ___	___%
☐ (6) From ___ and up through ___	___%
☐ (7) From ___ and above	___%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: ______________________________

[***Note:*** *Any alternative definition of a Year of Service must meet the requirements of a Year of Service as defined in Section 2.03 of the BPD.*]

☐ (f) **Describe special rules for determining contributions under the Plan:** ______________________________

[***Note:*** *The Employer may describe special rules for determining contributions under the Plan consistent with the elections under (a) – (e) above and/or a combination thereof.*]

6-3 **ALLOCATION FORMULA.**

☐ (a) **Uniform allocation.** The discretionary Employer Contribution under AA §6-2 will be allocated:

☐ (1) as a uniform percentage of Plan Compensation.

☐ (2) as a uniform dollar amount.

☐ (b) **Fixed allocation.** The fixed Employer Contribution under AA §6-2 will be allocated in accordance with the selections made with respect to the fixed Employer Contributions under AA §6-2.

☐ (c) **Permitted disparity allocation.** The discretionary Employer Contribution under AA §6-2 will be allocated under the two-step method (as defined in Section 3.02(a)(1)(ii)(A) of the BPD), using the Taxable Wage Base (as defined in Section 1.98 of the BPD) as the Integration Level.

To modify these default rules, complete the appropriate provision(s) below:

☐ (1) **Integration Level.** Instead of the Taxable Wage Base, the Integration Level is:

☐ (i) ____% of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:

☐ (A) N/A ☐ (B) $1

☐ (C) $100 ☐ (D) $1,000

☐ (ii) $_____ (not to exceed the Taxable Wage Base)

☐ (iii) 20% of the Taxable Wage Base

[***Note:*** *See Section 3.02(a)(1)(ii)(D) of the BPD for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.*]

☐ (2) **Describe** special rules for applying permitted disparity allocation formula: ____________________________

[***Note:*** *Any special rules must relate solely to applying the permitted disparity formula.*]

☐ (d) **Uniform points allocation.** The discretionary Employer Contribution designated in AA §6-2 will be allocated to each Participant in the ratio that each Participant's total points bears to the total points of all Participants. A Participant will receive the following points:

☐ (1) ____ point(s) for each ____ year(s) of age (attained as of the end of the Plan Year).

☐ (2) ____ point(s) for each $____ (not to exceed $200) of Plan Compensation.

☐ (3) ____ point(s) for each ____ Year(s) of Service. For this purpose, Years of Service are determined:

☐ (i) In the same manner as determined for eligibility.

☐ (ii) In the same manner as determined for vesting.

☐ (iii) Points will not be provided with respect to Years of Service in excess of ____.

☐ (e) **Employee group allocation.** The Employer may make a separate Employer Contribution to the Participants in the following allocation groups. The Employer must notify the Vendor or Plan Administrator in writing of the amount of the contribution to be allocated to each allocation group.

☐ (1) A separate discretionary Employer Contribution may be made to each Participant of the Employer (i.e., each Participant is in such Participant's own allocation group).

☐ (2) A separate discretionary or fixed Employer Contribution may be made to the following allocation groups. If no fixed amount is designated for a particular allocation group, the contribution made for such allocation group will be allocated as a uniform percentage of Plan Compensation to all Participants within that allocation group, unless otherwise designated as a uniform dollar amount below.

☐ The contribution made for each allocation group will be allocated as a uniform dollar amount to all Participants within the allocation group.

Description of allocation groups

☐ **Group 1:** ____

[***Note***: *Each group must be definitely determinable.*]

☐ (3) **Special rules.** The following special rules apply to the Employee group allocation formula.

☐ (i) **More than one Employee group.** Unless designated otherwise under this subsection (i), if a Participant is in more than one allocation group described in (2) above during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year.

☐ (A) **Determined separately for each Employee group.** If a Participant is in more than one allocation group during the Plan Year, the Participant's share of the Employer Contribution will be based on the Participant's status for the part of the year the Participant is in each allocation group. However, if the Period for determining Employer Contributions under AA §6-4(a) is not the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the applicable period.

☐ (B) **Describe:** ______________________________

[***Note:*** *Any language under this subsection (B) must be definitely determinable.*]

☐ (f) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2 will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as defined in Section 3.02(a)(1)(v)(B) of the BPD).

A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under (1) or (2) below, the Plan will use an applicable interest rate of 8.5% and a UP-1984 mortality table.

☐ (1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of ___% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.

☐ (2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: ______________________________

☐ (3) **Describe special rules applicable to age-based allocation:** ______________________________

[***Note:*** *See Appendix A of the BPD for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated.*]

☐ (g) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2 will be allocated in accordance with the selections made under the service-based allocation formula in AA §6-2.

☐ (h) **Year of Service allocation formula.** The Year of Service Employer Contribution selected in AA §6-2 will be allocated in accordance with the selections made under the Year of Service allocation formula in AA §6-2.

☑ (i) **Describe special rules for determining allocation formula:** All employer contribution allocation formulas are set forth in the applicable agreement between the employer and employee.

[***Note:*** *The Employer may describe special rules for determining allocation formula under the Plan consistent with the elections under (a) – (h) above and/or a combination thereof.*]

6-4 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-4. Unless designated otherwise, in determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation paid during the Plan Year.

☐ (a) **Period for determining Employer Contributions.** Instead of the Plan Year, Employer Contributions will be determined based on Plan Compensation paid during the following period: [*The Plan Year must be used if the permitted disparity allocation method is selected under AA §6-3 above.*]

☐ (1) Plan Year quarter

☐ (2) calendar month

☐ (3) payroll period

☐ (4) Other period more frequent than Plan Year: ______________________________

[***Note:*** *Although Employer Contributions are determined on the basis of Plan Compensation paid during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415(c)-1(b)(6)(B), regardless of the period selected under this subsection (a). Any alternative period designated under subsection (4) may not exceed a 12-month period and will apply uniformly to all Participants.*]

☐ (b) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:

☐ (1) ___% of Plan Compensation

☐ (2) $___

☐ (3) A discretionary amount determined by the Employer applied in a uniform manner for all eligible Participants for the Plan Year.

☐ (c) **Offset of Employer Contribution.**

☐ (1) A Participant's allocation of Employer Contributions under AA §6-2 of this Plan is reduced by contributions under __________________ [*insert name of plan(s)*].

☐ (2) In applying the offset under this subsection (c), the following rules apply: ____________________________

☐ (d) **Other special rules relating to Employer Contributions:** ____

6-5 **SPECIAL EMPLOYER CONTRIBUTIONS.**

(a) **Contributions for former Employees.** If this subsection (a) is elected, the Employer may continue to make Employer Contributions on behalf of a former Employee for the period through the end of the Taxable Year of the Employee in which such Employee ceases to be an Employee and through the end of each of the next five Taxable Years (as provided in Section 3.01(c) of the BPD), as described below:

☐ (1) A separate discretionary Employer Contribution may be made to each former Employee (i.e., each former Employee is in such former Employee's own allocation group).

☐ (2) The Employer will allocate ____% of the former Employee's deemed Total Compensation for the period through the end of the taxable year in which the former Employee has a Severance from Employment and the next ____ taxable years (not to exceed 5).

☑ (3) Describe the contribution/allocation formula that applies to former Employees: <u>All employer contributions to former employees is set forth in the applicable agreement between the employer and the employee.</u>

[***Note:*** *The Employer must describe the contribution/allocation rules in a definitely determinable manner consistent with the contribution and allocation elections available under AA §6-2 and 6-3 and/or a combination thereof.*]

☑ (b) **Contributions of accrued unpaid sick, PTO and/or vacation leave.** (Complete all that apply.)

☑ (1) The Employer will make Employer Contributions of amounts of accrued unpaid sick leave, as described below: <u>All employer contributions for unaccrued sick leave, if any, are set forth in the applicable agreement between the employer and the employee.</u>

☑ (2) The Employer will make Employer Contributions of amounts of accrued unpaid vacation leave, as described below: <u>All employer contributions for unpaid vacation leave, if any, are set forth in the applicable agreement between the employer and the employee.</u>

☑ (3) The Employer will make Employer Contributions of amounts of accrued unpaid PTO leave, as described below: <u>All employer contributions for unaccrued PTO leave, if any, are set forth in the applicable agreement between the employer and the employee.</u>

[***Note:*** *The Employer must describe an Employer Contribution of accrued unpaid sick, PTO and/or vacation leave that meets the following requirements:*

- *The leave converted under the arrangement can only be accrued unpaid leave;*
- *The leave converted can only be sick, PTO and/or vacation leave;*
- *The Employer must designate how often the conversions occur under this AA §6-5;*
- *The eligibility requirements for participation in the plan cannot be such that an Employee becomes a Participant only in the plan year in which the Employee terminates employment;*
- *The only accrued unpaid leave which can be converted under the arrangement must only be leave for which the Employee has no right to request a cash payment;*
- *The leave conversion formula can only be one which involves multiplying an Employee's current daily rate of pay against the amount of accrued unpaid leave being converted; and*
- *The leave conversion formula is definitely determinable.*]

[***Note:*** *As an alternative to describing the Employer Contribution of accrued unpaid sick, PTO and/or vacation leave above, the Employer may attach an addendum which incorporates by reference the currently applicable accrued sick, PTO and/or vacation leave policy. The addendum does not need to include the actual accrued sick, PTO and/or vacation leave policy, but must be sufficiently descriptive to identify incorporated documents.*]

6-6 **MANDATORY CONTRIBUTIONS.** See AA §6C-3 for elections relating to Mandatory Contributions.

6-7 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6-7 to receive an allocation of Employer Contributions under the Plan. Allocation conditions do not apply to Mandatory Contributions.

☐ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☐ (c) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) ____ Hours of Service during the Plan Year.

☐ (i) Hours of Service are determined using actual Hours of Service.

☐ (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3(e)):

☐ (A) Monthly ☐ (B) Weekly

☐ (C) Daily ☐ (D) Semi-monthly

☐ (E) Hours worked ☐ (F) Regular time hours

☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.

☐ (d) **Application to a specified period.** The allocation conditions selected under this AA §6-7 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6-7, the Employer may elect under this subsection (d) to apply the allocation conditions on a periodic basis as set forth below. (See Section 3.06(a) of the BPD for a description of the rules for applying the allocation conditions on a periodic basis.)

☐ (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:

☐ (i) Plan Year quarter

☐ (ii) calendar month

☐ (iii) payroll period

☐ (iv) Other period more frequent than Plan Year: ____

☐ (2) **Application to allocation conditions.** If this subsection (2) is checked to apply allocation conditions on the basis of specified periods, to the extent an employment or minimum service allocation condition applies under this AA §6-7, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:

☐ (i) Only the employment condition will be based on the period selected in subsection (1) above.

☐ (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.

☐ (iii) Describe any special rules: ____

[***Note:*** *Any special rules under subsection (iii) must relate solely to the application of the allocation conditions.*]

☐ (e) **Exceptions.**

☐ (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:

☐ (i) dies.

☐ (ii) has a Severance from Employment due to becoming Disabled.

☐ (iii) becomes Disabled.

☐ (iv) has a Severance from Employment after attaining Normal Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (v) has a Severance from Employment after attaining Early Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (vi) is on an authorized leave of absence from the Employer.

☐ (2) The exceptions selected under subsection (1) will apply even if an Employee has not had a Severance from Employment at the time of the selected event(s).

☐ (3) The exceptions selected under subsection (1) do not apply to:

☐ (i) an employment condition designated under this AA §6-7.

☐ (ii) a minimum service condition designated under this AA §6-7.

☐ (iii) a Discretionary Employer Contribution.

☐ (iv) a Fixed Employer Contribution.

☐ (f) **Equivalency Method**. For purposes of determining an Employee's Hours of Service for allocation purposes, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the BPD). The Equivalency Method will apply to:

☐ (1) All Employees.

☐ (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

☐ (g) **Elapsed Time Method**. For purposes of determining an Employee's service for allocation purposes, the Plan will use the Elapsed Time Method.

☑ (h) **Describe** any special rules governing the allocation conditions under the Plan: <u>Any allocation conditions for employer contributions are set forth in the applicable agreement between the employer and employee.</u>

SECTION 6A
SALARY DEFERRALS

6A-1 **SALARY DEFERRALS.** Are Eligible Employees permitted to make Salary Deferrals under the Plan?

☑ Yes

☐ No [*If "No" is checked, skip to Section 6B.*]

6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** Unless designated otherwise below, a Participant may defer any amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation (as set forth in Sections 5.02 and 5.03 of the BPD).

☐ (a) **Salary Deferral Limit.** A Participant may not defer an amount in excess of:

☐ (1) ____% of Plan Compensation

☐ (2) $____.

[***Note:*** *If both subsection (1) and subsection (2) are checked, the deferral limit is the lesser of the amounts selected.*]

Any limit described in subsection (1) or subsection (2) above applies with respect to the following period:

☐ (3) Plan Year.

☐ (4) the portion of the Plan Year during which the individual is eligible to participate.

☐ (5) each separate payroll period during which the individual is eligible to participate.

☐ (b) **Limits on deferrals on bonus payments.** [***Note:*** *This subsection (b) may only be selected if bonus payments are not excluded under AA §5-3.*]

☐ (1) The same limits specified above apply to bonus and non-bonus Plan Compensation. Employees may defer any amounts out of bonus payments, subject to the Elective Deferral Dollar Limit and the Code §415 Limitation (as defined in Sections 5.02 and 5.03 of the BPD) and any other limit on Salary Deferrals under this AA 6A-2. The Employer may impose special limits on bonus payments under the Salary Reduction Agreement. (See Section 3.03(a) of the BPD.)

☐ (2) A Participant may defer up to ____% (*not to exceed 100%*) of any bonus payment (subject to the Elective Deferral Dollar Limit and the Code §415 Limitation) without regard to any other limits described under this AA §6A-2. The Employer may impose special limits on bonus payments under the Salary Reduction Agreement. (See Section 3.03(a) of the BPD.)

☐ (3) Describe special rules applicable to deferrals on bonus payments: ____________________________________

☐ (c) Describe any other Plan limitations on Salary Deferrals: ____

6A-3 **MINIMUM DEFERRAL RATE.** Unless designated otherwise under this AA §6A-3, no minimum deferral requirement applies under the Plan. Alternatively, a Participant must defer at least the following amount in order to make Salary Deferrals under the Plan.

☐ (a) ____% of Plan Compensation for a payroll period.

☐ (b) $____ for a payroll period.

☐ (c) Describe: ____

[***Note:*** *If more than one limit applies under this AA §6A-3, the minimum deferral rate is the lesser of the amounts designated under this AA §6A-3. If AA §2-3(d) is checked, and the Plan is intended to be a FICA Replacement Plan but does not permit Employer Contributions (AA §6-1 is "No") or Matching Contributions (AA §6B-1 is "No"), the minimum deferral rate must be at least 7.5%. See BPD Section 6.04(a)(3).*]

6A-4 **CATCH-UP CONTRIBUTIONS.** Age 50 Catch-Up Contributions (as defined in Section 3.03(d) of the BPD) and Special Catch-Up Contributions for Qualified Employees of Qualified Organizations (as defined in Section 3.03(e) of the BPD) are permitted under the Plan, unless designated otherwise under this AA §6A-4.

☐ (a) Age 50 Catch-Up Contributions are not permitted under the Plan.

☑ (b) Special Catch-Up Contributions for Qualified Employees of Qualified Organizations are not permitted under the Plan.

6A-5 **ROTH DEFERRALS.** Roth Deferrals, if available, are subject to the terms of the governing Investment Arrangement(s).

(a) **Availability of Roth Deferrals.**

☑ (1) Roth Deferrals are permitted under the Plan.

☐ (2) Roth Deferrals are not permitted under the Plan.

[***Note:*** *If Roth Deferrals are effective as of a date later than the Effective Date of the Plan, designate such special Effective Date in AA §6A-9 below.*]

(b) **Distribution of Roth Deferrals.** Unless designated otherwise under this subsection (b), to the extent a Participant takes a distribution or withdrawal from such Participant's Salary Deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (See Section 8.09(b) of the BPD for default distribution rules if a Participant fails to designate the appropriate Account(s) for distribution purposes.)

Alternatively, the Employer may designate the order of distributions for the distribution types listed below or in a separate administrative procedure:

☐ (1) **Distributions and withdrawals.**

☐ (i) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.

☐ (ii) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.

☐ (iii) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.

☐ (2) **Distribution of Excess Deferrals.**

☐ (i) Distribution of Excess Deferrals will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.

☐ (ii) Distribution of Excess Deferrals will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.

☐ (iii) Distribution of Excess Deferrals will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

(c) **In-Plan Roth Conversions.** In-Plan Roth Conversions are not permitted unless Roth Deferrals are permitted in subsection (a) above, and then are permitted only if elections in this subsection (c) are completed.

☑ (1) **Effective date.** Effective January 1, 2013, a Participant may elect to convert all or any portion of such Participant's non-Roth vested Account Balance to an In-Plan Roth Conversion Account.

[***Note:*** *The Plan must provide for Roth Deferrals under AA §6A-5 as of the effective date designated in this subsection (c). An election under this subsection (c) does not affect an In-Plan Roth Conversion that was allowed under prior Plan provisions.*]

(2) **In-Service Distribution.**

☑ (i) For a Participant to convert such Participant's eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, the Participant need not be eligible to take a distribution from the Plan. [***Note:*** *If this subsection (i) is checked, a Participant may convert any or all of the eligible contribution types to Roth Deferrals through an In-Plan Roth Conversion.*]

☐ (ii) For a Participant to convert such Participant's eligible contributions to Roth Deferrals through an In-Plan Roth Conversion, a Participant must be eligible for a distribution of any amounts converted to Roth Deferrals through an In-Plan Roth Conversion. Thus, only amounts that are eligible for distribution under AA §9 or AA §10 are eligible for In-Plan Roth Conversion.

(3) **Contribution types.** An Employee may elect to make an In-Plan Roth Conversion from all available contribution types under the Plan.

To override this default provision to limit the contributions types available for In-Plan Roth Conversion, select the applicable contribution types from which an In-Plan Roth Conversion is available:

☐ (i) Pre-tax Deferrals

☐ (ii) Employer Contributions

☐ (iii) Matching Contributions

☐ (iv) After-Tax Employee Contributions

☐ (v) Rollover Contributions

☐ (vi) Mandatory Contributions

☐ (vii) Describe: ____

[***Note:*** *Any contribution types described in this subsection (vii) must be definitely determinable and not subject to Employer discretion.*]

(4) **Limits applicable to In-Plan Roth Conversions.** No special limits apply with respect to In-Plan Roth Conversions, unless designated otherwise under this subsection (4).

☐ (i) Roth conversions may only be made from contribution types that are fully vested (i.e., 100% vested).

[***Note:*** *If an In-Plan Roth Conversion is permitted from partially-vested types, special rules apply for determining the vested percentage of such amounts after conversion. See the rules under Section 7.08 of the BPD.*]

☐ (ii) A Participant may not make an In-Plan Roth Conversion of less than $___.

☐ (iii) A Participant may not make an In-Plan Roth Conversion of any outstanding loan amount.

[***Note:*** *If this subsection (iii) is not checked, a Participant may convert amounts that are attributable to an outstanding loan, to the extent the loan relates to a contribution type that is eligible for conversion under subsection (3) above.*]

☐ (iv) Only Participants who are current Employees are allowed to make In-Plan Roth Conversions.

☐ (v) The ability to make In-Plan Roth Conversions is limited to the following events: ________________

☐ (vi) Describe: ____

[***Note:*** *Any selection in this subsection (vi) must be definitely determinable and not subject to Employer discretion.*]

(5) **Amounts available to pay federal and state taxes generated from an In-Plan Roth Conversion.** No special provisions apply to allow Participants to withdraw funds to pay federal or state taxes generated from an In-Plan Roth Conversion, except as provided otherwise under this subsection (5).

☐ (i) **In-service distribution.** If the Plan does not otherwise permit an in-service distribution at the time of the In-Plan Roth Conversion and this subsection (i) is checked, a Participant may elect to take an in-service distribution solely to pay taxes generated from the In-Plan Roth Conversion to the extent such in-service distribution would otherwise be permitted under Section 8.08 of the BPD.

[***Note:*** *If this subsection (i) is checked, a Participant may take an in-service distribution only to the extent such distribution would otherwise be permitted under the provisions of Section 8.08 of the BPD.*]

☐ (ii) **Participant loan.** Generally, a Participant may request a loan from the Plan to the extent permitted under Section 13 of the BPD and AA Appendix B. However, to the extent a Participant loan is not otherwise allowed and this subsection (ii) is selected, a Participant may receive a Participant loan solely to pay taxes generated from an In-Plan Roth Conversion.

[***Note:*** *If this subsection (ii) is selected and Participant loans are not otherwise authorized under the Plan, any Participant loan made pursuant to this subsection (ii) will be made in accordance with the default loan policy described in Section 13 of the BPD.*]

(6) **Distribution from In-Plan Roth Conversion Account.** Distributions from the In-Plan Roth Conversion Account will be permitted at the same time as permitted for Roth Deferrals, as set forth under AA §10-1, unless designated otherwise under this subsection (6). However, earlier distribution of certain converted amounts may be required to the extent necessary to protect distribution options that were available with respect to such converted amounts prior to the In-Plan Roth Conversion.

☐ (i) In-service distributions will not be permitted from an In-Plan Roth Conversion Account. However, a distribution must continue to be offered for any converted amounts as of the earliest date a distribution would otherwise be permitted for such converted amounts, without regard to the In-Plan Roth Conversion.

☐ (ii) An in-service distribution may be made from the In-Plan Roth Conversion Account at any time, subject to any source distributions restrictions that applied to amounts prior to the conversion.

☐ (iii) Describe distribution options: ______________________________

☐ (d) **SPECIAL RULES APPLICABLE TO ROTH DEFERRALS.** ______________________________

[***Note:*** *Any special rules must satisfy the requirements applicable to Roth Deferrals under Code §402A.*]

6A-6 **AUTOMATIC INCREASE FOR PARTICIPANTS WITH AFFIRMATIVE SALARY DEFERRAL ELECTION.** A Participant's affirmative Salary Deferral election will not automatically increase or expire. To override this default, select the appropriate elections below.

If elected, a Participant's affirmative Salary Deferral election will expire annually, unless otherwise indicated below. Prior to expiration, the Plan must provide Participants with a timely notice that their affirmative Salary Deferral elections will expire and how the automatic increase provision will apply. Prior to the expiration of an affirmative Salary Deferral election, the Participant can complete a new affirmative Salary Deferral election and designate a new Salary Deferral percentage. If a Participant fails to complete a new affirmative Salary Deferral election subsequent to the prior election expiring, the Participant's current Salary Deferral election will continue and will be subject to the automatic increase below.

(a) If elected under this subsection (a), a Participant's affirmative Salary Deferral election will increase each Plan Year as follows: (See Section 3.03(c) of the BPD.)

☐ (1) ___%, up to a maximum of ___%.

A Participant's affirmative Salary Deferral election will expire and the automatic increase will occur:

☐ (2) Annually, on __________ [*indicate date*]

☐ (3) Describe: __________ [*indicate date/frequency, other than annual*]

☐ (b) Automatic increase and expiration provisions will apply to:

☐ (1) All Participants with an affirmative Salary Deferral election.

☐ (2) Only Participants with an affirmative Salary Deferral election that is less than or equal to ___%

☐ (3) Only Participants with an affirmative Salary Deferral election that is at least ___%

☐ (4) Describe: ________________________ [*must not discriminate in favor of Highly Compensated Employees]*

(c) The automatic increase will be allocated under the Plan's administrative procedures unless otherwise indicated below:

☐ Describe: ________________________ [*indicate manner in which the automatic increase will be allocated to the Participant's account*.]

(d) **Application of automatic increase.** Unless designated otherwise under this subsection (d), if an automatic increase is selected under this AA §6A-6, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the salary deferral election first becomes effective with respect to a Participant. (See Section 3.03(c)(2)(i)(C) of the BPD.)

☐ (1) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (a) takes effect as of the appropriate date (as designated under subsection (4) below) within the first Plan Year following the date salary deferrals begin.

☐ (2) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (a) takes effect as of the appropriate date (as designated under subsection (4) below) within the ___ Plan Year following the Plan Year in which the salary deferral election first becomes effective with respect to a Participant.

☐ (3) **At least 6 months after.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (a) takes effect as of the appropriate date (as designated under subsection (4) below) which is at least 6 months (or 180 days) after the Participant first has salary deferrals withheld.

☐ (4) **Effective date.** The automatic increase described under subsection (a) is generally effective as of the first day of the Plan Year. If this subsection (4) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:

☐ (i) The anniversary of the Participant's date of hire.

☐ (ii) The anniversary of the Participant's first salary deferral contribution.

☐ (iii) The first day of each calendar year.

☐ (iv) The anniversary of the Participant's Entry Date.

☐ (v) Other date: __________

[***Note****: The date must be definite and must be consistent with the elections allowed under this AA §6A-6.*]

☐ (e) **Expiration of affirmative deferral elections.** A Participant's affirmative deferral election will expire:

☐ (1) at the end of each Plan Year.

☐ (2) Describe date that the affirmative election will expire: __________

[***Note****: The date must be definite and must be consistent with the elections allowed under this AA §6A-6.*]

The Plan must provide Participants with a timely notice that their affirmative deferral elections will expire and the application of any escalator provision. If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant's current deferral percentage will continue and will be subject to any automatic increase, as may be applicable.

☐ Alternatively**,** if a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant's current deferral percentage will continue and will NOT be subject to any automatic increase.

☐ (f) **Describe special rules** applicable to the automatic increase and expiration of affirmative Salary Deferral election: _____

[***Note:*** *Any special rules under this subsection (f) must satisfy the rules applicable to automatic increases under Treas. Reg. §1.401(k)-3, if applicable.*]

6A-7 **CHANGE OR REVOCATION OF DEFERRAL ELECTION.**

(a) **Change or revocation of deferral election.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume a deferral election will be effective as set forth under the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke a deferral election at least once per year. Unless the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke a deferral election (on a prospective basis) at any time.

(b) **Salary deferral elections of rehired Participants.** Unless designated otherwise below, a Participant's affirmative election to defer (or to not defer) will cease upon Severance from Employment and the Participant will need to make a new election upon rehire.

☐ **Participant's affirmative election does not cease upon Severance from Employment.** If this subsection (b) is selected, a terminated Participant's affirmative election to defer (or to not defer) **will not cease** upon Severance from Employment and the Participant's affirmative election to defer (or to not defer) in effect at the time of Severance from Employment will apply upon rehire.

[***Note****: The Employer may modify the rules applicable to rehired employees under the Salary Reduction Agreement or other administrative procedures*.]

6A-8 **AUTOMATIC CONTRIBUTION ARRANGEMENT.** No automatic contribution provisions apply under Section 3.03 of the BPD, unless provided otherwise under this AA §6A-8. [***Note:*** *A governmental Employer's election to include automatic deferral provisions may be subject to State and local anti-garnishment and other applicable State and local laws and regulations.*]

☐ (a) **Type of Automatic Contribution Arrangement.**

☐ (1) **Eligible Automatic Contribution Arrangement.** Check this subsection (1) if the Employer intends for the Plan to be an Eligible Automatic Contribution Arrangement (EACA), as described in Section 3.03(c)(2). If this subsection (1) is checked, the selections in this AA §6A-8 must be consistent with the requirements of an EACA. As an EACA, the Employer also must complete AA §6A-8(c) relating to permissible withdrawals.

☐ (2) **Automatic Contribution Arrangement other than an EACA.** Check this subsection (2) if the Employer intends for the Plan to be an Automatic Contribution Arrangement other than an EACA.

☐ (b) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan, a Participant will be deemed to have entered into a Salary Reduction Agreement for each payroll period, unless the Participant completes a Salary Reduction Agreement (subject to the limitations under AA §6A-2 and AA §6A-3) in accordance with procedures adopted by the Plan Administrator.

☐ (1) **Effective date of Automatic Contribution Arrangement or EACA.** The automatic deferral provisions under this AA §6A-8 are effective as of:

☐ (i) The Effective Date of this Plan as set forth under the Employer Signature Page.

☐ (ii) _________ [*insert date no earlier than the Effective Date of this Plan*].

☐ (iii) As set forth under a prior Plan document. [***Note:*** *If this subsection (iii) is checked, the automatic deferral provisions under this AA §6A-8 will apply as of the original Effective Date of the automatic contribution arrangement. Unless provided otherwise under this AA §6A-8, an Employee who is automatically enrolled under a prior Plan document will continue to be automatically enrolled under the current Plan document.*]

☐ (iv) If the Employer is amending the provisions applicable to the ACA or EACA, the amended provisions are effective as of _________ [*insert date*].

[***Note****: In no event may the automatic deferral election apply to amounts that would (but for the automatic deferral election) become currently available after the later of the date on which the Employer adopts the cash or deferred arrangement, or the date on which the arrangement first becomes effective*.]

☐ (2) **Automatic Contribution Arrangement deferral amount and automatic increase.**

☐ (i) **Automatic deferral amount.**

☐ (A) ____% of Plan Compensation

☐ (B) $____

☐ (ii) **Automatic increase.** If elected under this subsection (ii), the automatic deferral amount will increase each Plan Year by the following amount. (See Section 3.03(c) of the BPD.)

☐ (A) ____% of Plan Compensation

☐ (B) $_____

☐ (C) If this subsection (C) and subsection (3)(iii) below (relating to the expiration of affirmative deferral elections) are both elected, the automatic increase will apply to all Participants, including those Participants whose affirmative deferral elections have expired and no subsequent affirmative election is made.

Any automatic increase elected under this subsection (ii) will not cause the automatic deferral amount to exceed:

☐ (D) ____% of Plan Compensation

☐ (E) $_____

☐ (iii) **Special application of automatic increase provisions.** The Employer may describe under this subsection (iii) special rules applicable to automatic increase provisions: ______________________

[***Note:*** *Any special application of the automatic increase provisions must be definitely determinable.*]

(3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (2) will apply to new Participants (i.e., Participants who enter the Plan after the automatic deferral provisions are effective) and current Participants (i.e., Participants who were eligible to participate in the Plan at the time the automatic deferral provisions are effective) as set forth under this subsection (3).

☐ (i) **New Participants.** The automatic deferral provisions apply to all eligible Participants who do not enter into a Salary Reduction Agreement (including an election not to defer) and who:

☐ (A) become Participants on or after the effective date of the automatic deferral provisions.

☐ (B) are hired on or after the effective date of the automatic deferral provisions.

☐ (ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:

☐ (A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Reduction Agreement (including an election not to defer under the Plan).

☐ (B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Reduction Agreement that is at least equal to the automatic deferral amount under subsection (2)(i). Current Participants who have made a Salary Reduction Agreement that is less than the automatic deferral amount, or who have not made a Salary Reduction Agreement, will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Reduction Agreement on or after the effective date of the automatic deferral provisions.

☐ (C) Automatic deferral provisions do not apply to current Participants. Only new Participants described in subsection (3)(i) are subject to the automatic deferral provisions. [***Note:*** *See Section 3.03(c)(2)(i) of the BPD for the application of this subsection (C) under an EACA.*]

☐ (D) No change for current Participants. Prior automatic deferral provisions will continue to apply.

☐ (E) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Reduction Agreement (excluding an election not to defer under the Plan).

☐ (F) Describe: ____

☐ (iii) **Expiration of affirmative deferral elections.** Unless this subsection (iii) is elected, for purposes of the automatic deferral provisions of the Plan, a Participant's affirmative elective deferral election will not expire. If this subsection (iii) is elected, a Participant's affirmative deferral election will expire:

☐ (A) at the end of each Plan Year.

☐ (B) Describe date that the affirmative election will expire: ______________________________

[***Note****: The date must be definite.*]

The Plan must provide Participants with a timely notice that their affirmative deferral elections will expire and the application of any escalator provision. If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, upon the expiration of an affirmative deferral election, the Participant can always complete a new affirmative election and designate a new deferral percentage.

☐ Alternatively**,** if a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant's current deferral percentage will continue and will be subject to any automatic increase, as may be applicable.

(iv) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iv).

☐ Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. [***Note:*** *This subsection (iv) may only be checked if Roth Deferrals are permitted under AA §6A-5.*]

[***Note:*** *Any Salary Reduction Agreement (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions.*]

(4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (2)(ii) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant. (See Section 3.03(c)(2)(i) of the BPD.)

☐ (i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) takes effect as of the appropriate date (as designated under subsection (iv) below) within the first Plan Year following the date automatic contributions begin.

☐ (ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) takes effect as of the appropriate date (as designated under subsection (iv) below) within the _____ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.

☐ (iii) **At least 6 months after.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(ii) takes effect as of the appropriate date (as designated under subsection (iv) below) which is at least 6 months (or 180 days) after the Participant first has automatic deferrals withheld.

☐ (iv) **Effective date.** The automatic increase described under subsection (2)(ii) is generally effective as of the first day of the Plan Year. If this subsection (iv) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:

☐ (A) The anniversary of the Participant's date of hire.

☐ (B) The anniversary of the Participant's first automatic deferral contribution.

☐ (C) The first day of each calendar year.

☐ (D) The anniversary of the Participant's Entry Date.

☐ (E) Other date: ____

☐ (v) **Special rules:** ____

[***Note:*** *Any special rules under this subsection (v) must satisfy the rules applicable to automatic increases under Treas. Reg. §1.401(k)-3, if applicable.*]

(5) **Treatment of Employees who have had a Severance from Employment and who are rehired.** Unless designated otherwise below, in applying the automatic deferral provisions under this AA§6A-8, including the automatic increase provisions, a rehired Participant is treated as a new Employee (regardless of the amount of time since the rehired Employee has a Severance from Employment).

☐ (i) **Rehired Employees not treated as new Employee.** In applying the automatic deferral provisions under this AA§6A-8, including the automatic increase provisions, a rehired Participant is not treated as a new Employee. Thus, for example, a rehired Participant's deferral percentage will be calculated based on the date the individual first began making automatic deferrals under the Plan.

☐ (ii) **Administrative procedure.** The treatment of re-hired employees will be governed by separate administrative procedure.

☐ (iii) **Describe special rules applicable to rehired employees:** ______________________

[***Note:*** *Any special rules under this subsection (iii) must satisfy the rules applicable to automatic enrollment under Treas. Reg. §1.401(k)-1, if applicable.*]

☐ (c) **Permissible Withdrawals under an Eligible Automatic Contribution Arrangement (EACA).**

☐ (1) **Permissible withdrawals allowed.** If the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c)(2) of the BPD), the permissible withdrawal provisions under Section 3.03(c)(2) of the BPD apply. Thus, a Participant who receives an automatic deferral may withdraw such contributions (and earnings attributable thereto) within the time period set forth under Section 3.03(c)(2) of the BPD, without regard to the in-service distribution provisions selected under AA §10-1. Unless elected otherwise below, if an Employee does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to Severance from Employment), the Plan may allow such Employee to take a permissive withdrawal, but only with respect to default contributions made after the Employee's return to employment.

☐ The ability to take permissible withdrawals does not apply to rehired Employees, even if such Employees have not made automatic deferrals to the Plan for an entire Plan Year due to Severance from Employment.

☐ (2) **No permissible withdrawals.** Although the Plan contains an automatic deferral election that is designed to satisfy the requirements of an EACA, the permissible withdrawal provisions under this subsection (c) are not available.

☐ (3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than _____ [*may not be less than 30 nor more than 90*] days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.

☐ (d) **Other automatic deferral provisions: ____**

[***Note:*** *Any language added under this subsection (d) must be definitely determinable. Under this subsection (d), the Employer may describe the automatic deferral provisions from the elections available in Section 6A and/or a combination thereof.*]

6A-9 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-9, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in the Employer Signature Page). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective.

To designate a later Effective Date for Salary Deferrals or Roth Deferrals, complete this AA §6A-9.

☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:

☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).

☐ (2) ___________ (insert date).

☐ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-5 are effective as of ___________. [*If Roth Deferrals are permitted under AA §6A-5 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9, unless a later date is designated under this subsection (b).*]

6A-10 **SPECIAL RULES APPLICABLE TO SALARY DEFERRALS.** The following special rules apply to Salary Deferrals:

____

[***Note:*** *Any special rules must satisfy the applicable requirements for a Governmental Plan under Code §403(b), including the universal availability rule under Code §403(b)(12)(A)(ii). Under this AA §6A-10, the Employer may only describe special rules which are consistent with the available elections under AA §6A.*]

SECTION 6B
MATCHING CONTRIBUTIONS

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions under the Plan?

☐ **Yes.**

☑ **No.** [*Check this box if there are no Matching Contributions. If "No" is checked, skip to Section 6C.*]

6B-2 **MATCHING CONTRIBUTION FORMULA.** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-7 below.

[***Note:*** *See AA §6B-3 for the definition of Eligible Contributions for purposes of the Matching Contributions under the Plan. If the Plan provides for After-Tax Employee Contributions, also see AA §6C-2 to determine the application of the Matching Contribution formulas to After-Tax Employee Contributions.*]

☐ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount will be allocated as:

☐ (1) A uniform percentage of Eligible Contributions for each period designated in AA §6B-5 below.

☐ To receive the Matching Contribution for a given period, a Participant must contribute Eligible Contributions equal to at least ____ % of Plan Compensation for such period.

☐ (2) A flat dollar amount for each period designated in AA §6B-5 below.

☐ (i) To receive the Matching Contribution for a given period, a Participant must contribute Eligible Contributions equal to at least:

☐ (A) ____ % of Plan Compensation for such period.

☐ (B) $____ for such period.

☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:

☐ (1) ____% of Eligible Contributions made for each period designated in AA §6B-5 below.

☐ To receive the Matching Contribution for a given period, a Participant must contribute Eligible Contributions equal to at least ____% of Plan Compensation for such period.

☐ (2) $____ for each period designated in AA §6B-5 below.

☐ (i) To receive the Matching Contribution for a given period, a Participant must contribute Eligible Contributions equal to at least:

☐ (A) ____% of Plan Compensation for such period.

☐ (B) $____ for such period.

☐ (c) **Matching Contributions under collective bargaining agreement, employment contract or equivalent arrangement.** The Employer will make a Matching Contribution based on a collective bargaining agreement, employment contract or equivalent arrangement as follows:

☐ (1) Describe: ____

☐ (2) See Addendum.

[***Note***: *Insert the appropriate Matching Contribution formula from the collective bargaining agreement, employment contract or equivalent arrangement. The formula must be definitely determinable. Alternatively, the Employer may attach an addendum which incorporates by reference the currently applicable collective bargaining agreement, employment contract or equivalent arrangement. The addendum does not need to include the actual collective bargaining agreement, employment contract or equivalent arrangement, but must be sufficiently descriptive to identify incorporated documents.*]

☐ (d) **Tiered match.** The Employer will make a Matching Contribution to all Participants based on the following tiers of Eligible Contributions.

☐ (1) **Tiers as percentage of Plan Compensation.**

Eligible Contributions	**Fixed Match**	**Discretionary Match**
☐ (i) Up through ___% of Plan Compensation	___%	☐

[***Note:*** *The Employer may make elections either under the Fixed Match column or the Discretionary Match column, but not both. The Employer may add additional tiers.*]

☐ (2) **Tiers as dollar amounts.**

Eligible Contributions	**Fixed Match**	**Discretionary Match**
☐ (i) Up through $___	___%	☐
☐ (ii) Over $___	___%	☐

[***Note:*** *The Employer may make elections either under the Fixed Match column or the Discretionary Match column, but not both. The Employer may add additional tiers.*]

☐ (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	**Fixed Match**	**Discretionary Match**
☐ (1) From ____ and up through ___	___%	☐
☐ (2) From ____ and up through ___	___%	☐
☐ (3) From ____ and up through ___	___%	☐
☐ (4) From ____ and up through ___	___%	☐
☐ (5) From ___ and above	___%	☐

☐ (6) Describe any limits on the Years of Service match: ____________________________

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: ____

☐ (f) **Different Employee groups.** The Employer may make a separate Matching Contribution to the Participants in the following allocation groups. The Employer must designate in writing the amount of the contribution to be allocated to each allocation group. The allocation groups must be clearly defined in a manner that will not violate the definite predetermined allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii).

☐ (1) A separate discretionary Matching Contribution may be made to each Participant of the Employer (i.e., each Participant is in such Participant's own allocation group).

☐ (2) A separate discretionary or fixed Matching Contribution may be made to the following allocation groups. If no fixed amount is designated for a particular allocation group, the contribution made for such allocation group will be allocated as a uniform percentage of Eligible Contributions, to all Participants within that allocation group, unless otherwise designated as a uniform dollar amount below. The Employer may include limits on the Matching Contribution for the allocation groups.

☐ The contribution made for each allocation group will be allocated as a uniform dollar amount to all Participants within the allocation group.

Description of allocation groups

☐ **Group 1:** ____

[***Note:*** *The groups must be clearly defined in a manner that will not violate the definite predetermined allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii).*]

☐ (g) **Describe special rules for determining allocation formula:** ______________________________

[***Note:*** *Any special rules must relate solely to determining the allocation formula and must be consistent with the available elections under this AA §6B-2.*]

6B-3 **CONTRIBUTIONS ELIGIBLE FOR MATCHING CONTRIBUTIONS ("ELIGIBLE CONTRIBUTIONS").** Unless designated otherwise under this AA §6B-3, all Salary Deferrals, including any Roth Deferrals and Catch-Up Contributions, are eligible for the Matching Contributions designated under AA §6B-2.

☐ (a) **Matching Contributions.** Only the following contribution types are eligible for a Matching Contribution under AA §6B-2:

☐ (1) Pre-tax Deferrals

☐ (2) Roth Deferrals

☐ (3) Age 50 Catch-Up Contributions

☐ (4) Special Catch-Up Contributions for Qualified Employees of Qualified Employers

[***Note:*** *See AA §6C-2 to determine eligibility of After-Tax Employee Contributions for Matching Contributions.*]

☐ (b) **Application of Matching Contributions to elective deferrals made under another plan maintained by the Employer.** If this subsection (b) is checked, the Matching Contributions described in AA §6B-2 will apply to elective deferrals made under another plan maintained by the Employer.

☐ (1) The Matching Contribution designated in AA §6B-2 above will apply to elective deferrals under the following plan maintained by the Employer: ______________________________

☐ (2) The following special rules apply in determining the amount of Matching Contributions under this Plan with respect to elective deferrals under the plan described in subsection (1): ____________________

[***Note:*** *This subsection (b) may be used to describe special provisions applicable to Matching Contributions provided with respect to elective deferrals under another plan maintained by the Employer, including another Code §403(b) plan, a Code §401(a) plan or a Code §457(b) plan.*]

(c) **Calculation of Matching Contributions if Plan uses dual eligibility and/or different entry dates.** Unless designated otherwise below, if the Plan has dual eligibility and/or different entry dates (or the Employer chooses to use the Plan's optional true-up provisions), the Matching Contribution formula(s) will be based on Eligible Contributions and Plan Compensation for the period designated under AA §6B-5.

☐ The Plan will make Matching Contributions only on Salary Deferrals and After-Tax Employee Contributions (if applicable) made after the Participant becomes eligible for Matching Contributions, regardless of the period designated under AA §6B-5.

☐ (d) **Special rules.** The following special rules apply for purposes of determining the Matching Contribution under this AA §6B-3: ______________________________

[***Note:*** *If contribution types are limited for only certain Matching Contributions, those limitations may be described under this subsection (d). Any special rule under this subsection (d) must be consistent with the available elections under this AA §6B-3.*]

6B-4 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, all Eligible Contributions are eligible for Matching Contributions, unless elected otherwise under this AA §6B-4. [*See AA §6C-2 for any limits that apply with respect to After-Tax Employee Contributions.*]

☐ (a) **Limit on the amount of Eligible Contributions.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Eligible Contributions that do not exceed:

☐ (1) ____% of Plan Compensation.

☐ (2) $____.

☐ (3) A discretionary amount determined by the Employer that will be applied in a uniform manner for all eligible Participants for the Plan Year.

[***Note:*** *If both (1) and (2) are selected, the limit under this subsection (a) is the lesser of the percentage selected in subsection (1) or the dollar amount selected in subsection (2).*]

☐ (b) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:

☐ (1) ____% of Plan Compensation.

☐ (2) $____.

☐ (3) Other limits on Matching Contributions: __________ *(not greater than 100% of Plan Compensation.)*

☐ The limit on Matching Contributions will be based on Plan Year, even if the period for determining Matching Contributions under AA §6B-5 is more frequent.

☐ (4) A discretionary amount determined by the Employer that will be applied in a uniform manner for all eligible Participants for the Plan Year.

☐ (c) **Application of limits.** The limits identified under this AA §6B-4 do **not** apply to the following Matching Contribution formula(s):

☐ (1) Any limit on the amount of Eligible Contributions does not apply to:

☐ (i) Discretionary match

☐ (ii) Fixed match

☐ (iii) Tiered match

☐ (iv) Year of Service match

☐ (v) Employee group match

☐ (2) Any limit on Matching Contributions does not apply to:

☐ (i) Discretionary match

☐ (ii) Fixed match

☐ (iii) Tiered match

☐ (iv) Year of Service match

☐ (v) Employee group match

☐ (d) **Special limits applicable to Matching Contributions:** ______________________________

[***Note:*** *Any description under subsection (d) must be consistent with the available elections under this AA §6B-4.*]

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-4) are based on Eligible Contributions and Plan Compensation for the Plan Year. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-4, complete this AA §6B-5.

☐ (a) payroll period

☐ (b) Plan Year quarter

☐ (c) calendar month

☐ (d) Other period more frequent than Plan Year: ______________________________

[***Note:*** *Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6B-5. Any alternative period designated under this AA §6B-5 may not exceed a 12-month period and will apply uniformly to all Participants.*]

[***Note:*** *In determining the amount of Matching Contributions for a particular period, if the Employer actually makes Matching Contributions to the Plan on a more frequent basis than the period selected in this AA §6B-5, a Participant will be entitled to a true-up contribution to the extent such Participant does not receive a Matching Contribution based on the Eligible Contributions and/or Plan Compensation for the entire period selected in this AA §6B-5. If a period other than the Plan Year is selected under this AA §6B-5, the Employer may make an additional discretionary Matching Contribution equal to the true-up contribution that would otherwise be required if Plan Year was selected under this AA §6B-5. (See Section 3.04(c) of the BPD.)*]

6B-6 **ACP TESTING.** The ACP Test does NOT apply to this Governmental Plan.

6B-7 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6B-7 to receive an allocation of Matching Contributions under the Plan.

[***Note:*** *See AA §4-5 for treatment of service with Predecessor Employers for purposes of applying the allocation conditions under this AA §6B-7.*]

☐ (a) **Application of allocation conditions.** [***Note:*** *Leave (a) blank if allocation conditions will apply to all matching contributions under the Plan.*]

☐ (1) **No allocation conditions** apply with respect to Matching Contributions under the Plan.

☐ (2) Allocation conditions only apply to discretionary Matching Contributions under the Plan.

☐ (3) Allocation conditions only apply to fixed Matching Contributions under the Plan.

[***Note:*** *(2) or (3) above should be selected only if the Plan provides for both Fixed and Discretionary Matching Contributions.*]

☐ (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

☐ (c) **Minimum service condition.** An Employee must be credited with at least:

☐ (1) _____ Hours of Service during the Plan Year.

☐ (i) Hours of Service are determined using actual Hours of Service.

☐ (ii) Hours of Service are determined using the following Equivalency Method (as defined under AA §4-3(e)):

☐ (A) Monthly ☐ (B) Weekly

☐ (C) Daily ☐ (D) Semi-monthly

☐ (E) Hours worked ☐ (F) Regular time hours

☐ (2) ____ consecutive days of employment with the Employer during the Plan Year.

☐ (d) **Application to a specified period.** The allocation conditions selected under this AA §6B-7 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6B-7, the Employer may elect under this subsection (d) to apply the allocation conditions on a periodic basis as set forth below. (See Section 3.06(a) of the BPD for a description of the rules for the application of allocation conditions on the basis of designated periods.)

☐ (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:

☐ (i) Plan Year quarter

☐ (ii) calendar month

☐ (iii) payroll period

☐ (iv) Other period more frequent than Plan Year: ______________________________

[***Note:*** *Any description under subsection (iv) must be for a period less than a Plan Year.*]

☐ (2) **Application to allocation conditions.** To the extent an employment or minimum service allocation condition applies under this AA §6B-7, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:

☐ (i) Only the employment condition will be based on the period selected in subsection (1) above.

☐ (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.

☐ (iii) Describe any special rules: ______________________________

[***Note:*** *Any special rules under subsection (iii) must relate solely to the application of the allocation conditions.*]

☐ (e) **Equivalency Method**. For purposes of determining an Employee's Hours of Service for allocation purposes, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the BPD). The Equivalency Method will apply to:

☐ (1) All Employees.

☐ (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

☐ (f) **Elapsed Time Method**. For purposes of determining an Employee's service for allocation purposes, the Plan will use the Elapsed Time Method.

☐ (g) **Exceptions.**

☐ (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:

☐ (i) dies.

☐ (ii) has a Severance from Employment due to becoming Disabled.

☐ (iii) becomes Disabled.

☐ (iv) has a Severance from Employment after attaining Normal Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (v) has a Severance from Employment after attaining Early Retirement Age.

☐ If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.

☐ (vi) is on an authorized leave of absence from the Employer.

☐ (2) The exceptions selected under subsection (1) will apply even if an Employee has not had a Severance from Employment at the time of the selected event(s).

☐ (3) The exceptions selected under subsection (1) do not apply to:

☐ (i) an employment condition designated under this AA §6B-7.

☐ (ii) a minimum service condition designated under this AA §6B-7.

☐ (iii) the following Matching Contributions:

☐ (A) Discretionary match

☐ (B) Fixed match

☐ (C) Tiered match

☐ (D) Year of Service match

☐ (E) Employee group match

☐ (h) **Describe** any special rules governing the allocation conditions under the Plan: ________________________________

[***Note:*** *Any special rule must relate solely to the allocation conditions and must be consistent with the available elections under AA §6B-7.*]

6B-8 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: ____

[***Note:*** *Any special rules must relate solely to Matching Contributions and must be consistent with the available elections under AA §6B.*]

SECTION 6C
AFTER-TAX EMPLOYEE CONTRIBUTIONS AND MANDATORY CONTRIBUTIONS

6C-1 **AFTER-TAX EMPLOYEE CONTRIBUTIONS AND MANDATORY CONTRIBUTIONS.** Participants may not make After-Tax Employee Contributions or be required to make Mandatory Contributions under the Plan, unless elected under this AA §6C:

☐ (a) Participants may make After-Tax Employee Contributions to the Plan.

☐ (b) Participants must make Mandatory Contributions to the Plan.

6C-2 **AFTER-TAX EMPLOYEE CONTRIBUTIONS.** If After-Tax Employee Contributions are authorized under AA §6C-1, a Participant may contribute any amount as After-Tax Employee Contributions up to the Code §415 Limitation (as defined in Section 5.03 of the BPD), except as limited under this AA §6C-2.

☐ (a) **Eligibility for After-Tax Employee Contributions.** If authorized under AA §6C-1, all Eligible Participants may make After-Tax Employee Contributions, except the following: ____

[***Note:*** *Any exclusion of Eligible Participants must satisfy applicable rules under Code §403(b) and must be definitely determinable.*]

☐ (b) **Limits on After-Tax Employee Contributions.** If this subsection (b) is checked, the following limits apply to After-Tax Employee Contributions:

☐ (1) **Maximum limit.** A Participant may make After-Tax Employee Contributions up to:

☐ (i) ____% of Plan Compensation

☐ (ii) $____

for the following period:

☐ (iii) the entire Plan Year.

☐ (iv) the portion of the Plan Year during which the Employee is eligible to participate.

☐ (v) each separate payroll period during which the Employee is eligible to participate.

☐ (2) **Minimum limit.** The amount of After-Tax Employee Contributions a Participant may make for any payroll period may not be less than:

☐ (i) ____% of Plan Compensation.

☐ (ii) $____.

☐ (c) **Eligibility for Matching Contributions.** Unless designated otherwise under this subsection (c), After-Tax Employee Contributions will **not** be eligible for Matching Contributions under the Plan.

☐ (1) After-Tax Employee Contributions are eligible for the following Matching Contributions under the Plan:

☐ (i) All Matching Contributions elected under AA §6B.

☐ (ii) All Matching Contributions elected under AA §6B-2, except for the following Matching Contributions: ________________________________

☐ (2) The Matching Contribution formula only applies to After-Tax Employee Contributions that do not exceed:

☐ (i) ____% of Plan Compensation.

☐ (ii) $____.

☐ (iii) A discretionary amount determined by the Employer.

(d) **Change or revocation of After-Tax Employee Contributions.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume an After-Tax election will be effective as set forth under the After-Tax Contributions election form or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke an After-Tax election at least once per year. Unless the After-Tax Contributions election form or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke an After-Tax election (on a prospective basis) at any time.

☐ (e) **Describe special rules applicable to After-Tax Employee Contributions:** ________________________________

[***Note:*** *Any special rules must satisfy the requirements of Code §403(b).*]

6C-3 **MANDATORY CONTRIBUTIONS.** If elected below, a Participant will be required to make a Mandatory Contribution (as defined in Section 1.59 of the BPD) to the Plan equal to the amount specified under this AA §6C-3. Any amounts contributed pursuant to this AA §6C-3 will be treated as Employer Contributions under the Plan. Such contributions and earnings thereon will be 100% vested at all times.

☐ (a) The following amounts will be contributed to the Plan as a Mandatory Contribution:

☐ (1) ____ % of Plan Compensation.

☐ (2) $____ per pay period.

☐ (3) Any amount from ____ % to ____ % of Plan Compensation, as designated by the Participant.

☐ (4) The amount designated under an applicable collective bargaining agreement, employment contract or other arrangement with the Employee.

☐ (5) Describe amount: ________________________________

[***Note:*** *Amount may not exceed 100% of Plan Compensation.]*

☐ (b) Special rules applicable to Mandatory Contribution: ________________________________

[***Note:*** *Special rules may describe special eligibility requirements and the definitely determinable amounts*.]

SECTION 7
RETIREMENT AGES

7-1 **NORMAL RETIREMENT AGE.** Normal Retirement Age under the Plan is:

☑ (a) Age 62____ (not to exceed 65).

☐ (b) The later of age ____ (not to exceed 65) or the ____ (not to exceed 5th) anniversary of the Employee's:

☐ (1) Participation commencement date.

☐ (2) Employment date.

☐ (c) Describe Normal Retirement Age: ____

7-2 **EARLY RETIREMENT AGE.** Unless designated otherwise under this AA §7-2, there is no Early Retirement Age under the Plan.

☐ (a) A Participant reaches Early Retirement Age if such Participant is still employed after attainment of each of the following:

☐ (1) Attainment of age ____.

☐ (2) The ____ anniversary of the date the Employee commenced participation in the Plan, and/or

☐ (3) The completion of ____ Years of Service, determined as follows:

☐ (i) Same as for eligibility.

☐ (ii) Same as for vesting.

☐ (b) Describe Early Retirement Age: ____

SECTION 8
VESTING AND FORFEITURES

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

☑ Yes

☐ No [*If "No" is checked, skip to Section 9.*]

[***Note:*** *"Yes" should be checked under this AA §8-1 if the Plan provides for Employer Contributions and/or Matching Contributions that are subject to a vesting schedule, even if such contributions are always 100% vested under AA §8-2. "No" should be checked if the only contributions under the Plan are Salary Deferrals and/or After-Tax Employee Contributions.*]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. (See Section 7.02 of the BPD for a description of the various vesting schedules under this AA §8-2.) If the Plan is intended to be a FICA Replacement Plan (as elected in AA §2-3(d)) and Part-Time, Seasonal or Temporary Employees are not excluded from participation under the Plan, any vesting schedule selected must satisfy the rules under Section 6.04(b)(1) of the BPD.

☑ (a) **Vesting schedule for Employer Contributions and Matching Contributions:**

ER	**Match**	
☑	☐	(1) Full and immediate vesting
☐	☐	(2) 3-year cliff vesting schedule
☐	☐	(3) 5-year graded vesting schedule
☐	☐	(4) 6-year graded vesting schedule
☐	☐	(5) Modified vesting schedule

____% immediately on Plan participation

____% after 1 Year of Service

____% after 2 Years of Service

____% after 3 Years of Service

____% after 4 Years of Service

____% after 5 Years of Service

____% after 6 Years of Service

____% after 7 Years of Service

____% after 8 Years of Service

____% after 9 Years of Service

____% after 10 Years of Service

ER **Match**

☐ (6) Describe additional modifications to vesting schedule applicable to Employer Contributions: _

☐ (7) Describe additional modifications to vesting schedule applicable to Matching Contributions: _

[***Note:*** *As a Governmental Plan, the Plan is not subject to the requirements of Code §411 and may modify the vesting schedule, provided the Plan satisfies the requirements of Code §§401(a)(4) and (7) as in effect before the enactment of ERISA. For this purpose, the modified vesting schedule must be at least as favorable as one of the following safe harbor vesting schedules:*

(1) ***<u>15-year cliff vesting schedule.</u>*** *The Participant is fully vested after 15 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.*

(2) ***<u>20-year graded vesting schedule</u>****. The Participant is fully vested based on a graded vesting schedule of 5 to 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.*

(3) ***<u>20-year cliff vesting for qualified public safety employees.</u>*** *Participant is fully vested after 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service. The safe harbor schedule is available only with respect to the vesting schedule applicable to a group in which substantially all of the participants are qualified public safety employees (within the meaning of Code §72(t)(10(B)).*

If a modified vesting schedule is selected under this subsection (a), the vested schedule must satisfy the pre-ERISA Code vesting requirements.]

☐ (b) **Special provisions applicable to vesting schedule:** ____

[***Note:*** *Any special provision must satisfy the pre-ERISA Code vesting requirement.*]

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, all service with the Employer counts for vesting purposes, unless designated otherwise under this AA §8-3.

☐ (a) Service before the original Effective Date of this Plan (or a Predecessor Plan) is excluded.

☐ (b) Service completed before the Employee's ____ (not to exceed 18th) birthday is excluded.

☐ (c) Describe special rules for vesting service: ____

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee:

☐ (a) dies.

☐ (b) has a Severance from Employment due to becoming Disabled.

☐ (c) becomes Disabled.

☐ (d) reaches Early Retirement Age.

☐ (e) Not applicable. No increase in vesting applies.

[***Note:*** *This AA §8-4(e) should not be completed if the Plan provides for 100% vesting for all contribution types.*]

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply. [***Note:*** *No election should be made under this AA §8-5 if all contributions are 100% vested.*]

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period. (See Section 1.52 of the BPD for the definition of Hour of Service.)
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

ER **Match**

ER	Match	
☐	☐	(a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during a Vesting Computation Period.
☐	☐	(b) **Vesting Computation Period.** Instead of the Plan Year: ☐ (1) The Plan will use Anniversary Years for all Vesting Computation Periods. ☐ (2) Describe: ____ [***Note:*** *Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.*]
☐	☐	(c) **Elapsed Time Method.** Instead of determining vesting service based on actual Hours of Service, vesting service will be determined under the Elapsed Time Method. If this subsection (c) is checked, service will be measured from the Employee's Employment Commencement Date (or Reemployment Commencement Date, if applicable) without regard to the Vesting Computation Period provided in Section 7.04 of the BPD.
☐	☐	(d) **Equivalency Method**. For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a)(2) of the BPD). The Equivalency Method will apply to: ☐ (1) All Employees. ☐ (2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked. Hours of Service for vesting will be determined under the following Equivalency Method: ☐ (3) **Monthly.** 190 Hours of Service for each month worked. ☐ (4) **Weekly.** 45 Hours of Service for each week worked. ☐ (5) **Daily.** 10 Hours of Service for each day worked. ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked. ☐ (7) **Hours worked.** 870 hours worked treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service. ☐ (8) **Regular time hours.** 750 regular time hours treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service. ☐ (9) **Describe:** ________________________________ [***Note:*** *Any description under (9) must be definitely determinable with respect to Hours of Service.*]
☐	☐	(e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.07(c) of the BPD.) ☐ The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not had a Severance from Employment.
☐	☐	(f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 7.07(b) of the BPD) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service. ☐ The One-Year Break in Service rule applies to all Employees, including Employees who have not had a Severance from Employment.
☐	☐	(g) **Special rules:** ____

8-6 ALLOCATION OF FORFEITURES.

The Employer may decide in its discretion, within the permissible parameters below, how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-6 how forfeitures occurring during a Plan Year will be treated.

ER	Match		
☑	☐	(a)	N/A. All contributions are 100% vested. [*Do not complete the rest of this AA §8-6.*]
☐	☐	(b)	Reallocated as additional Employer Contributions or as additional Matching Contributions.
☐	☐	(c)	Used to reduce Employer Contributions and/or Matching Contributions.

For purposes of subsection (b) or (c), forfeitures will be applied:

☐	☐	(d)	for the Plan Year in which the forfeiture occurs.
☐	☐	(e)	within 12 months following the Plan Year in which the forfeiture occurs.
☐	☐	(f)	for the Plan Year in which the forfeiture occurs or the following 12 months.

Forfeitures used for Plan expenses:

☐	☐	(g)	Forfeitures will be used to pay Plan expenses prior to applying forfeitures under subsection (b) or (c).
☐	☐	(h)	Forfeitures will be used to pay Plan expenses if any forfeitures remain after applying forfeitures under subsection (b) or (c).
☐	☐	(i)	Forfeitures will **not** be used to pay Plan expenses.

In determining the amount of forfeitures to be allocated under subsection (b), the same allocation conditions apply as for the source for which the forfeiture is being allocated under AA §6-7 or AA §6B-7, unless designated otherwise below:

☐	☐	(j)	Forfeitures are not subject to any allocation conditions.
☐	☐	(k)	Forfeitures are subject to a last day of employment allocation condition.
☐	☐	(l)	Forfeitures are subject to a ____ Hours of Service minimum service requirement.

In determining the treatment of forfeitures under this AA §8-6, the following special rules apply:

☐	☐	(m)	Describe: ____ [***Note:*** *Any language added under this subsection (m) must relate solely to the treatment of forfeitures.*]

8-7 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS AND FORFEITURES.

(a) **Additional allocations.** If a Participant who has a Severance from Employment receives a complete distribution of such Participant's vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated.

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-7(a).

☐ The Cash-Out Distribution forfeiture provisions will apply if a Participant who has a Severance from Employment takes a complete distribution, regardless of any additional allocations during the Plan Year.

(b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.09(a) of the BPD) is treated as having an immediate forfeiture of such Participant's nonvested Account Balance.

To modify the forfeiture timing rules, complete this AA §8-7(b).

☐ (1) A forfeiture will occur upon the completion of ____ consecutive Breaks in Service (as defined in Section 7.09(a)(1)(iv) of the BPD).

☐ (2) A forfeiture will occur immediately upon Severance from Employment.

(c) **Repayment of Cash-Out Distribution.** Unless elected otherwise under this AA §8-7(c), if a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may repay to the Plan the amount received as a Cash-Out Distribution.

☐ If a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may NOT repay to the Plan the amount received as a Cash-Out Distribution and the provisions of Section 7.09(a)(2) do not apply.

8-8 **SPECIAL RULE FOR FORFEITURE UPON DEATH OF A PARTICIPANT.** Unless elected below, no vested benefits are forfeited upon the death of a Participant.

To modify this default forfeiture rule, check the box below.

☐ The Plan will forfeit benefits (including vested benefits) upon the death of a Participant. In no event may the Plan forfeit any amounts attributable to a Participant's Salary Deferrals or After-Tax Employee Contributions under the Plan or if the Plan has commenced distributions prior to the Participant's death.

SECTION 9
DISTRIBUTION PROVISIONS – SEVERANCE FROM EMPLOYMENT

9-1 **AVAILABLE FORMS OF DISTRIBUTION.**

Lump sum distribution. A Participant may take a distribution of such Participant's entire vested Account Balance in a single lump sum upon Severance from Employment. The Plan Administrator may, in its discretion, permit Participants to take distributions of less than their entire vested Account Balance provided, if the Plan Administrator permits multiple distributions, all Participants are allowed to take multiple distributions upon Severance from Employment.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1.

☑ (a) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

☑ (b) **Partial lump sum**. A Participant may take a distribution of less than the entire vested Account Balance upon Severance from Employment.

☐ Minimum distribution amount. A Participant may not take a partial lump sum distribution of less than $_____

☑ (c) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.01 of the BPD.

☑ (d) **Installment distributions for RMD purposes only.**

☑ (e) **Partial lump sum for RMD purposes only**.

☐ (f) **Describe distribution options:** ____

[***Note:*** *Any additional distribution options may not be subject to the discretion of the Employer or Plan Administrator.*]

9-2 **SPOUSAL CONSENT.** Except as provided by State law, spousal consent is not required for a Participant to receive a distribution, to name or change an alternate Beneficiary, or to obtain a Participant loan, unless designated otherwise under this AA §9-2. See Section 9.02 of the BPD for rules regarding spousal consent under the Plan.

Choose all that apply:

☐ (a) **Distribution consent.**

☐ (1) A Participant's Spouse must consent to any distribution to which a Participant must consent, as elected under AA §9-6(a).

☐ (2) A Participant's Spouse must consent to a distribution if the Participant's vested Account Balance exceeds:

☐ (i) $1,000

☐ (ii) $5,000

☐ (iii) $_____ (may insert any dollar amount)

☐ (b) **Consent to Alternate Beneficiary/Alternate Beneficiary Changes.** A Participant's Spouse must consent to naming someone other than the Spouse as Beneficiary (or to change an alternate Beneficiary to which a spouse has previously consented) under the Plan.

(c) **Consent to Participant Loans**. The default loan policy under the Plan does not require spousal consent but allows the Employer to elect a provision that requires spousal consent to Participant loans. If Participant's Spouse must consent to a Participant loan, please complete this election, below:

☐ Spousal consent is required for Participant loans.

☐ (d) **Spousal consent rights determined under administrative policy.** The Employer will establish spousal consent rights for the Plan under a separate administrative policy.

☐ (e) **Describe** any special rules affecting spousal consent: ____________________

[***Note:*** *Any special rules under subsection (e) must be definitely determinable. The availability of distributions is subject to the terms of the Investment Arrangement, as well as any applicable spousal consent requirements.*]

9-3 TIMING OF DISTRIBUTIONS UPON SEVERANCE FROM EMPLOYMENT.

(a) **Distribution of vested Account Balances exceeding $5,000.** A Participant who has a Severance from Employment with a vested Account Balance exceeding $5,000 (the default Involuntary Cash-Out Distribution threshold) may receive a distribution of such Participant's vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:

☐ (1) the date the Participant has a Severance from Employment.

☐ (2) the last day of the Plan Year during which the Participant has a Severance from Employment.

☐ (3) the first Valuation Date following the Participant's Severance from Employment.

☐ (4) the completion of ____ Breaks in Service.

☐ (5) the end of the calendar quarter following the date the Participant has a Severance from Employment.

☐ (6) attainment of Normal Retirement Age, death or becoming Disabled.

☑ (7) Describe: No involuntary cash outs are permitted.

[***Note:*** *Employer may elect an amount other than $5,000 for the Involuntary Cash-Out Distribution threshold* under *AA §9-6(a)*.]

(b) **Distribution of vested Account Balances not exceeding $5,000.** A Participant who has a Severance from Employment with a vested Account Balance that does not exceed $5,000 (the default Cash-Out Distribution threshold) may receive a **lump sum** distribution of such Participant's vested Account Balance within a reasonable period following:

☐ (1) the date the Participant has a Severance from Employment.

☐ (2) the last day of the Plan Year during which the Participant has a Severance from Employment.

☐ (3) the first Valuation Date following the Participant's Severance from Employment.

☐ (4) the end of the calendar quarter following the date the Participant has a Severance from Employment.

☑ (5) Describe: No involuntary cash outs are permitted.

[***Note:*** *Employer may elect an amount other than $5,000 for the Involuntary Cash-Out Distribution threshold under AA §9-6(a)*.]

9-4 DISTRIBUTION UPON DISABILITY. Unless designated otherwise under this AA §9-4, a Participant who has a Severance from Employment on account of becoming Disabled may receive a distribution of such Participant's vested Account Balance in the same manner as a regular distribution upon Severance from Employment.

☐ (a) **Immediate distribution.** Distribution will be made as soon as reasonable following the date the Participant has a Severance from Employment on account of becoming Disabled.

☐ (b) **Following year.** Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant has a Severance from Employment on account of becoming Disabled.

☐ (c) **Describe:** ____________________

[***Note:*** *Any distribution event described in subsection (c) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.*]

9-5 DETERMINATION OF BENEFICIARY.

(a) **Default beneficiaries.** Under Section 8.07(c) of the BPD and subject to the terms of the Investment Arrangement, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) and is not designated under the terms of the Investment Arrangement(s) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.

☐ If this subsection (a) is checked, the default beneficiaries under Section 8.07(c) of the BPD are modified as follows:

☐ (1) The Plan adopts the default beneficiary rules under Section 8.07(c)(3) of the BPD, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes.**

☐ (2) The Plan adopts the default beneficiary rules under Section 8.07(c)(3) of the BPD, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's estate.

☐ (3) The Plan adopts the default beneficiary rules under Section 8.07(c)(3) of the BPD, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made in the following order of priority: (1) to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes; (2)** if there are no children, then to the Participant's surviving parents, per capita; and (3) if there are no surviving parents, to the Participant's estate.

☐ (4) Describe other modifications to the default beneficiaries under Section 8.07(c)(3) of the BPD: ________

[***Note***: *The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit, subject to any applicable State law*.]

(b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving Spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b) or as otherwise provided in a QDRO.

☐ If this subsection (b) is checked, in order to be considered the surviving Spouse, the Participant and surviving Spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving Spouse are not married for at least one year as of the date of the Participant's death, the Spouse will not be treated as the surviving Spouse for purposes of applying the death distribution provisions of the Plan.

(c) **Divorce of Spouse.** Unless otherwise provided by State law or the terms of the Investment Arrangement or unless elected otherwise under this subsection (c), if a Participant designates such Participant's Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 8.07(c)(6) of the BPD.

☐ If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and Spouse.

[***Note:*** *Section 8.07(c)(6) of the BPD and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 8.07(c)(6) of the BPD.*]

9-6 SPECIAL RULES.

(a) **Availability of Involuntary Cash-Out Distributions.** A Participant who has a Severance from Employment with a vested Account Balance of $5,000 (or other amount as elected in this Adoption Agreement) or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.05 of the BPD.

Alternatively, an Involuntary Cash-Out Distribution will be made to the following Participants who have had a Severance from Employment:

☐ (1) **No consent required for distributions.** A Participant who has a Severance from Employment will receive an Involuntary Cash-Out Distribution, regardless of value of such Participant's vested Account Balance. No Participant consent is required.

☑ (2) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A Participant who has a Severance from Employment must consent to any distribution from the Plan. (See Section 14.02(b) of the BPD for special rules upon Plan termination.)

☐ (3) **Different Involuntary Cash-Out Distribution threshold.** A Participant who has a Severance from Employment will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:

☐ (i) $1,000

☐ (ii) $____ (*may insert any dollar amount*)

(4) **Treatment of Rollover Contributions.** Unless elected otherwise under this subsection (4), Rollover Contributions will be included in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out Distribution threshold. To exclude Rollover Contributions for purposes of determining

whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out Distribution threshold, check below.

☐ In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be excluded.

(b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.05 of the BPD do not apply to any Involuntary Cash-Out Distribution equal to or less than $1,000 (to the extent available under the Plan) and do not apply to Participants who have attained the later of age 62 or Normal Retirement Age under the Plan.

To override this default provision, check this subsection (1) or (2). The Employer may also elect (3), if applicable.

☐ (1) The Automatic Rollover provisions under Section 8.05 of the BPD apply to all Involuntary Cash-Out Distributions (including those equal to or less than $1,000).

☐ (2) The Automatic Rollover provisions under Section 8.05 of the BPD do not apply to Involuntary Cash-Out Distributions equal to or less than $_____ (must be between $0 and $1,000).

☐ (3) The Automatic Rollover provisions under Section 8.05 of the BPD apply to Participants who have attained the later of age 62 or Normal Retirement Age under the Plan.

[***Note:*** *Rollover Contributions may not be disregarded for purposes of Automatic Rollover rules. For purposes of applying the Automatic Rollover provisions, including the $1,000 threshold, a Participant's Roth Deferral Account and the Participant's other Accounts are treated as held under separate plans.*]

(c) **Distribution upon attainment of stated age.** The Participant consent requirements under Section 8.03 of the BPD apply for distributions occurring prior to attainment of the Participant's required beginning date as defined in Code §401(a)(9).

To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.

☐ Subject to the spousal consent requirements under Section 9.02 of the BPD, a distribution from the Plan may be made to a Participant *who has a Severance from Employment* without the Participant's consent, regardless of the value of such Participant's vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).

(d) **In-kind distributions.** Section 8.09(c) of the BPD allows the Plan Administrator to authorize an in-kind distribution of property to the extent the Plan holds such property.

To modify this default rule, check below.

☐ A Participant may not receive an in-kind distribution in the form of property, even if the Plan holds such property on behalf of any Participant.

(e) **Modification of Severance from Employment definition.** The Employer modifies the definition of Severance from Employment, as defined in Section 1.92 of the BPD, as follows:

☐ (1) Severance from Employment does not occur if an Employee continues to be employed by any Related Employer, regardless of whether the Related Employer is an Eligible Employer or the Employee is employed in a capacity that is not employment with an Eligible Employer.

☐ (2) Describe modification of the definition of Severance from Employment: ____

[***Note****: Any modification of the definition of Severance from Employment may be no more expansive than allowed under Treas. Reg. §1.403(b)-2(b)(19).*]

SECTION 10
IN-SERVICE DISTRIBUTIONS

10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of such Participant's vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this AA §10-1. If more than one option is selected for a particular contribution type under this AA §10-1, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this AA §10-1.

Deferral	**Match**	**ER**	
☐	☐	☐	(a) No in-service distributions are permitted.
☑	☐	☐	(b) Attainment of age 59½.
☐	☐	☐	(c) Attainment of age ____. [*If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.*]

Deferral	Match	ER	
☑	☐	☐	(d) A Hardship (that satisfies the safe harbor rules under Section 8.08(e)(1) of the BPD). [***Note:*** *Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account.*] Unless elected otherwise below, a Participant is not required to first obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer as a condition for receiving a Hardship distribution. ☐ Participants are required to first obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer.
☐	☐	☐	(e) A non-safe harbor Hardship described in Section 8.08(e)(2) of the BPD. [*Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account.*] (1) Unless elected otherwise below, a Participant is not required to obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer as a condition for receiving a Hardship distribution. ☐ Participants are required to obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer. ☐ (2) In determining whether a Participant has an immediate and heavy financial need for purposes of applying the non-safe harbor Hardship provisions under Section 8.08(e)(2) of the BPD, the following modifications are made to the permissible events listed under Section 8.08(e)(1) of the BPD: ________________________________
☐	☐	☐	(f) Attainment of Normal Retirement Age. [*If Normal Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.*]
☐	☐	☐	(g) Attainment of Early Retirement Age. [*If Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.*]
☑	☐	☐	(h) Upon a Participant becoming Disabled. [*The definition of disability may be different depending on the contribution type, as elected in AA§2-8.*]
☑	**N/A**	**N/A**	(i) As a Qualified Reservist Distribution as defined under Section 8.08(d) of the BPD.
N/A	☐	☐	(j) Completion of ____ Years of Service or ____months of service. [*Not applicable with respect to amounts held in a Custodial Account.*]
☑	☐	☐	(k) A Qualified Birth or Adoption Distribution (QBAD). (See AA §10-3 for detailed elections relating to QBADs.)
☑	☐	☐	(l) Upon a deemed Severance from Employment as described in Section 8.02(b)(4) of the BPD when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.06 of the BPD.
☐	☐	☐	(m) Upon attainment of age ____ and ____ years of participation. [*If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for all amounts held in a Custodial Account.*]

Deferral	Match	ER		
N/A	☐	☐	(n)	The amounts being withdrawn have been held in the Plan for at least two years. [*Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account*.]
☐	☐	☑	(o)	Describe: All in service distributions for employer contributions follow the same rules as salary deferrals.

[***Note:*** *Unless designated otherwise under subsection (o), any selection(s) in the Deferral column also apply to Roth Contributions. Distributions from a Participant's Salary Deferral Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, has a Hardship, becomes Disabled or attains age 59½. Distributions from a Participant's Custodial Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, becomes Disabled or attains age 59½. Elections under the ER column also apply to Mandatory Contributions, unless otherwise provided in subsection (o). Any event described in subsection (o) may not violate the permissible distribution events under the Plan.*]

10-2 **APPLICATION TO OTHER CONTRIBUTION TYPES.** If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6C, unless elected otherwise under this AA §10-2, a Participant may take an in-service distribution from such Participant's Rollover Account and After-Tax Employee Contribution Account at any time.

Alternatively, if this AA §10-2 is completed, the following in-service distribution provisions apply for Rollover Contributions and/or After-Tax Employee Contributions:

Rollover	After-Tax		
☐	☐	(a)	No in-service distributions are permitted.
☐	☐	(b)	Attainment of age 59½.
☐	☐	(c)	Attainment of age ____.
☐	☐	(d)	A Hardship (that satisfies the safe harbor rules under Section 8.08(e)(1) of the BPD). Unless elected otherwise below, a Participant is not required to first obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer as a condition for receiving a Hardship distribution. ☐ Participants are required to first obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer.
☐	☐	(e)	A non-safe harbor Hardship described in Section 8.08(e)(2) of the BPD. (1) Unless elected otherwise below, a Participant is not required to obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer as a condition for receiving a Hardship distribution. ☐ Participants are required to obtain all nontaxable loans available under the Plan and all other plans maintained by the Employer. ☐ (2) In determining whether a Participant has an immediate and heavy financial need for purposes of applying the non-safe harbor Hardship provisions under Section 8.08(e)(2) of the BPD, the following modifications are made to the permissible events listed under Section 8.08(e)(1) of the BPD: ____________________
☐	☐	(f)	Attainment of Normal Retirement Age.
☐	☐	(g)	Attainment of Early Retirement Age.
☐	☐	(h)	Upon a Participant becoming Disabled.
☐	☐	(i)	As a Qualified Reservist Distribution as defined under Section 8.08(d) of the BPD.
☐	☐	(j)	Completion of ____ Years of Service or ____ months of service.
☐	☐	(k)	A Qualified Birth or Adoption Distribution (QBAD). (See AA §10-3 for detailed elections relating to QBADs.)

Rollover	After-Tax		
☐	☐	(l)	Upon a deemed Severance from Employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.06 of the BPD.
☐	☐	(m)	Upon attainment of age ____ and ____ years of participation. [*If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for all amounts held in a Custodial Account.*]
N/A	☐	(n)	The amounts being withdrawn have been held in the Plan for at least two years. [*Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account.*]
☐	☐	(o)	Describe: ____ [***Note****: Any event described in subsection (o) may not violate the permissible distribution events under the Plan.*]

10-3 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-3.

☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the source from which the withdrawal is taken. [*Select (1) or (2) below, if applicable. If (1) or (2) is not elected, the 100% vested requirement applies to all in-service distributions.*]

☐ (1) The 100% vested requirement only applies to Hardship distributions. [*If not elected, the 100% vested requirement applies to all in-service distributions.*]

☐ (2) The 100% vested requirement applies to all in-service distributions other than Hardship distributions.

☐ (b) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.

☐ (c) A Participant may not take an in-service distribution of less than $____.

☐ (d) A Participant may not take an in-service distribution of more than $____.

☐ (e) Unless elected otherwise under this subsection (e), the Hardship distribution provisions of the Plan are not expanded to cover primary beneficiaries as set forth in Section 8.08(e)(6) of the BPD. If this subsection (e) is checked, the Hardship provisions of the Plan will apply with respect to individuals named as primary beneficiaries under the Plan.

☐ (f) A Participant may not take an in-service distribution from a Roth Deferral Account.

☐ (g) The following are not available to Participants who have had a Severance from Employment:

☐ (1) Qualified Birth or Adoption Distributions (QBADs).

☐ (2) Hardship distributions.

☐ (h) Other distribution rules: ____

[***Note:*** *This subsection (h) may be used to apply the limitations under this AA §10-3 only to specific in-service distribution options (e.g., hardship distributions).*]

SECTION 11
MISCELLANEOUS PROVISIONS

11-1 **PLAN VALUATION.** The Plan is valued **annually**, as of the last day of the Plan Year.

☐ (a) **Additional valuation dates (optional).** In addition, for each contribution type selected below the Account will be valued on the following dates:

Deferral	Match	ER		
☐	☐	☐	(1)	**Daily.** (i.e., the end of each business day during which the New York Stock Exchange is open.)
☐	☐	☐	(2)	**Monthly.** (i.e., the end of each month of the Plan Year.)
☐	☐	☐	(3)	**Quarterly.** (i.e., the end of each Plan Year quarter.)
☐	☐	☐	(4)	**Describe:** ____

[***Note:*** *The Employer may elect operationally to perform interim valuations.*]

☐ (b) **Special rules.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts, including describing rules for different investment options: ____

11-2 **SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.03 of the BPD apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-2 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the BPD.

☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending _____.

[***Note:*** *If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year.*]

☐ (b) **Special rules:** ____

[***Note:*** *Any special rules under this subsection (b) must be consistent with the requirements of Code §415.*]

11-3 **SPECIAL RULES FOR MORE THAN ONE PLAN.** If the Employer maintains another plan in which any Participant is a participant, the rules set forth under Section 5.03(e) of the BPD apply.

To modify the default provisions under Section 5.03(e) of the BPD, designate how such rules will apply.

☐ Instead of applying the default rules under Section 5.03(e) of the BPD, the Employer will limit Annual Additions in the following manner: ____

11-4 **DELEGATION OF ADMINISTRATIVE FUNCTIONS.** Generally, the Employer, as Plan Administrator, has responsibility to administer the Plan. These responsibilities include compliance with Code §403(b) and other tax requirements. However, under AA Addendum A, the Employer may delegate such responsibilities to a third party, including a provider of an Annuity Contract or Custodial Account, provided such third party agrees to such delegation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants.

11-5 **ELECTION NOT TO PARTICIPATE** (See Section 2.08 of the BPD)**.** Unless otherwise elected below, all Participants share in any allocation under this Plan and no Employee may waive out of Plan participation.

To allow Employees to waive participation under the Plan, check below.

☐ An Employee may make a one-time irrevocable election not to participate under the Plan at any time prior to the time the Employee first becomes eligible to participate under the Plan.

11-6 **SPECIAL RULES FOR MULTIPLE EMPLOYER PLANS.** If the Plan is a Multiple Employer Plan (as designated under AA §2-6), the rules applicable to Multiple Employer Plans under Section 16.07 of the BPD apply.

☐ The following special rules apply with respect to Multiple Employer Plans: ______________________________________

[***Note:*** *Any special rules must satisfy the rules applicable to Multiple Employer Plans under Code §413(c).*]

11-7 **CLAIMS PROCEDURES.** The Plan Administrator shall establish and maintain reasonable claims procedures as described in Section 11.08 of the BPD. Special rules may be described below.

☐ The following special rules apply with respect to claims procedures under Section 11.08 of the BPD: ________________

11-8 **SPECIAL RULES APPLICABLE TO PLAN MERGERS AND SPINOFFS.**

☐ **Describe:** ____

11-9 **CONTRACT EXCHANGES AND PLAN-TO-PLAN TRANSFERS.** Unless otherwise indicated below and subject to the approval of the Plan Administrator and the terms of any governing Investment Arrangement, the Plan authorizes the Participant and Beneficiaries to make contract exchanges and plan-to-plan transfers both into and out of the Plan. Contract exchanges and plan-to-plan transfers may only be made to those Investment Arrangements currently accepting contributions under the Plan.

☐ (a) **Contract exchanges.** The Plan does not authorize contract exchanges as described in Section 14.04 of the BPD:

☐ (1) into the Plan.

☐ (2) out of the Plan.

☑ (b) **Plan-to-plan transfers.** The Plan does not authorize plan-to-plan transfers as described in Section 14.05 of the BPD:

☑ (1) into the Plan.

☑ (2) out of the Plan.

☐ (c) **Describe special rules applicable to contract exchanges and plan-to-plan transfers:** ______________________

11-10 **SPECIAL MILITARY SERVICE PROVISIONS -- BENEFIT ACCRUALS.** Unless otherwise indicated below, an individual who dies or becomes disabled in qualified military service will NOT be treated as reemployed for purposes of determining entitlement to benefits under the Plan. (See Section 15.06 of the BPD.)

☑ **Eligibility for Plan benefits.** Check this box if the Plan will treat an individual who dies or becomes disabled in qualified military service as reemployed for purposes of determining entitlement to benefits under the Plan.

11-11 **PROTECTED BENEFITS.** There are no protected benefits (as defined in Code §411(d)(6)) other than those described in the Plan.

To designate protected benefits other than those described in the Plan, complete this AA §11-11.

☐ (a) **Additional protected benefits.** In addition to the protected benefits described in this Plan, certain other protected benefits are protected from a prior plan document, as described below: ___________________________________

☐ (b) **Elimination of distribution options.** Effective ____, the distribution options described in subsection (1) below are eliminated.

☐ (1) **Describe eliminated distribution options:** ____

☐ (2) **Application to existing Account Balances.** The elimination of the distribution options described in subsection (1) applies to:

☐ (i) All benefits under the Plan, including existing Account Balances.

☐ (ii) Only benefits accrued after the effective date of the elimination (as described above).

APPENDIX A
SPECIAL EFFECTIVE DATES

[***Note:*** *This Appendix A may be used to memorialize prior Plan provisions that pertain to sources that no longer accept new contributions under the Plan.*]

☐ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:

____

☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:

____

☐ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

____

☐ A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:

____

☐ A-5 **Salary Deferrals.** The provisions regarding Salary Deferrals under AA §6A are effective as follows:

____

☐ A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

____

☐ A-7 **Special Contributions.** The Special Contribution provisions under AA §6C are effective as follows:

____

☐ A-8 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:

____

☐ A-9 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:

____

☐ A-10 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

____

☐ A-11 **In-service distributions.** The provisions regarding in-service distributions under AA §10 are effective as follows:

____

☐ A-12 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:

____

☐ A-13 **Special effective date provisions for merged plans.** If any 403(b) or other plans have been merged into this Plan, the provisions of Section 14.03 of the BPD apply as follows:

____

☐ A-14 **Other special effective dates:**

____

☐ A-15 **Special effective dates for restated pre-approved plans:** The IRS allows the use of separate effective dates to memorialize plan operational changes that have occurred after the general effective date of the Plan and the actual Plan restatement adoption date. Adopting employers may use the above Special Effective Date options (A-1 through A-14) to memorialize these changes or they may use this A-15. If the adopting employer uses A-15, the changes will be part of the Plan, but will not be reflected in the SPD or plan summary:

____

APPENDIX B
LOAN POLICY

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix B with new elections. Any modifications to this Appendix B or any modifications to a separate loan policy describing the loan provisions selected under the Plan will not affect an Employer's reliance on the Favorable IRS Letter. Irrespective of the elections made under this Appendix B, the Employer may permit under separate administrative procedures Participant loans consistent with any federally-declared disaster relief legislation or guidance.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the BPD.)

☑ (a) Yes

☐ (b) No

B-2 **LOAN PROCEDURES.** [***Note:*** *Loan procedures and requirements are subject to the terms of any governing Investment Arrangement.*]

☑ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the BPD, unless modified under this Appendix B and subject to the terms of any governing Investment Arrangement.

☐ (b) Loans will be provided under a separate written loan policy. [*If this subsection (b) is checked, do not complete the rest of this Appendix B.*]

B-3 **AVAILABILITY OF LOANS.** Under Section 13.02 of the BPD's default loan policy, subject to the terms of any Investment Arrangement, loans are available to all Participants on a reasonable equivalent basis as determined by the Plan Administrator. To override this default provision, complete this AA §B-3.

☐ (a) A former Employee or Beneficiary (including an Alternate Payee) who has a vested Account Balance may request a loan from the Plan.

☐ (b) A "limited participant", as described under Section 4.01 of the BPD, may not request a loan from the Plan.

☐ (c) An officer or director of the Employer may **not** request a loan from the Plan.

☐ (d) Describe limitations on receiving loans under the Plan: ____

B-4 **LOAN LIMITS.** Subject to the terms of any Investment Arrangement, the default loan policy under Section 13.03 of the BPD allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy and allow loans on the Participant's total vested Account Balance up to $10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-4.

☑ A Participant may take a loan of the Participant's total vested Account Balance up to $10,000, even if greater than 50% of the Participant's vested Account Balance.

[***Note:*** *If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the BPD.*]

B-5 **NUMBER OF LOANS.** Subject to the terms of any Investment Arrangement, the default loan policy under Section 13.04 of the BPD restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

☐ (a) A Participant may have ____ loans outstanding at any time, subject to any internal administrative limitations imposed by the Investment Arrangement, the service provider or platform.

☑ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 **LOAN AMOUNT.** The default loan policy under Section 13.04 of the BPD provides that a Participant may not receive a loan of less than $1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

☑ (a) There is no minimum loan amount.

☐ (b) The minimum loan amount is $____.

☑ (c) The maximum loan amount is $50,000_____ (no greater than $50,000).

☐ (d) The maximum loan amount is ____% (no greater than 50%) of the Participant's vested Account Balance, except as permitted under B-4 of this Appendix B.

B-7 **INTEREST RATE.** The default loan policy under Section 13.05 of the BPD provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.

☑ (a) The prime interest rate plus 2____ percentage point(s).

☐ (b) The interest rate is determined in accordance with the terms of the Investment Arrangement, service provider procedures, or other loan policy document adopted by the Plan Administrator.

☐ (c) Describe: ____

[***Note:*** *Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.*]

B-8 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the BPD provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans to hardship events, check this AA §B-8.

☐ (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.08(e)(1) of the BPD.

☐ (b) A Participant may only receive a Participant loan under the following circumstances: ____________________________

B-9 **APPLICATION OF LOAN LIMITS.** The default loan policy under Sections 13.03 and 13.06 of the BPD provides that a participant's entire Account will be taken into account in applying the loan limitation and adequate security requirement. To override this provision if Participant loans are not available from all contribution types, complete this AA §B-9.

☐ The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.

B-10 **CURE PERIOD.** The default loan policy under Section 13.10 of the BPD provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.

☐ (a) The cure period for determining when a Participant loan is treated as in default will be ____ days (cannot exceed 90) following the end of the month in which the loan payment is missed.

☐ (b) The cure period for determining when a loan is treated as in default will be ______ days (cannot exceed 90) following the first missed loan payment.

B-11 **PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** The default loan policy under Section 13.07 of the BPD provides that if a Participant loan is for the purchase of a Participant's principal residence, the 5-year repayment period can be extended for a reasonable period commensurate with the repayment period permitted by commercial lenders for similar loans. To override this provision, complete this AA §B-11.

☐ (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.

☐ (b) The loan repayment period for the purchase of a principal residence may not exceed ____ years (may not exceed 30), subject to any internal limitations imposed by the Investment Arrangement(s) or the service provider or platform.

☐ (c) Loans for the purchase of a Participant's principal residence may be payable over any reasonable period commensurate with the repayment period permitted by commercial lenders for similar loans, subject to any internal limitations imposed by the Investment Arrangement(s) or the service provider or platform.

B-12 **SEVERANCE FROM EMPLOYMENT.** The default loan policy under Section 13.11 of the BPD provides that a Participant loan becomes due and payable in full upon the Participant's Severance from Employment. To override this default provision, complete this AA §B-12.

☑ A Participant loan will not become due and payable in full upon the Participant's Severance from Employment.

B-13 **DIRECT ROLLOVER OF A LOAN NOTE.** The default loan policy under Section 13.11(b) of the BPD provides that upon Severance from Employment a Participant may request the Direct Rollover of a loan note provided the Participant has not already had a deemed distribution with respect to the note. To override this default provision, complete this AA §B-13.

☐ A Participant may **not** request the Direct Rollover of the loan note upon Severance from Employment.

B-14 **LOAN RENEGOTIATION.** The default loan policy under Section 13.11(c) of the BPD provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement, and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a nondiscriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.

☐ (a) A Participant may **not** renegotiate the terms of a loan.

☐ (b) The following special provisions apply with respect to renegotiated loans: ____________________________________

B-15 **SOURCE OF LOAN.** The default loan policy under Section 13.09 of the BPD provides that Participant loans may be made from all available contribution types, to the extent vested. To override this provision, complete one of the sections below.

☐ (a) Participant loans will not be available from the following contribution types: __________________________________

☐ (b) Participant loans will only be available from the following contribution types: _________________________________

B-16 **MODIFICATIONS TO DEFAULT LOAN PROVISIONS.**

☐ The following special rules will apply with respect to Participant loans under the Plan: _____________________________

[***Note:*** *Any provision under this AA §B-16 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.*]

B-17 **SPOUSAL CONSENT.** The default loan policy under the Plan does not require spousal consent but allows the Employer to elect a provision that requires spousal consent to participant loans. To override this provision as permitted by Section 13.08 of the BPD, complete the applicable election in AA §9-2.

APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix C with new elections. The provisions selected under this Appendix C do not create qualification issues and any changes to the provisions under this Appendix C will not affect the Employer's reliance on the Favorable IRS Letter. Instead of completing this Appendix C, the Employer may develop separate administrative procedures to address directions of investment, Rollover Contributions and/or QDRO procedures.

C-1 **DIRECTION OF INVESTMENTS.** Under Section 10.10 of the BPD, each Participant, Beneficiary or Alternate Payee (under a QDRO) shall have the exclusive right to direct the investment of all of their entire account. To override this provision, complete this AA § C-1.

☐ (a) Participants, Beneficiaries and Alternate Payees may not direct investments.

☐ (b) Participants, Beneficiaries and Alternate Payees may direct investments subject to the following restrictions:

☐ (1) Only for Accounts that are 100% vested.

☐ (2) Specify Accounts: ______________________________

☐ (3) Describe any special rules that apply for purposes of direction of investments: ______________________________

[***Note:*** *This subsection (3) may be used to describe special investment provisions for specific types of investments or for specific Accounts, such as the Rollover Contribution Account.*]

C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept Rollover Contributions? (See Section 4 of the BPD.)

☐ (a) No

☑ (b) Yes

☑ (1) If this subsection (1) is checked, an Eligible Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan. (See Section 4 of the BPD.)

☑ (2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Eligible Employees with an Account Balance under the Plan.

☐ (3) Describe any special rules for accepting Rollover Contributions: ______________________________

[***Note:*** *The Employer may designate in subsection (3) or in separate written procedures the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.*]

C-3 **QDRO PROCEDURES.** Although the requirements of Code §414(p) do not apply to the Plan, the Employer may elect to apply the procedures set forth under Section 11.07 of the BPD (which are patterned after the rules under Code §414(p)) by electing subsection (a) below or may elect not to apply the procedures set forth under Section 11.07 of the BPD and instead, describe the Plan's procedures for addressing domestic relations orders below or in separate administrative procedures.

☐ (a) The Employer elects to have the requirements of Section 11.07 of the BPD apply to its Plan.

☑ (b) The requirements of Section 11.07 of the BPD do not apply to the Plan. The procedures for addressing the receipt of domestic relations orders are either set forth below or in separate administrative procedures.

Describe domestic relations procedures: ______________________________

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

☐ (a) The adoption of a **new plan**, effective ______

[***Note:*** *Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.*]

☑ (b) The **restatement** of an existing plan in order to comply with the requirements for Cycle 2 Pre-Approved 403(b) Plans, pursuant to Rev. Proc. 2021-37.

(1) Effective date of restatement: January 1, 2026

[***Note:*** *Date can be no earlier than the first day of the Plan Year in which the restatement is adopted.*]

(2) Name of plan(s) being restated: Lehighton Area School District 403(b) Plan

(3) The original effective date of the plan(s) being restated: January 1, 2009

☐ (c) An **amendment or restatement** of the Plan (other than to comply with the requirements for Cycle 2 Pre-Approved 403(b) Plans under Rev. Proc. 2021-37). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.

(1) Effective Date(s) of amendment/restatement: ______

[***Note****: Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.*]

(2) Name of plan being amended/restated: ______

(3) The original effective date of the plan being amended/restated: ______

(4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: ______

PRE-APPROVED PLAN PROVIDER INFORMATION. The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the Favorable IRS Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

Name of Pre-Approved Plan Provider (or authorized representative): U.S. Omni & TSACG Compliance Services, Inc.

Address: 220 Alexander Street, Suite 400, Rochester, New York 14607

Telephone number: 850-244-7306

IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. Except to the extent provided in Rev. Proc. 2021-37, an Adopting Employer may rely on a currently valid Favorable IRS Letter as evidence that the plan satisfies the Code § 403(b) Requirements if: (1) the Adopting Employer's Plan is identical to this Nonstandardized Code §403(b) Pre-Approved Plan and (2) the adopting Employer has not amended this Nonstandardized Code §403(b) Pre-Approved Plan other than by choosing options provided in the Adoption Agreement or making amendments that are described in §9.03 of Rev. Proc. 2021-37 (relating to Employer amendments that will not affect reliance). The adopting Employer may not rely on the Favorable IRS Letter in certain other circumstances, which are specified in the Favorable IRS Letter issued with respect to the Plan, or in Rev. Proc. 2021-37. In order to obtain reliance in such circumstances or with respect to certain other Code §403(b) requirements, the Employer may need to apply to the Internal Revenue Service for a determination letter.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that such individual has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #12. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

Lehighton Area School District
(Name of Employer)

______
(Name of authorized representative) *(Title)*

______
(Signature) *(Date)*

ADDENDUM A
ALLOCATION OF ADMINISTRATIVE FUNCTIONS

This Addendum A identifies any party to whom administrative functions have been allocated and the specific functions allocated to such persons, effective December 15, 2025.

Service agreements and other records or information pertaining to the administration of the Plan may be included or incorporated by reference in the Addendum. The Addendum may be modified from time to time. A modification of the Addendum is not an amendment of the Plan.

☑ Administrative functions are specified in a separate service agreement.

ADDENDUM B
VENDORS OF INVESTMENT ARRANGEMENTS

This Addendum B lists the Vendors of Investment Arrangements approved for use under the Plan, effective January 1, 2026.

The Addendum must include sufficient information to identify the approved Investment Arrangements. The terms governing each Investment Arrangement under the Plan, excluding those terms that are inconsistent with the Plan or Code §403(b), are hereby incorporated by reference in the Plan. The Addendum may be modified from time to time. A modification of the Addendum is not an amendment of the Plan.

Name of Vendor	**Type of Investment Arrangement (e.g., annuity contract, custodial account, etc.)**	**Active/Inactive**
Ameriprise Financial	annuity contract and/or custodial account	Active
Equitable	annuity contract and/or custodial account	Active
Invesco OppenheimerFunds	annuity contract and/or custodial account	Active
Kades-Margolis Corp.	annuity contract and/or custodial account	Active
Lincoln Investment Planning, LLC (Pershing custodian)	annuity contract and/or custodial account	Active
Metropolitan Life Insurance Company	annuity contract and/or custodial account	Active
New York Life Insurance & Annuity Corp.	annuity contract and/or custodial account	Active
PFS Investments (Primerica)	annuity contract and/or custodial account	Active
Safeco Insurance of America	annuity contract and/or custodial account	Active
The Legend Group (Pershing custodian)	annuity contract and/or custodial account	Active
Thrivent Financial	annuity contract and/or custodial account	Active

SECURE 2.0 ACT INTERIM AMENDMENT
ELECTIVE PROVISIONS

These Elective Provisions provide for elections related to the SECURE 2.0 Act Interim Amendment. **All provisions and elections made below are your document Provider's defaults.** Application of the SECURE 2.0 Act Interim Amendment and the Elective Provisions may depend on the Investment Arrangement(s) associated with the Plan.

ELECTIVE PROVISIONS RELATING TO EMPLOYER CONTRIBUTIONS

S2-1. OPTIONAL TREATMENT OF EMPLOYER CONTRIBUTIONS AS DESIGNATED ROTH NONELECTIVE CONTRIBUTIONS. (S2IA §3.01)

☐ (a) A Participant may not elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Designated Roth Nonelective Contribution.

☐ (b) Effective __ (insert date on or after December 30, 2022), a Participant MAY elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Designated Roth Nonelective Contribution.

☑ (c) Describe special any special rules relating to the optional treatment of nonforfeitable Employer Contributions as a Designated Roth Nonelective Contribution: <u>Special rules relating to the optional treatment of nonforfeitable Employer Contributions as a Designated Roth Nonelective Contribution are set forth in the applicable agreement between the employer and the employee and/or in an employer administrative/board policy.</u>

ELECTIVE PROVISIONS RELATING TO SALARY DEFERRALS

S2-2. MANDATORY AUTOMATIC ENROLLMENT. (S2IA §4.01)

[***Note:*** *The mandatory automatic enrollment requirements do not apply to the Pre-Approved Retirement Income Account (RIA) 403(b) Plan (#09-001), the Church 403(b) Plan (#11-001) or the Public School/Dual Status 403(b) Plan (#12-001). The mandatory automatic enrollment requirements also do not apply to the Pre-Approved 403(b) Plan for 501(c)(3) Organizations and Electing Churches (#08-001) or the Salary Reduction Only 403(b) Plan (#10-001), if such Plan is exempted from the requirements under Code §414A, including a Plan maintained by an Employer that normally employs 10 or fewer Employees, a Plan maintained by an Employer that has been in existence for less than 3 years, or a Plan established before December 29, 2022. (See S2IA §4.01(e).)*]

☐ (a) **The Plan is exempt from the mandatory automatic enrollment requirements. [Note:** Designation under this S2-2(a) as to whether and why the Plan is exempt from the automatic enrollment requirements is optional. The exemption may be determined administratively.]

The Plan is exempt from the mandatory automatic enrollment requirements because:

☐ (1) The Plan was established before December 29, 2022.

☐ (2) The Plan is maintained by an Employer that normally employs 10 or fewer Employees.

☐ (3) The Plan is maintained by an Employer that has been in existence for less than 3 years.

☐ (4) The Plan is a governmental plan (within the meaning of Code §414(d).

☐ (5) The Plan is a church plan (within the meaning of Code §414(e).

[***Note****: If the Plan is exempt from the mandatory automatic enrollment requirements, do not complete the elective provisions under (b) – (f) below. Additionally, an Employer is not required to complete the following elective provisions if the elections in the Adoption Agreement already satisfy the mandatory automatic enrollment requirements.*]

The following elections apply for the first Plan Year beginning after December 31, 2024 or, if later, the date the Plan is initially effective, unless the Employer designates a special effective date under subsection (f) below.

☐ (b) **Eligible Automatic Contribution Arrangement deferral percentage and automatic increase.**

☐ (1) **Initial automatic (default) Salary Deferral percentage. ____**% of Plan Compensation (percentage must be between 3% and 10%)

☐ (2) **Automatic (default) Salary Deferral percentage increase.** For each Plan Year beginning after an Employee's initial period under the arrangement, the percentage of the default Salary Deferral is increased by 1 percentage point until the percentage is ____% of Plan Compensation (must be at least 10%, but may not exceed 15%)

☐ (3) **Special application of automatic increase provisions.** The Employer may describe under this subsection (3) special rules applicable to automatic increase provisions: ____

[***Note:*** *Special rules must satisfy all applicable statutory and regulatory requirements.*]

☐ (c) **Application of automatic (default) Salary Deferral provisions.** The automatic (default) Salary Deferral election under subsection (b) will apply to Participants who enter the Plan after the automatic (default) Salary Deferral provisions are effective and to current Participants eligible to participate in the Plan at the time the automatic (default) Salary Deferral provisions are effective as set forth below.

☐ (1) **Current Participants.** The automatic (default) Salary Deferral provisions apply to all other eligible Participants as follows:

☐ (i) Automatic (default) Salary Deferral provisions apply to current Participants who have not entered into an affirmative Salary Deferral election. ***(Under this election, the automatic (default) Salary Deferral provisions do not apply to current Participants who have made an affirmative Salary Deferral election to not defer into the Plan).***

☐ (ii) Automatic (default) Salary Deferral provisions apply to current Participants who have not entered into a Salary Deferral election and to current Participants who have made an affirmative Salary Deferral election not to defer under the Plan.

☐ (iii) Automatic (default) Salary Deferral provisions apply to all current Participants who have not entered into a Salary Deferral election that is at least equal to the automatic (default) Salary Deferral amount under subsection (b)(1). Current Participants who have made a Salary Deferral election that is less than the automatic (default) Salary Deferral amount, or who have not made a Salary Deferral election, will automatically be increased to the automatic (default) Salary Deferral amount unless the Participant enters into a new Salary Deferral election on or before the effective date of the automatic (default) Salary Deferral provisions.

☐ (iv) Describe: ____

☐ (2) **Expiration of affirmative deferral elections.** Unless this subsection (2) is elected, for purposes of the automatic (default) Salary Deferral provisions of the Plan, a Participant's affirmative Salary Deferral election will not expire. If this subsection (2) is elected, a Participant's affirmative Salary Deferral election will expire:

☐ (i) At the end of each Plan Year.

☐ (ii) Describe date that the affirmative Salary Deferral election will expire: ________________________

Expiration applies to the following:

☐ (iii) All affirmative Salary Deferral elections.

☐ (iv) Only to affirmative Salary Deferral elections that are less than the current automatic (default) Salary Deferral rate.

If a Participant fails to complete a new affirmative Salary Deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic (default) Salary Deferral percentage as specified in the Plan pursuant to the automatic (default) Salary Deferral provisions. Each year, the Participant may always complete a new affirmative Salary Deferral election and designate a new Salary Deferral percentage.

(3) **Treatment of automatic (default) Salary Deferral.** Any Salary Deferrals made pursuant to an automatic (default) Salary Deferral election will be treated as Pre-Tax Deferrals, unless designated otherwise under this subsection (3).

☐ Any Salary Deferrals made pursuant to an automatic (default) Salary Deferral election will be treated as Roth Deferrals.

[***Note:*** *This subsection (3) may only be checked if Roth Deferrals are permitted under the Plan.*]

(d) **Permissive redetermination of periods without automatic (default) Salary Deferrals.** The uniform automatic (default) Salary Deferral percentages under (b) above are based on the date the Employee's initial period begins. However, if, after the Employee's initial period began, the Employee did not have automatic (default) Salary Deferral made for an entire Plan Year, then an Employee's initial period is redetermined as follows or under separate administrative procedures: (If no elections are made below or under separate administrative procedures, the initial period is not redetermined.)

☐ (1) **Redetermination for Employee who became ineligible.** If, for an entire Plan Year, no automatic (default) Salary Deferral were made solely because the Employee was not eligible to make Salary Deferrals under the Plan for that Plan Year, then the Employee's initial period is redetermined so that it begins on the date the Employee is again eligible to make Salary Deferrals under the Plan.

☐ (2) **Redetermination for Employee who remained eligible and made an affirmative Salary Deferral election.** If, for an entire Plan Year, no automatic (default) Salary Deferral were made to the Plan solely because the Employee made an affirmative Salary Deferral election in a different amount (including an election not to make Salary Deferrals), then the Employee's initial period is redetermined so that it begins:

☐ (i) On the first day of the Plan Year that begins after the first full Plan Year in which the affirmative election was in effect.

☐ (ii) Describe date for which an Employee's initial period is redetermined (may not be earlier than the first day of the Plan Year beginning after the last day of the Plan Year that follows the Plan Year that includes the date the initial period began): ____

(e) **Permissible withdrawals.**

(1) **Time period for electing a permissible withdrawal.** A Participant who had an automatic (default) Salary Deferral made under the Plan must be allowed to withdraw such contributions (and earnings attributable thereto). Unless otherwise elected below, a Participant must request a permissible withdrawal no later than 90 days after the date of the Participant's first automatic (default) Salary Deferral under the EACA.

☐ Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than ____ [may not be less than 30 nor more than 90] days after the date the Plan Compensation from which automatic (default) Salary Deferral are withheld would otherwise have been included in gross income.

(2) **Employee with no automatic (default) Salary Deferral for a full Plan Year.** Unless elected otherwise below, an Employee who would otherwise be subject to the automatic (default) Salary Deferral requirements but who for an entire Plan Year did not have automatic (default) Salary Deferral made under the Plan (e.g., a Participant who terminated employment) may elect a permissible withdrawal within the applicable time period if automatic (default) Salary Deferral begin at a later time (e.g., the Employee is rehired).

☐ The ability to take permissible withdrawals does not apply to an Employee who would otherwise be subject to the automatic (default) Salary Deferral requirements but who for an entire Plan Year did not have automatic (default) Salary Deferral made under the Plan.

☐ (f) Describe special rules, including effective date rules, applicable to the mandatory automatic enrollment under the Plan: _

S2-3. AGE 50 CATCH-UP CONTRIBUTIONS. (S2IA §4.02) [If the Employer has elected to not permit Age 50 Catch-Up Contributions under the Adoption Agreement, no elections are necessary under this §S2-3. Note that the Plan default is that the Plan permits Age 50 Catch-Up Contributions.]

(a) **Age 50 Catch-Up Contribution elections.** Unless otherwise elected under this §S2-3(a), a Plan that permits Age 50 Catch-Up Contributions added the higher Age 50 Catch-Up Contribution Limit for Participants who have attained ages 60 - 63, effective for taxable years beginning on January 1, 2025.

☐ (1) The higher Age 50 Catch-Up Contribution Limit for Participants who have attained ages 60 - 63 is not permitted under the Plan.

☐ (2) The higher Age 50 Catch-Up Contribution Limit for Participants who have attained ages 60 – 63 was added to the Plan effective ____ [insert date after January 1, 2025].

☐ (3) The higher Age 50 Catch-Up Contributions for Participants who have attained ages 60 - 63 were permitted for taxable years beginning on or after January 1, 2025, but are no longer permitted under the Plan, effective ____ [insert date].

☐ (4) Collectively Bargained Employees who are eligible to make Salary Deferrals under the Plan are not eligible for the higher Age 50 Catch-Up Contribution Limit for Participants who have attained ages 60 - 63.

(b) **Age 50 Catch-Up Contributions that are eligible for Matching Contributions.** Unless elected otherwise under this §S2-3(b), a Plan that includes an election to make Age 50 Catch-Up Contributions that are eligible for Matching Contributions (see AA §6B-3) will provide such Matching Contributions on all Age 50 Catch-Up Contributions (including higher Age 50 Catch-Up Contributions) that are permitted under the Plan.

☐ (1) Only regular Age 50 Catch-Up Contributions are eligible for Matching Contributions. Higher Age 50 Catch-Up Contributions for Participants who have attained ages 60 - 63 are not eligible for Matching Contributions.

☐ (2) Only regular Age 50 Catch-Up Contributions are eligible for Matching Contributions. Matching Contributions on higher Age 50 Catch-Up Contributions for Participants who have attained ages 60 - 63 are no longer made to the Plan, effective ____ [insert date after January 1, 2025].

☐ (3) Describe any special rules or provisions, including effective dates, relating to Age 50 Catch-Up Contributions and their eligibility for Matching Contributions: ____________________________________

[***Note:*** *If no elections are made above, the Plan will treat higher Age 50 Catch-Up Contributions in the same manner as Age 50 Catch-Up Contributions as designated under AA §6B-3*.]

(c) **Elections relating to Roth Deferrals and Age 50 Catch-Up Contributions.**

☐ (1) Age 50 Catch-Up Contributions are removed from the Plan effective _____ [insert date on or after January 1, 2024].

☐ (2) Roth Deferrals are added to the Plan effective ____ [enter a date on or after January 1, 2024].

[***Note:*** *In lieu of making elections under this subsection (c), the Employer may make appropriate elections (i.e., to remove Age 50 Catch-Up Contributions or to add Roth Deferrals) under the Adoption Agreement. If Roth Deferrals are added under (2) above, the Plan defaults for Roth Deferrals will apply unless otherwise described under subsection (f) below*.]

☐ (3) Highly Paid Individuals (i.e., any eligible Participant whose wages (as defined in Code §3121(a)) for the preceding calendar year from the employer sponsoring the Plan exceeded $150,000 (as adjusted) are not eligible to make Age 50 Catch-Up Contributions under the Plan.

☐ (4) Highly Compensated Employees and Highly Paid Individuals (i.e., any eligible Participant whose wages (as defined in Code §3121(a)) for the preceding calendar year from the employer sponsoring the Plan exceeded $150,000 (as adjusted) are not eligible to make Age 50 Catch-Up Contributions under the Plan.

☐ (5) Highly Compensated Employees with net earnings from self-employment for the preceding calendar year that exceeded $150,000 (as adjusted) and Highly Paid Individuals (i.e., any eligible Participant whose wages (as defined in Code §3121(a)) for the preceding calendar year from the employer sponsoring the Plan exceeded $150,000 (as adjusted) are not eligible to make Age 50 Catch-Up Contributions under the Plan.

(d) **Deemed Roth Age 50 Catch-Up Contribution election.** Unless elected otherwise below, the Plan deems a Participant who is subject to the Roth Age 50 Catch-Up Contribution requirement to have irrevocably designated any Age 50 Catch-Up Contributions as a Roth Deferral.

☐ (1) The Plan does not provide for a deemed Roth Catch-Up Contribution election, unless the Plan Administrator notifies the Participant of such a deemed Roth Catch-Up Contribution election before the Participant makes a Salary Deferral election. (See SECURE 2.0 Act IA §4.02(d).)

☐ (2) The Plan does not provide for a deemed Roth Catch-Up Contribution election. The Participant must make an election to treat Catch-Up Contributions as Roth Catch-Up Contributions. (See SECURE 2.0 Act IA §4.02(d).)

☐ (e) **Aggregation of employers for determining the "employer sponsoring the Plan" for purposes of Code §414(v)(7).** For purposes of Code §414(v)(7) and determining wages from the "employer sponsoring the Plan," the following employers are aggregated, as allowed under Treas. Reg. §1.414(v)-2(b)(4) (e.g., employers using a common paymaster or part of a Related Employer group): ____________________________________

[***Note:*** *In lieu of listing aggregated employers above, the Employer may describe such aggregated employers in a separate written administrative procedure*.]

☐ (f) Describe other special rules or provisions, including effective date rules, relating to Age 50 Catch-Up Contributions: ___

S2-4. LTPT EMPLOYEES. (S2IA §4.03) Effective for Plan Years beginning on or after January 1, 2025, the Plan must permit LTPT Employees to make Salary Deferrals into the Plan, as required under Code §§403(b)(12). The Employer may make elections under this Elective Provisions §S2-4 consistent with the requirements of Code §§403(b)(12) and S2IA §4.03. Elections under this Elective Provisions §S2-4 are not necessary if no Employees will ever be eligible to make Salary Deferrals <u>solely</u> because of the LTPT Employee requirements or if the Plan is not subject to Title I of ERISA.

[***Note:*** *Because the LTPT Employee requirements do not apply to plans not subject to Title I of ERISA, these requirements do not apply to the Pre-Approved Retirement Income Account (RIA) 403(b) Plan (#09-001), the Salary Reduction Only Plan (#10-001), the Church 403(b) Plan (#11-001) or the Public School/Dual Status 403(b) Plan (#12-001).*]

☐ (a) **Eligibility for Employer Contributions and Matching Contributions.** Unless elected otherwise below, LTPT Employees are not eligible for Employer Contributions or Matching Contributions under the Plan.

In addition to the ability to make Salary Deferrals, LTPT Employee may receive the following in the same manner and under the same conditions as other Eligible Employees under the Plan: [Note: The elections below are effective for Plan Years beginning on or after January 1, 2025 or such later date as designated.]

☐ (1) All available Employer Contributions and Matching Contributions, effective ____.

☐ (2) Employer Contributions (including Qualified Nonelective Employer Contributions), effective ____.

☐ (3) Matching Contributions (including Qualified Matching Contributions), effective ____.

☐ (4) Safe Harbor 403(b) Plan Contributions, effective ____.

☐ (5) Describe: ____

☐ (b) **Eligibility Computation Period (ECP).** Unless elected otherwise below, the ECP rules under the Plan apply to LTPT Employees.

☐ (1) The ECP for an LTPT Employee is based on Anniversary Years and will not switch to the Plan Year.

☐ (2) Describe ECP rules applicable to LTPT Employees: ________________________________
[***Note:*** *Any description under this (2) must be consistent with requirements for ECPs under the Plan*.]

☐ (c) **Entry Date.** Unless elected otherwise below, the Entry Date rules under the Plan apply to LTPT Employees.

☐ (1) The Entry Date for LTPT Employees will be the first day of the 1st and 7th month of the Plan Year.

☐ (2) Describe the Entry Date rules applicable to LTPT Employees: ____________________________
[***Note****: Any description under this (2) must be consistent with requirements for Entry Dates under the Plan*.]

(d) **Collectively Bargained Employees and non-resident aliens.** If Collectively Bargained Employees and/or non-resident aliens who receive no compensation from the Employer that constitutes U.S. source income are otherwise eligible for the Plan, the Employer may elect to exclude such Employees from the LTPT Employee rules below:

☐ (1) Collectively Bargained Employees are excluded from eligibility as LTPT Employees.

☐ (2) Non-resident aliens who receive no compensation from the Employer that constitutes U.S. source income are excluded from eligibility as LTPT Employees.

(e) **Roth Deferrals.** LTPT Employees may make Roth Deferrals if Roth Deferrals are permitted under the Plan, unless the Employer elects otherwise below:

☐ LTPT Employees are not permitted to make Roth Deferrals under the Plan.

(f) **After-Tax Employee Contributions.** LTPT Employees may make After-Tax Employee Contributions if After-Tax Employee Contributions are permitted under the Plan, unless the Employer elects otherwise below:

☐ LTPT Employees are not permitted to make After-Tax Employee Contributions under the Plan.

(g) **Rollover Contributions.** LTPT Employees may make Rollover Contributions if Rollover Contributions are permitted under the Plan, unless the Employer elects otherwise below:

☐ LTPT Employees are not permitted to make Rollover Contributions under the Plan.

(h) **Automatic Contribution Arrangements.** LTPT Employees are subject to the Plan's Automatic Contribution Arrangement provisions (including automatic escalation), unless the Employer elects otherwise below:

☐ (1) LTPT Employees are not subject to the Automatic Contribution Arrangement provisions of the Plan.

☐ (2) LTPT Employees are subject to the Plan's Automatic Contribution Arrangement provisions (**excluding automatic escalation**).

[***Note:*** *If the Plan is subject to the mandatory automatic enrollment rules under S2IA §4.01, LTPT Employees must be automatically enrolled in the Plan and the above elections do not apply*.]

(i) **Vesting Computation Periods (VCPs).** LTPT Employee will not receive vesting credit for VCPs beginning before January 1, 2023, unless the Employer elects otherwise below:

☐ (1) All VCPs beginning before January 1, 2023 will be taken into account for determining vesting credit for LTPT Employees.

☐ (2) Describe the VCPs beginning before January 1, 2023 that will be taken into account for determining vesting credit for LTPT Employees: ______________________________

(j) **Nondiscrimination and coverage election.** If the Plan is not a Safe Harbor 403(b) Plan, the Employer may administratively elect on an annual basis to exclude LTPT Employee from all nondiscrimination and coverage tests.

If the Plan is a Safe Harbor 403(b) Plan, the Employer excludes LTPT Employees from all nondiscrimination and coverage tests, unless elected otherwise below:

☐ The Plan is a Safe Harbor 403(b) Plan and the Employer elects to INCLUDE LTPT Employees in all nondiscrimination and coverage tests. (The Employer must make this nondiscrimination and coverage election before the Plan Year for which the election applies.)

(k) **Automatic Increase for Participants with Affirmative Salary Deferral election.** LTPT Employees are subject to the Plan's provisions relating to automatic increase for Participants with affirmative Salary Deferral Election under AA §6A-6.

☐ LTPT Employees are not subject to the Plan's provisions relating to automatic increase for Participants with affirmative Salary Deferral Election under AA §6A-6.

☐ (l) **Describe other rules applicable to LTPT Employees.** ______________________________

[***Note****: Any rules under this (l) must be consistent with requirements for the participation of LTPT Employees as set forth under S2IA §4.03.*]

S2-5. STARTER 403(b) PLANS FOR EMPLOYERS WITH NO RETIREMENT PLAN. (S2IA §4.05)

[Note: The Starter 403(b) Plan provisions do not apply to Pre-Approved Public School/Dual Purpose 403(b) Plan (#12-001).]

☐ **Establishment of Starter 403(b) Plan.** The Employer establishes a Starter 403(b) Plan, as of the effective date indicated on the Employer Signature Page of the Adoption Agreement. The effective date may be no earlier than December 31, 2023.

An Employer adopting a Starter 403(b) Plan should complete the Adoption Agreement consistent with the requirements applicable to a Starter 403(b) Plan, as described under S2IA §4.05. The Employer must designate an automatic (default) deferral percentage of at least 3% and not more than 15%, a minimum service requirement of not more than one Year of Service, a minimum age requirement of not more than age 21, and an Entry Date.

S2-6. PENSION-LINKED EMERGENCY SAVINGS ACCOUNT (PLESA). (S2IA §4.06)

(a) **Establishment of a PLESA.** Unless otherwise elected below, the Plan does not include PLESAs.

☐ Effective for Plan Years beginning on or after ____ [enter a date no earlier than January 1, 2024], the Employer establishes, as part of the Plan, a PLESA for the benefit of eligible Participants, as provided under Code §402A(e) and ERISA §§801 – 804.

(b) **Elections relating to PLESAs.** If PLESAs are established under the Plan, the Employer may make the following elections:

☐ (1) Instead of $2,500 the Plan limits the portion of a Participant's Account attributable to PLESA contributions to $____ [insert amount less than $2,500]

☐ (2) Instead of requiring an affirmative election by a Participant to contribute to the PLESA, the Plan will automatically enroll eligible Participants at a rate of ____% [must be 3% or less]

ELECTIVE PROVISIONS RELATING TO MATCHING CONTRIBUTIONS

S2-7. OPTIONAL TREATMENT OF MATCHING CONTRIBUTIONS AS DESIGNATED ROTH MATCHING CONTRIBUTIONS. (S2IA §5.01)

☐ (a) A Participant may not elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Designated Roth Matching Contribution.

☐ (b) Effective ____ [*insert date on or after December 30, 2022*], a Participant MAY elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Designated Roth Matching Contribution.

☑ (c) Describe any special rules relating to the optional treatment of nonforfeitable Matching Contributions as a Designated Roth Matching Contribution: Special rules relating to the optional treatment of nonforfeitable Matching Contributions as a Designated Roth Matching Contribution are set forth in the applicable agreement between the employer and the employee and/or in an employer administrative/board policy.

S2-8. TREATMENT OF QUALIFIED STUDENT LOAN PAYMENTS (QSLPs) AS SALARY DEFERRALS FOR PURPOSES OF MATCHING CONTRIBUTIONS. (S2IA §5.02)

☐ (a) The Plan does not treat QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions.

☐ (b) Effective for Plan Years beginning on or after ____ [*enter a date no earlier than January 1, 2024*], the Plan will treat QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions, as provided for under §110 of the SECURE 2.0 Act.

☑ (c) Describe any special rules relating to the treatment of QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) for purposes of Matching Contributions: Special rules relating to the treatment of QSLPs as Salary Deferrals (or After-Tax Employee Contributions, if applicable) are set forth in the applicable agreement between the employer and the employee and/or in an employer administrative/board policy.

S2-9. FEDERAL SAVER'S MATCHING CONTRIBUTION. (S2IA §5.03)

☑ (a) Employer will not accept receipt of the federal saver's matching contribution.

☐ (b) The Employer elects to accept the receipt of the federal saver's matching contribution, effective ____ [*insert date on or after January 1, 2027*].

☐ (c) Describe special rules applicable to the federal saver's matching contribution: ________________________________

ELECTIVE PROVISIONS RELATING TO DISTRIBUTIONS

S2-10. AVAILABILITY OF INVOLUNTARY CASH-OUT DISTRIBUTIONS. (S2IA §6.01)

☑ (a) **No change to Involuntary Cash-Out Distribution related-provisions as elected under the Adoption Agreement and as applicable before January 1, 2024 (i.e., prior to the effective date of §304 of the SECURE 2.0 Act).**

☐ (b) **Involuntary Cash-Out Distributions.** Beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024], a Participant who has a Severance from Employment with a vested Account Balance of $7,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under the Plan.

☐ (c) **No Involuntary Cash-Out Distributions.** Beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024], the Plan does not provide for Involuntary Cash-Out Distributions. A Participant who has a Severance from Employment must consent to any distribution from the Plan.

☐ (d) **Lower Involuntary Cash-Out Distribution threshold.** Beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024], a Participant who has a Severance from Employment will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:

☐ (1) $1,000

☐ (2) $5,000

☐ (3) $____ (*must be less than $7,000*)

☐ (e) **Application to spousal consent requirements.** Beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024], if the Plan is subject to the Qualified Joint and Survivor Annuity rules and this subsection (e) is elected, the elections in subsections (a) - (d) do not apply in determining the dollar threshold for spousal consent under the Plan and instead the spousal consent threshold is $7,000 or such lower amount as selected below:

☐ (1) $1,000

☐ (2) $5,000

☐ (3) $____ (*must be less than $7,000*)

☐ (f) Describe any special rules relating to Involuntary Cash Out Distributions and/or spousal consent requirements: _______

S2-11. AVAILABILITY OF IN-SERVICE DISTRIBUTIONS. (S2IA §§6.02, 6.03, 6.04, 6.05, 6.07) A Participant may withdraw all or any portion of such Participant's vested Account Balance, to the extent designated, upon the occurrence of any of the event(s) selected under this S2-11. If more than one option is selected for a particular contribution type under this S2-11, a Participant may take an in-service distribution upon the occurrence of any of the selected events, unless designated otherwise under this S2-11.

If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6D, unless elected otherwise under this S2-11, a Participant may take an in-service distribution from such Participant's Rollover Account and After-Tax Employee Contribution Account at any time. If the Plan provides for Safe Harbor Contributions (SH) under AA §6C, unless elected otherwise under this S2-11, a Participant may take an in-service distribution from such Participant's Safe Harbor Contribution Account at the same time as elected for Salary Deferrals under S2-11. Unless otherwise described under S2-11(e), a Participant may take an in-service distribution from a Transfer Account as allowed for the underlying contribution source.

[***Note:*** *In-service distributions must satisfy the distribution restrictions applicable to Custodial Accounts and Salary Deferral Accounts.*]

All Available Sources	Deferral	Match	ER	R/O	AT	SH	
☐	☐	☐	☐	☐	☐	☐	(a) As an Emergency Personal Expense Distribution beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024].
☑	☐	☐	☐	☐	☐	☐	(b) As a Domestic Abuse Distribution beginning January 1, 2024, or, if later, ____ [insert date after January 1, 2024].
☑	☐	☐	☐	☐	☐	☐	(c) As a Qualified Long-Term Care Distribution beginning December 30, 2025, or, if later, ____ [insert date after December 30, 2025].
☑	☐	☐	☐	☐	☐	☐	(d) As a Terminally Ill Individual Distribution beginning December 30, 2022, or, if later, ____ [insert date after December 30, 2022]. [***Note:*** *Not available with respect to Salary Deferrals or amounts held under a Custodial Account unless legislation amends Code §72(t)(2)(L) to allow a Terminally Ill Individual Distribution as a permissible distribution event under Code §403(b).*]
☐	☐	☐	☐	☐	☐	☐	(e) Describe: ________________________________

[***Note:*** *Unless designated otherwise under subsection (e), any selection(s) in the Deferral column also apply to Roth Contributions, QMACs and QNECs. Elections under the ER column also apply to Mandatory Contributions, unless otherwise provided in subsection (e). Any event described in subsection (e) may not violate the permissible distribution events under the Plan.]*

☐ (f) **Special distribution rules for in-service distributions.**

☐ (1) The following are not available to Participants who have had a Severance from Employment:

☐ (i) Emergency Personal Expense Distributions

☐ (ii) Domestic Abuse Distributions

☐ (iii) Qualified Long-Term Care Distributions

☐ (iv) Terminally Ill Individual Distributions

☐ (2) The following are not available unless the Participant is 100% vested in the source from which the distribution is taken:

☐ (i) Emergency Personal Expense Distributions

☐ (ii) Domestic Abuse Distributions

☐ (iii) Qualified Long-Term Care Distributions

☐ (iv) Terminally Ill Individual Distributions

☐ (3) Unless otherwise elected below, Hardship distributions may include earnings on Pre-Tax Deferral Accounts and Roth Deferral Accounts, effective for Plan Years beginning on or after January 1, 2024.

☐ (i) Hardship distributions may NOT include earnings on Pre-Tax Deferral Accounts and Roth Deferral Accounts.

☐ (ii) Hardship distributions may include earnings on Pre-Tax Deferral Accounts and Roth Deferral, effective ____ [insert date after January 1, 2024].

☐ (4) Unless otherwise elected below, Hardship distributions may include QNEC, QMAC, Traditional Safe Harbor Contribution and QACA Safe Harbor Contribution Accounts (including earnings), effective for Plan Years beginning January 1, 2024.

☐ (i) Hardship distributions may NOT include the following Accounts (including earnings):

☐ (A) QNEC Account

☐ (B) QMAC Account

☐ (C) Traditional Safe Harbor Contribution Accounts

☐ (D) QACA Safe Harbor Contribution Accounts.

☐ (ii) Hardship distributions may include QNEC, QMAC, Traditional Safe Harbor and QACA Safe Harbor Accounts (including earnings), effective ____ [insert date after January 1, 2024].

☐ (5) Describe any special rules relating to Hardship distributions: ____

☐ (6) Other distribution rules: ____

S2-12. PEP FIDUCIARY FOR COLLECTING CONTRIBUTIONS TO THE PEP. (S2IA §8.01)

☐ Instead of the PPP, the fiduciary for collecting contributions to the PEP is: ____________________________________

S2-13. SPECIAL PROVISIONS.

If the Employer wishes to provide additional or clarifying provisions to this SECURE 2.0 Act Interim Amendment, the Employer may include such provisions below.

☐ Describe any special rules related to this SECURE 2.0 Act Interim Amendment: ________________________________

APPLICATION OF SECURE 2.0 ACT INTERIM AMENDMENT

Pursuant to Revenue Procedure 2023-37 and Section 14.01(a) of the Plan, this SECURE 2.0 Act Interim Amendment has been adopted by the Pre-Approved Plan Provider on behalf of all adopting Employers. This amendment applies to the signatory Employer and all Participating Employers under the Plan.

ACTION BY THE GOVERNING BOARD
RESTATEMENT OF 403(b) RETIREMENT PLAN

The undersigned, on behalf of the Governing Board, hereby certifies that at a meeting of the Governing Board of Lehighton Area School District ("Employer"), the following resolutions were approved:

> WHEREAS, the Employer has maintained the Lehighton Area School District 403(b) Plan ("Plan") since January 1, 2009 for the benefit of eligible employees; and
>
> WHEREAS, the Employer is restating the above-referenced Plan to comply with 2022 Cumulative List of Changes in Section 403(b) Requirements for 403(b) Pre-approved Plans and to continue to receive the tax benefits of an IRS pre-approved plan.
>
> NOW, THEREFORE, BE IT RESOLVED that the Employer hereby adopts the Lehighton Area School District 403(b) Plan as a complete restatement of the prior Plan, to be effective on January 1, 2026;
>
> RESOLVED FURTHER that the undersigned representative of the Employer is authorized to execute the restated Plan document and authorize the performance of any other actions necessary to implement the adoption of the Plan restatement. The Employer may designate any other authorized person to execute the restated Plan document and perform the necessary actions to adopt the restated Plan. The Employer will maintain a copy of the restated Plan, as approved by the Governing Board, along with a copy of the prior plan, in its files;

The undersigned hereby certifies that he/she is an Authorized Representative of the Employer and that the foregoing is a true record of a resolution duly adopted at a meeting of the Governing Board and that said meeting was held in accordance with state law and the Bylaws of the above-named Employer.

IN WITNESS WHEREOF, I have executed my name below as an Authorized Representative of the Employer.

____

Authorized Representative / Date

MEMORANDUM OF UNDERSTANDING

Between Lehighton Area School District and Panther Valley School District

Equipment Sharing Agreement

Effective Date: ___________________

This Memorandum of Understanding ("MOU") is entered into by and between the **Lehighton Area School District** ("Lehighton") and the **Panther Valley School District** ("Panther Valley"), collectively referred to as the "Districts."

I. Purpose

The purpose of this Memorandum of Understanding is to establish the terms and conditions under which the Districts may share equipment to improve operational efficiency, reduce costs, and support educational and facility operations while maintaining accountability for District-owned assets.

II. Scope

This MOU applies to equipment owned by either District that may be loaned or shared upon mutual agreement. Examples include, but are not limited to:

- Grounds maintenance equipment
- Custodial equipment
- Snow removal equipment
- Construction and maintenance tools
- Athletic field maintenance equipment
- Portable generators
- Lifts, trailers, and other support equipment

This MOU does not obligate either District to lend equipment and does not guarantee equipment availability.

III. Equipment Requests

1. Requests for equipment shall be made by the Superintendent, Business Administrator, Director of Buildings and Grounds, or other authorized representative.
2. Requests should be made with reasonable advance notice whenever practical.
3. The lending District reserves the right to approve or deny any request based on operational needs.

IV. Equipment Use

The borrowing District agrees to:

- Use equipment only for its intended purpose.
- Ensure that only trained and authorized personnel operate the equipment.
- Follow all manufacturer operating and safety instructions.
- Comply with all applicable federal, state, and local laws and regulations.
- Not modify the equipment without written permission.

V. Transportation

Unless otherwise agreed in writing:

- The borrowing District shall be responsible for transporting equipment to and from the lending District.
- Transportation shall be conducted by qualified personnel using appropriate vehicles and equipment.

VI. Maintenance and Repairs

Routine operational maintenance, including fueling and cleaning during the loan period, shall be the responsibility of the borrowing District.

The borrowing District shall promptly notify the lending District of any mechanical problems, damage, or equipment malfunction.

If damage results from negligence, misuse, unauthorized operation, or failure to follow manufacturer recommendations, the borrowing District shall be responsible for reasonable repair or replacement costs.

Normal wear and tear shall remain the responsibility of the lending District.

VII. Insurance and Liability

Each District shall maintain insurance coverage as required by law.

To the extent permitted by Pennsylvania law, each District shall be responsible for the acts and omissions of its own officers, employees, and agents.

Nothing in this MOU shall be construed as a waiver of governmental or sovereign immunity or any other defenses available under applicable law.

VIII. Loss or Damage

The borrowing District shall immediately report any accident, theft, vandalism, or damage involving borrowed equipment.

The Districts shall cooperate in determining responsibility and resolving repair or replacement costs.

IX. No Fee

Unless otherwise agreed in writing, equipment shall be shared without charge.

If extraordinary costs are incurred, the Districts may mutually agree upon reimbursement prior to the equipment loan.

X. Records

The lending District shall maintain records of equipment loans including:

- Description of equipment
- Asset identification number (if applicable)
- Date borrowed
- Date returned
- Condition upon return
- Authorized representatives

XI. Term

This MOU shall become effective upon execution by both Districts and shall remain in effect for five (5) years unless terminated earlier.

XII. Termination

Either District may terminate this MOU by providing thirty (30) days written notice to the other District.

Termination shall not affect obligations arising from equipment currently on loan.

XIII. Amendments

This MOU may be amended only through a written agreement signed by authorized representatives of both Districts.

XIV. No Partnership

Nothing contained in this MOU shall be construed as creating a partnership, joint venture, or agency relationship between the Districts.

XV. Entire Agreement

This MOU constitutes the entire understanding between the Districts regarding equipment sharing and supersedes any prior oral or written understandings on this subject.

Signatures

Lehighton Area School District

By: ____

Name: ____________________________________

Title: _____________________________________

Date: _____________________________________

Panther Valley School District

By: ____

Name: ____________________________________

Title: _____________________________________

Date: _____________________________________

Sourcewell
Ground Maintenance, CE, Utility Tractors, Mowers, RTV's - 112624-KBA
Ag Tractors with Related Attachments - 082923-KBA
NJPA Arkansas 4600041718
NJPA Delaware GSS-17673
Nebraska 14777 (OC)
Mississippi 8200067336

RTVX2C-SKLH-1 WEB QUOTE #2856062
Date: 3/12/2025 10:38:41 AM
-- Customer Information --
SMITH, JUSTIN
32463
LEHIGHTON AREA SCHOOL DISTRICT
JLSMITH@LEHIGHTON.ORG
6103774490

Quote Provided By
CANNS-BILCO DISTRIBUTORS, INC.
Kyle Gordon
125 E PENN AVE
ALBURTIS, PA 18011
email: gordonkd@canns-bilco.com
phone: 8008110285

-- Standard Features --

Kubota
V Series RTVX2C-SKLH-1
* * * EQUIPMENT IN STANDARD MACHINE * * *

DIESEL ENGINE
Model Kubota D1105
3 Cyl. 68.5 cu in
+23.3 Gross Eng HP
75 Amp Alternator

TRANSMISSION
VHT-X
Variable Hydro Transmission
Forward Speeds:
Low 0 - 15 mph
High 0 - 25 mph
Reverse 0 - 17 mph
Limited-slip Front Differential
Rear differential lock

HYDRAULICS
Hydrostatic Power Steering with manual tilt-feature
Hydraulic Cargo Dump
Hydraulic Oil Cooler

FLUID CAPACITY
Fuel Tank 7.9 gal
Cooling 8.3 qts
Engine Oil 4.3 qts
Transmission Oil 1.8 gal
Brake Fluid 0.4 qts

CARGO BOX
Width 57.7in
Length 40.5 in
Depth 11.2 in
Load Capacity 1102 lbs
Vol. Capacity 15.2 cu ft

+ Manufacturer Estimate

TIRES AND WHEELS
ATV Tire 25 x 10 - 12, 6 ply
HDMP Tires 25 x 10 - 12, 6 ply

KEY FEATURES
Factory Cab with A/C, Heater, Defroster
Digital Multi-meter
Fully-opening roll-down side windows
Speedometer
Pre-wired w/ speakers/antenna for stereo
Front Independent Adjustable Suspension
Rear Independent Adjustable Suspension
Brakes - Front/Rear Wet Disc
Rear Brake Lights / Front Headlights
2” Hitch Receiver, Front and Rear
Deluxe 60/40 split bench seats with driver's side seat adjustment
Underseat Storage Compartments
Deluxe Front Guard (radiator guard, bumper, and lens guard)

DIMENSIONS
Width 63.2 in
Height 81.9 in
Length 120.3 in
Wheelbase 80.5 in
Tow Capacity 1300 lbs
Ground Clearance 10.4 in
Suspension Travel 8 in
Turning Radius 13.1 ft

SAFETY EQUIPMENT
SAE J2194 & OSHA 1928 ROPS
Horn
Dash-mounted Parking Brake
Spark Arrestor Muffler
Retractable 2-point Seat Belts

-- Custom Options --

RTVX2C-SKLH-1 Base Price:	$27,799.00
(1) SNOWBLADE W/ELEC OVER HYD LIFT PNF V5060-SNOWBLADE W/ELEC OVER HYD LIFT PNF	$5,399.00
(1) RTV CARGO MOUNTED DROP SPREADER V5004-RTV CARGO MOUNTED DROP SPREADER	$4,639.00
Configured Price:	$37,837.00
Sourcewell Discount:	($8,324.14)
SUBTOTAL:	$29,512.86
2Yr RTVX2C-SKLH-1 Extended Warranty	$1,350.00
Dealer Assembly:	$330.00
Freight Cost:	$1,087.50
PDI:	$400.00
V5060 BLADE AND V5004 DROP SPREADER INSTALL	$1,500.00
Total Unit Price:	$34,180.36
Quantity Ordered:	1
Final Sales Price:	$34,180.36

Purchase Order Must Reflect Final Sales Price.

To order, place your Purchase Order directly with the quoting dealer

*Some series of products are sold out for 2022. **All equipment specifications are as complete as possible as of the date on the quote. Additional attachments, options, or accessories may be added (or deleted) at the discounted price.** All specifications and prices are subject to change. Taxes are not included. The PDI fees and freight for attachments and accessories quoted may have additional charges added by the delivering dealer. These charges will be billed separately. Prices for product quoted are good for 60 days from the date shown on the quote. All equipment as quoted is subject to availability.

BLOCKER ENTERPRISES, INC.

497 South 9th St, Lehighton PA,18235
(610) 377-0440 Fax (610) 377-8066
www.blockers.com

YAMAHA Kawasaki KYMCO

(Ridge XR HVAC)

Co-Buyer

PURCHASER	PHONE	ALT. PHONE	DATE 07/01/2025
STREET	CITY/STATE/ZIP		

DESCRIPTION OF PURCHASE

XX NEW ☐ USED	YEAR 2024	MAKE KAWASAKI	MODEL KWF1000GRFNN
SERIAL NO. JKAWFCG10RB502737			
COLOR XGraystone	MILEAGE 0		
KEY NO. 3245	STOCK NO. 502737		
LIENHOLDER NONE			
ADDRESS			

DESCRIPTION OF TRADE-IN

YEAR	MAKE	MODEL
SERIAL NO.		
COLOR	MILEAGE	
KEY NO.		
LIENHOLDER		
ADDRESS		

Was $31,999

ACCESSORIES

Power Angle Plow

NOTES:

SETTLEMENT

BASE PRICE	27,999.00
DEALER PREP	264.00
FREIGHT	1,195.00
ACCESSORIES	0.00
LABOR	0.00
EXT WAR 0.00 1ST SERVICE 3,000.00	3,000.00
GAP	0.00
Supply Chain Surcharge	$0.00
SUB TOTAL	32,458.00
TRADE ALLOWANCE	0.00
BALANCE DUE	32,458.00
SALES TAX	0.00
REG/TITLE/TEMPORARY/TRANSFER/LIEN FEE	22.50
0.00 22.50 0.00 0.00	
Tire Tax 0.00 0.00 DOCUMENTATION*	100.00
INSURANCE	0.00
PAYOFF	0.00
TOTAL	32,580.50
DEPOSIT	0.00
BALANCE DUE ON DELIVERY FINAL PAYMENT CASH OR CERTIFIED CHECK	32,580.50

Warranty: XX Manufacturer's ☐ RPP ☐ No Warranty "As Is" ☐ Other

SALESPERSON

PURCHASER

A fee of $20.00 to write this contract along with a five dollar a day fee from date of contract will be charged if a deposit refund is requested.

Backwoods Outdoor Center

Quote # 2947

4645 Lehigh Dr
Walnutport, PA 18088
(610) 760-1840

Sales Person: Austin Kocher

Date: 07/14/2026

Buyer: Smith, Justin
Weissport, PA (Carbon) 18235 -
jlsmith@lehighton.org
(P) 6103774490

Stock#	Unit	VIN	Mi/Hrs	Price
POL008360	New 2027 Polaris Ranger XP 1000 Cab (Avalanche Gray)	4XARRM995V8008360	0	$22,181.51
			Total Unit(s) Price:	$22,181.51

Incentives:

Description	Total Amount
Government rebate	$1,750.00
	$1,750.00

Invoice Summary

Total Unit(s) Price:	$22,181.51
Total Freight:	$1,395.00
Total Set-Up:	$0.00
Total Other:	$0.00
Total F&I:	$0.00
Total Parts:	$0.00
Total Service:	$0.00
Sales Tax:	$0.00
Doc Fees:	$149.99
Other Fees:	$22.50
Total Sale Price:	$23,749.00
Trade-In Allowance:	$0.00
Trade In Payoff:	$0.00
Trade In Value:	$0.00
Cash Back:	($1,750.00)
Down Payments:	$0.00
Balance Due:	$21,999.00

Backwoods Outdoor Center

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4645 Lehigh Dr
Walnutport, PA 18088
(610) 760-1840

Sales Person: Austin Kocher

Date: 07/14/2026

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Weissport, PA (Carbon) 18235 -
jlsmith@lehighton.org
(P) 6103774490

Buyer:______________________________ Date: ____/_____/______

Co-Buyer:___________________________ Date: ____/_____/______

Dealer:_____________________________ Date: ____/_____/______

Lehighton MS/HS A La Carte Prices 2026-2027

Meal Items

Student/Adult Entrée Breakfast	$2.50
Student/Adult Entrée Lunch	$3.25
Adult Breakfast	$3.05
Adult Lunch/Adult Salad	$5.05
Pizza Slice	$3.25
Fruit/Vegetable	$1.00
Bread Slice	$.35

Beverages

Small Water	$.75
Large Water	$1.25
Gatorade/Flavored Water	$2.25
Milk	$.85
Juice	$1.00
Capri-Sun	$1.25

Snacks

Bagged Chips/Grandma Cookies	$1.25
Ice Cream	$1.35
Fresh Baked Cookie	$.55
Soft Pretzel	$1.00
Fruit Roll-Up/Fruit By Foot	$1.00
Rice Krispy Bar/Fruit Snack	$1.25
ZeeZee Bar/Pop-Tart	$1.50

Lehighton Elementary Center
A La Carte Prices 2026-2027

Meal Items

Student/Adult Entrée Breakfast	$2.50
Student/Adult Entrée Lunch	$3.25
Adult Breakfast	$3.05
Adult Lunch/Adult Salad	$5.05
Fruit/Vegetable	$1.00
Bread Slice	$.35

Beverages

Small Water	$.75
Milk	$.85
Juice	$1.00
Capri-Sun	$1.25
Switch Juice Cans	$2.00

Snacks

Bagged Chips/Grandma Cookies	$1.25
Ice Cream	$1.35
Fruit Roll-Up/Fruit By Foot	$1.00
Rice Krispy Bar/Fruit Snack	$1.25
ZeeZee Bar/Pop-Tart	$1.50