

SAN MATEO COUNTY DEFERRED COMPENSATION PLAN

Effective Date of This Document April 1, 2020

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457(b) PLAN DOCUMENT
DEFERRED COMPENSATION PLAN
PREAMBLE

Adoption of Plan

The San Mateo County Deferred Compensation Plan (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a State or local government as described in Code Section 457(e)(1)(A), adopted by San Mateo County (hereinafter the "Employer") effective April 1, 2020.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(1)(A), i.e., a State, political subdivision of a State, and agency or instrumentality of a State or political subdivision of a State.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or State income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own counsel or other representative regarding all tax or other consequences of participation in this Plan.

SECTION I DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

An "**Account Balance**" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

The "**Administrator**" means the Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

An "**Annual Deferral**" means the amount of Compensation deferred in any calendar year.

The "**Beneficiary**" of a Participant means the person or persons (or, if none, the Participant's estate) who is entitled under the provisions of the Plan to receive a distribution in the event the Participant dies before receiving distribution of his or her entire interest under the Plan.

The "**Code**" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended from time to time. Reference to a Code Section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "**Compensation**" of a Participant means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, including, as applicable, compensation attributable to services as an independent contractor, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Section II).

Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of (a) the end of the calendar year in which the Severance from Employment occurred or (b) within 2 ½ months of such Severance from Employment:

- (a) Payments that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar compensation.
- (b) Payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued.
- (c) Payments received by the Participant pursuant to a nonqualified unfunded deferred compensation plan, but only if such payments are includible in the Participant's gross income and the Participant would have received such payments at the same time had the Participant continued in employment with the Employer.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within 2 ½ months of such date. Thus, for example, Compensation does not include severance pay.

For years beginning after December 31, 2008, (a) a Participant receiving a differential wage payment, as defined by Code §3401(h)(2), by reason of qualified military service (within the meaning of Code Section 414(u)), is treated as an Employee of the Employer making the payment and (b) the differential wage payment is treated as Compensation.

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full time basis and any employee in an elected or appointed position; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.

"**Includible Compensation**" means, with respect to a taxable year, the Participant's compensation as defined in Code Section 415(c)(3) and the regulations thereunder, for services performed for the Employer. The amount of Includible Compensation is determined without regard to any community property laws.

"**Normal Retirement Age**" means age 65.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) Normal Retirement Age means age 40.

A Participant's Normal Retirement Age must be the same as his or her normal retirement age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

The "**Participant**" means an individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

"**Plan Year**" means the calendar year.

"**Roth Contributions**" means the amount of any Annual Deferral elected by a Participant that is irrevocably designated by the Participant as being made pursuant to, and intended to comply with, Code Section 402A. Roth Contributions are includable in the Participant's taxable gross income at the time they are contributed to the Plan and have been irrevocably designated as Roth Annual Deferrals by the Participant in their deferral agreement. The Administrator shall establish and maintain for the Employee a separate account for any Roth Contributions made to the Plan, to which only Roth Contributions and the income attributable thereto shall be allocated. Roth Contributions also includes any contributions made to another eligible retirement plan that are rolled over to the Plan in accordance with the provisions of Section 7.1 and that the Participant designated as Roth contributions at the time they were contributed to such other plan.

"**Severance from Employment**" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Solely for the purpose of determining whether the Participant is entitled to receive a distribution of his or her Account Balance pursuant to Section 6.2, a Participant shall be treated as having incurred a severance from employment during any period the Participant is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

The "**State**" means the State that is the Employer or of which the Employer is a political subdivision, and any agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

The "**Trust Fund**" means the trust fund created under and subject to a trust agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan.

The "**Valuation Date**" means each business day.

SECTION II PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and to have that amount contributed as an Annual Deferral on his or her behalf) and filing such election with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. Any such election shall remain in effect until a new election is filed. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The deferral agreement shall also include designation of investment funds and a designation of Beneficiary. The deferral agreement may also include a Participant's designation that all or a portion of the Annual Deferral elected by the Participant shall be treated as Roth Contributions.

- (a) **Automatic Contribution Arrangement:** Except as otherwise specifically provided in this Section, an Employee hired on or after March 21, 2016 who has not made an affirmative election to defer or not to defer a portion of his or her Compensation under the Plan shall automatically be deemed to have elected to defer 1 percent of his or her Compensation and have that amount contributed as an Annual Deferral on his or her behalf.

Until the Employee subject to this Section 2.2(a) makes a designation of investment funds, the contributions shall be invested in the Default Investment Fund pursuant to Section 4.5.

An Employee to whom this automatic election would otherwise apply may affirmatively elect in accordance with this Section either (i) not to defer a portion of his or her Compensation under the Plan or (ii) to defer a portion of his or her Compensation under the Plan in a different amount. Once an Employee makes such an affirmative election, he or she shall not be covered by this Section 2.2(a).

The Administrator shall provide each Employee who is or becomes eligible to participate in this automatic contribution arrangement a notice explaining the automatic reduction in his or her Compensation for purposes of making Annual Deferrals, the Employee's right to affirmatively elect either a different reduction amount or no reduction, and the manner in which the Employee's Annual Deferrals will be invested in the absence of an affirmative investment election by the Employee. If the Plan provides for Roth Contributions, the notice shall also explain that, unless the Employee affirmatively elects otherwise, Annual Deferrals made in accordance with the preceding Section shall be

treated as pre-tax Annual Deferrals. The notice shall describe the procedures for affirmatively electing not to make Annual Deferrals or to make Annual Deferrals in a different amount and the period in which such an election may be made.

The Administrator shall provide such notice as soon as practicable on or after the date he becomes an Employee, and before the pay date for the payroll period that includes the date he or she becomes an Employee. An Employee shall have a reasonable period after receiving the notice described herein to make an election not to have automatic Annual Deferrals made on his or her behalf or to make Annual Deferrals in a different amount. In addition, the Administrator shall provide, at least 30 and no more than 90 days before the beginning of each year, an annual notice to each Employee subject to this Section 2.2(a).

2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no later than the calendar month following the month in which the election is made. A new Employee may defer compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

An Employee subject to the automatic contribution arrangement in Section 2.2(a) shall become a Participant as soon as administratively practicable following the date the Employee becomes subject to the automatic contribution arrangement.

2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. The revised participation election may also include a change in the Participant's designation of the amount of the Annual Deferral elected by the Participant that is to be treated as Roth Contributions. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

2.5 Information Provided by the Participant

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

2.6 Contributions Made Promptly

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or earlier if required by law.

2.7 Employer Contributions

Nothing in this Plan prohibits the Employer from making annual deferrals to the Account Balance of a Participant on a non-elective basis, subject to the Participant's contribution limits in Section III.

2.8 Leave of Absence

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

2.9 Disability

A disabled Participant (as determined by the Administrator) may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

2.10 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the Employer equal to the maximum Annual Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

A reemployed Employee shall also be entitled to an allocation of any additional Employer Contributions, if applicable, that such Employee would have received under the Plan had the Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest), if applicable, shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

2.11 Corrective Measures

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity, subject to the Participant's contribution limits in Section III, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

SECTION III LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation

- (a) The maximum amount of the Annual Deferral and, if applicable, Employer Contributions under the Plan for any calendar year shall not exceed the lesser of:
 - (i) The "applicable dollar amount" (as defined in paragraph (b) below); or
 - (ii) The Participant's Includible Compensation for the calendar year.
- (b) The "applicable dollar amount" means the amount established under Code Section 457(e)(15), as indexed, and in accordance with Section 3.4(a).
- (c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

3.2 Age 50 Catch-up Annual Deferral Contributions

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral limit under §414(v)(2), as indexed.

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan and in accordance with Section 3.4(a).

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up Limitation described in Section 3.3 is available and applied.

3.3 Special Section 457 Catch-up Limitation

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

- (a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year; or
- (b) The sum of:

- (i) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
- (ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

3.4 Special Rules

For purposes of this Section III, the following rules shall apply:

- (a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).
- (c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

- (d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year if excess deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

3.5 Correction of Excess Deferrals

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral. If a Participant to whom distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from pre-tax Annual Deferrals, then from Roth Contributions for the year unless otherwise specified.

SECTION IV INVESTMENT RESPONSIBILITIES

4.1 Investment of Deferred Amount

Each Participant or Beneficiary shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan approved domestic relations order (as defined under Code Section 414(p)) may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

4.2 Investment Election for Future Contributions

A Participant may amend his or her investment election at such times and by such manner and form as prescribed by the Administrator. Such election will, unless specifically stated otherwise, apply only to future amounts contributed under the Plan.

4.3 Investment Changes for an Existing Account Balance

The Participant, Beneficiary, alternate payee, or Administrator may elect to transfer amounts in his Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

4.4 Investment Responsibility

To the extent that a Participant, Beneficiary, or alternate payee exercises control over the investment of amounts credited to his Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any losses that are the direct and necessary result of investment instructions given by a Participant, Beneficiary or an alternate payee.

4.5 Default Investment Fund

The Employer shall maintain a Default Investment Fund which shall be held and administered under the Trust Fund. Any Participant who does not make an investment election on the deferral agreement provided by the Administrator or is subject to the automatic enrollment arrangement under Section 2.2(a). will have his contributions invested in the Default Investment Fund until such time he provides investment direction under Sections 4.2 and 4.3. Additionally, a Beneficiary or alternate payee who does not make an investment election will have his Account Balance invested in the Default Investment Fund until such time he provides investment direction under Section 4.3. The interest of each Participant, Beneficiary, or alternate payee under the Plan in the Default Investment Fund shall be an undivided interest.

4.6 Statements

The Administrator will cause statements to be issued periodically to reflect the contributions and actual earnings posted to the Account Balances.

SECTION V LOANS

5.1 Loans

The Employer may elect to make loans available to Participants who are Employees. If the Employer has elected to make loans available to Participants who are Employees, the Employer shall establish written guidelines governing the granting and administration of loans, which are hereby incorporated into and made part of the Plan provided that such guidelines are approved by the Administrator and are not inconsistent with the provisions of this Section V. To the extent such guidelines are more restrictive than the provisions of the Plan and are not inconsistent with the provisions of Code Section 72(p) and regulations issued thereunder, the guidelines shall be controlling.

Except as modified by the Plan's loan program policy and procedures adopted by the Administrator, the following rules shall apply to loans under the Plan. Any loans that are issued under the Plan shall be administered in a manner consistent with the requirements of Code Section 72(p), Treasury Regulations 1.72(p) and any other applicable guidance issued thereunder.

5.2 Maximum Loan Amount

No loan to a Participant hereunder may exceed the lesser of:

- (a) \$50,000, reduced by the excess (if any) of (i) the highest outstanding balance of loans from the Plan during the preceding one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period) over (ii) the outstanding balance of loans from the Plan on the date the loan is approved by the Administrator; or
- (b) one half of the value of the Participant's Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 5.2, any loan from any other plan maintained by a participating employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan under this Section 5.2 to exceed the amount that would otherwise be permitted in the absence of this paragraph.

5.3 Terms of Loan

The terms of the loan shall:

- (a) charge a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money (subject to the requirements of the Servicemembers Civil Relief Act).
- (b) require that the minimum loan term be 12 months;
- (c) require that the loan be repaid within five years unless the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence (as defined in Code Section 121) of the Participant;
- (d) require substantially level amortization of such loan with payments not less frequently than quarterly throughout the repayment period. If a loan is made from both a Participant's Roth Contribution account and his or her other accounts under the Plan, the level amortization requirement shall be met with respect to both his or her Roth Contributions account and his or her other accounts under the Plan. Notwithstanding the foregoing, if so provided in the written guidelines applicable to Plan loans, the amortization schedule may be waived and payments suspended while a Participant is on a leave of absence from employment with an Employer (for periods in which the Participant does not perform military service as described in paragraph (d)), provided that all of the following requirements are met:
 - (i) Such leave is either without pay or at a reduced rate of pay that, after withholding for employment and income taxes, is less than the amount required to be paid under the amortization schedule;
 - (ii) Payments resume after the earlier of (1) the date such leave of absence ends or (2) the one-year anniversary of the date such leave began;
 - (iii) The period during which payments are suspended does not exceed one year;
 - (iv) Payments resume in an amount not less than the amount required under the original amortization schedule; and
 - (v) The waiver of the amortization schedule does not extend the period of the loan beyond the maximum period permitted under this Section 5.3.
- (e) If a Participant is absent from employment with any participating employer for a period during which he or she performs services in the uniformed services (as defined in chapter 45 of title 38 of the United States Code), whether or not such services constitute qualified military service, the suspension of payments shall not be taken into account for purposes of applying paragraph (d) of this Section 5.3 provided that all of the following requirements are met:
 - (i) Payments resume upon completion of such military service;

- (ii) Payments resume in an amount not less than the amount required under the original amortization schedule and continue in such amount until the loan is repaid in full;
 - (iii) Upon resumption, payments are made no less frequently than required under the original amortization schedule and continue under such schedule until the loan is repaid in full; and
 - (iv) The loan is repaid in full, including interest accrued during the period of such military service, no later than the maximum period otherwise permitted under this Section V extended by the period of such military service.
- (f) The loan shall be evidenced by a legally enforceable agreement that demonstrates compliance with the provisions of this Section.

5.4 Security for Loan; Default

- (a) Security. Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's Account Balance in the Plan invested in such loan.
- (b) Default. In the event that a Participant fails to make a loan payment under this Section V on the last business day before the end of the calendar quarter following the quarter in which the payment is due, unless payment is not made because the Participant is on a bona fide leave of absence as determined by the Administrator and the amortization schedule is suspended while the Participant is on leave of absence from employment with an Employer, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable (including accrued interest) at the time of the default, and (ii) interest shall continue to accrue on the outstanding loan balance until the loan is foreclosed.

In the case of any default on a loan to a Participant, the Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance from Employment. In addition, the Administrator may take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account Balance of the Participant.

Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

5.5 Repayment

A Participant shall be required, as a condition to receiving a loan, to enter into an agreement for the repayment of the loan in accordance with a method set forth in the written guidelines

governing the granting of Plan loans that are established by the Employer pursuant to Section 5.1.

A Participant may prepay the entire outstanding balance of his or her loan at any time (but may not make a partial prepayment).

SECTION VI DISTRIBUTIONS

6.1 Distributions from the Plan

- (a) Earliest Distribution Date. Payments from a Participant's Account Balance shall not be made earlier than:
- (i) the Participant's Severance from Employment pursuant to Section 6.2
 - (ii) the Participant's death pursuant to Section 6.3
 - (iii) Plan termination under Section 10.3
 - (iv) an unforeseeable emergency withdrawal pursuant to Section 6.10(a), if permitted under the Plan
 - (v) a de minimis account balance distribution pursuant to Section 6.10(b), if permitted under the Plan
 - (vi) a rollover account withdrawal pursuant to Section 6.10(c), if permitted under the Plan
 - (vii) attainment of age 70 ½ withdrawal pursuant to Section 6.10(d), if permitted under the Plan
 - (viii) Qualified Military Service Deemed Severance withdrawal pursuant to Section 6.10(e), if permitted under the Plan
 - (ix) Qualified Military Reservist withdrawal pursuant to Section 6.10(f), if permitted under the Plan
 - (x) Qualified Distributions for Retired Public Safety Officers pursuant to Section 6.11, if permitted under the Plan
- (b) Latest Distribution Date. In no event shall any distribution under this Section VI begin later than the Participant's "required beginning date". Such required minimum distributions must be made in accordance with Section 6.6.
- (c) Amount of Account Balance. Except as provided in Section 6.3, the amount of any payment under this Section VI shall be based on the amount of the Account Balance as of the Valuation Date.

6.2 Benefit Distributions Upon Severance from Employment

Upon Severance from Employment (other than due to death), a Participant may elect to commence distribution of benefits at any time after such Severance from Employment by filing a

request with the Administrator before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than his or her "required beginning date".

Distributions required to commence under this section shall be made in the form of benefit provided under Section 6.5. Distributions postponed until the Participant's "required beginning date" will be made in a manner that meets the requirements of Section 6.6.

6.3 Distributions on Account of Participant's Death

Upon receipt of satisfactory proof of the Participant's death, the designated Beneficiary may file a request with the Administrator to elect a form of benefit provided under Section 6.5 and made in a manner that meets the requirements of Section 6.6.

- (a) Death of Participant Before Distributions Begin. If the Participant dies before his or her distributions begin, the designated Beneficiary may elect to have distributions to be made (i) in full within 5 years of the Participant's death (5-year rule) or (ii) in installments over the designated Beneficiary's "life expectancy" (life expectancy rule).

If the designated Beneficiary does not make an election by September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death or if the Participant's spouse is the sole designated Beneficiary by December 31 of the year the Participant would have attained age 70 ½.

- (b) Death of Participant On or After Date Distributions Begin. If the Participant dies on or after his or her distributions began, the Participant's Account Balance shall be paid to the Beneficiary at least as rapidly as under the payment option used before the Participant's death.

For purposes of this Section, a Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)) will be deemed to have resumed employment in accordance with the Participant's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death and to have terminated employment on the actual date of death for purposes of determining the entitlement of the Participant's survivors to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, in accordance with the provisions of Code Sections 401(a)(37), 414(u)(9), and 457(g)(4).

6.4 Distribution of Small Account Balances Without Participant's Consent

Notwithstanding any other provision of the Plan to the contrary, if the amount of a Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) is not in excess of the amount specified below on the date that payments commence under Section 6.2 or on the date the Administrator is notified of the Participant's death, the Administrator may direct

payment without the Participant's or Beneficiary's consent as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

- (a) If the Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) is \$1,000 or less, distribution shall be made in a lump sum payment, if the Account Balance is greater than \$1,000 but less than \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), the distribution shall be made through a direct rollover to an individual retirement account selected by the Administrator, unless the Participant or Beneficiary affirmatively elects distribution in a lump sum payment or through a direct rollover to an "eligible retirement plan" defined under Section 6.9(b) specified by the Participant or Beneficiary.

6.5 Forms of Distribution

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Section VI may elect to receive payment in any of the following forms of distribution:

- (a) a lump sum payment of the Participant's total Account Balance.
- (b) partial distribution of the Participant's Account Balance.
- (c) in a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Participant as permitted under Code Section 401(a)(9).
- (d) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Participant selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Code Section 401(a)(9).

6.6 Minimum Distribution Requirements

- (a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder. Additionally, the requirements of this Section 6.6 will take precedence over any inconsistent provisions of the Plan.

- (b) Time and Manner of Distribution.
 - (i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date".

- (ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
- (A) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.
 - (B) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), then distributions to the "designated Beneficiaries" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (C) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, then distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (D) If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (E) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(A), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(D) applies, distributions are considered to begin on the Participant's "required beginning date". If subsection (b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

- (iii) Death of Participant On or After Distributions Begin. If the Participant dies on or after distributions begin and before depleting his or her Account Balance, distributions must commence to the "designated Beneficiary" by December 31 of

the calendar year immediately following the calendar year in which the Participant died.

- (iv) Forms of Distribution. Unless the Participant's Account Balance is distributed in the form of an annuity contract or in a lump sum on or before the Participant's "required beginning date", as of the first distribution calendar year, distributions will be made in accordance with paragraphs (c) and (d). If the Participant's interest is distributed in the form of an annuity contract, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).
- (c) Required Minimum Distributions During the Participant's Lifetime.
 - (i) Amount of Required Minimum Distribution For Each "Distribution Calendar Year". During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
 - (A) The quotient obtained by dividing the "Participant's account balance" by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the "distribution calendar year"; or
 - (B) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse and the spouse is more than 10 years younger than the Participant, the quotient obtained by dividing the "Participant's account balance" by the distribution period in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year".
 - (ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.
- (d) Required Minimum Distributions After Participant's Death.

For purposes of this Section 6.6(d), the Participant's and Beneficiary's "life expectancy" determination will use the Single Life Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-1.

(i) Death On or After Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for

each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the longer of the remaining "life expectancy" of the Participant or the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (2) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (3) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (4) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year.
- (2) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (3) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole "designated Beneficiary", and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(A), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

- (i) A Participant's "required beginning date" is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70 ½ or (2) retires due to Severance from Employment. If the Participant postpones the required distribution due in calendar year he or she attains age 70 ½ or severs employment, to the "required beginning date", the second required minimum distribution must be taken by the end of that year.
- (ii) Participant's "designated Beneficiary" means the individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.
- (iii) A "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year the Participant attains age 70 ½ or retires, if later. For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under subparagraph (b)(ii).

The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date". The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year".

- (iv) A married Participant's "life expectancy", whose spouse is the sole Beneficiary and is more than 10 years younger than the Participant, means the Participant's and spouse Beneficiary's life expectancy as computed by use of the Joint and Last Survivor Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 3. All other Participants will have his or her life expectancy computed by use of the Uniform Lifetime Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 2. A deceased Participant's or Beneficiary's "life expectancy" means his or her life expectancy as computed by use of the Single Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 1.
- (v) A "Participant's account balance" means the Account Balance as of the last valuation date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.
- (f) Special Provision Applicable to 2009 Required Minimum Distributions.

A Participant who would otherwise be required to receive a minimum distribution from the Plan in accordance with Code Section 401(a)(9) for the 2009 "distribution calendar year" may elect not to receive any such distribution that is payable with respect to the 2009 "distribution calendar year".

Notwithstanding the provisions of Section 6.9(b)(iii), the Administrator may permit a Participant who receives a minimum distribution from the Plan for the 2009 "distribution calendar year" to make a direct rollover of such distribution to an "eligible retirement plan" in accordance with the provisions of Section 6.9.

The Administrator may also permit a Participant or former Participant who has received a minimum distribution for the 2009 "distribution calendar year" to roll over such distribution back into the Plan, provided the requirements of Code Section 402(c), as modified by Notice 2009-82, extending the 60-day rollover deadline, and the requirements of Section 7.1 are otherwise satisfied. If the distribution received by the Participant included amounts in addition to the minimum required under Code Section 401(a)(9), the Administrator may allow the Participant to include a portion or all of the amount that was not a minimum distribution in the Rollover Contribution made to the Plan in accordance with this paragraph.

The provisions of this Section 6.6(f) are effective for minimum payments made for the 2009 "distribution calendar year" and do not include any minimum payment that is made in 2009, but is attributable to a different year (i.e., the participant reached his required beginning date in 2008, but payment of the 2008 minimum is not made until 2009).

6.7 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

6.8 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown in the Administrator's records; (b) use of a commercial locator service, the internet or other general search method; or (c) use such other methods as the Administrator believes prudent.

If the Participant or Beneficiary has not responded within 6 months, the Plan shall continue to hold the benefits due such person until, in the Administrator's discretion, the Plan is required to take other action under applicable law.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

6.9 Direct Rollover

- (a) A Participant or spouse Beneficiary (or a Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an "eligible rollover distribution" may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid directly to an "eligible retirement plan" specified by the Participant or spouse Beneficiary in a direct rollover.
- (b) For purposes of this Section 6.9, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover distribution does not include (i) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more (ii) any distribution made as a result of an unforeseeable emergency, or (iii) any distribution that is a required minimum distribution under Code Section 401(a)(9).

In addition, an "eligible retirement plan" with respect to the Participant, the participant's spouse, or the Participant's spouse or former spouse who is an alternate payee under a domestic relations order as defined in Code Section 414(p) means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a), (iv) a qualified defined contribution plan described in Code Section 401(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible deferred compensation plan described in Code Section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, or (vii) effective for distributions made on or after January 1, 2008, a Roth IRA, as described in Code Section 408A, provided, that for distributions made before January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B) .

Notwithstanding any other provision of this Section 6.9(b), a plan or contract described in clause (iii), (iv), (v), or (vi) above shall not constitute an "eligible retirement plan" with respect to a distribution of Roth Contributions unless such plan or contract separately accounts for such distribution, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (c) A Beneficiary who is not the spouse of the deceased Participant may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b)

("IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution. The direct rollover must be made to an IRA established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the nonspouse Beneficiary.

6.10 Inservice Distributions

- (a) Unforeseeable Emergency Distributions. If the Participant who has not incurred a Severance from Employment or Beneficiary has an unforeseeable emergency, the Administrator may approve a single sum distribution of the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section 6.10(a), Treasury Regulation Section 1.457-6(c) or other regulatory guidance. The Administrator shall determine whether an unforeseeable emergency exists based on relevant facts and circumstances, and Treasury Regulation Section 1.457-6(c) or other regulatory guidance.
- (i) An unforeseeable emergency is defined as a severe financial hardship resulting from the following:
- (A) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary";
 - (B) loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);
 - (C) the need to pay for the funeral expenses of a Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or "primary Beneficiary" of the Participant;
 - (D) the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary" which are not reimbursed or compensated by insurance or otherwise, including non-refundable deductibles, as well as for the cost of prescription drug medication;
 - (E) the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; or
 - (F) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. However, except as otherwise specifically provided in this Section 6.10(a),

certain circumstances are not considered an unforeseen emergency such as the purchase of a home or the payment of college tuition or credit card debt.

For purposes of this paragraph, if the Participant is not deceased, a "primary Beneficiary" shall be limited to a primary Beneficiary under the Plan, which is an individual who is named as a Beneficiary pursuant to Section 8.1 and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent beneficiary. Additionally, dependent shall be limited to the definition under Code Section 152(a), and, for taxable years beginning on or after January 1, 2005, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B).

- (ii) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or by cessation of deferrals under the Plan if the cessation of deferrals would alleviate the financial need.
 - (iii) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution).
- (b) De minimis Account Balance Distributions. A Participant before Severance of Employment may request a distribution of his or her total Account Balance (excluding the rollover contribution separate account), which shall be paid in a lump sum payment as soon as practical following the direction if (i) the total Account Balance does not exceed \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), (ii) the Participant has not previously received a distribution of their total Account Balance payable to the Participant under this Section 6.10(b), and (iii) no Annual Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.

The Administrator may direct payments under the terms of this Section 6.10(b) if the Participant's total Account Balance (excluding the rollover contribution separate account) is \$1,000 or less, then the Administrator may pay the distribution in a lump sum payment, if the Account Balance is greater than \$1,000 but less than \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), then the Administrator may pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator, unless the Participant affirmatively elects distribution in a lump sum payment or through a direct rollover to an "eligible retirement plan" defined under Section 6.9(b) specified by the Participant.

- (c) Rollover Account Distributions. If a Participant has a separate account attributable to rollover contributions under the Plan, the Participant before Severance of Employment may at any time elect to receive an inservice distribution of all or any portion of the amount held in the rollover separate account. Any designated Roth contributions rolled over to the Plan are treated as Roth Contributions for Plan purposes and are not eligible for inservice withdrawal under this Section 6.10(c).
- (d) Age 70 ½ Distributions. Prior to Severance from Employment, a Participant may withdraw all or a portion of his or her Account Balance on or after first day of the calendar year in which the Participant shall attain age 70½.
- (e) Qualified Military Service Deemed Severance Distributions. The Plan does not permit "qualified military service deemed severance withdrawals".
- (f) Qualified Military Reservist Distributions. The Plan does not permit "qualified military reservist withdrawals".

6.11 Qualified Distributions for Retired Public Safety Officers

A Participant who is an "eligible retired public safety officer" may elect to have qualified health insurance premiums deducted from amounts to be distributed to the Participant from the Plan, and to have such amounts paid directly to the insurer or group health plan, subject to the provisions of this Section 6.11. "Qualified health insurance premiums" include premiums for accident and health insurance (including under a self-insured plan) or qualified long-term care insurance contracts for the Participant and the Participant's spouse and dependents. It is intended that, pursuant to Code Section 402(l), the distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distributions does not exceed the amount used to pay the qualified health insurance premiums of the Participant and the Participant's spouse and dependents.

- (a) A Participant shall qualify as an "eligible retired public safety officer" for purposes of this Section 6.11 only if the Participant is an individual who separated from service, either by reason of disability (as determined by the Administrator) or after attainment of normal retirement age, as a public safety officer with the Employer. Consequently, a public safety officer who retires before the attainment of normal retirement age is not an eligible retired public safety officer unless the public safety officer retires by reason of disability (as determined by the Administrator).
- (b) For purposes of this Section 6.11, the term "public safety officer" means an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or as a member of a rescue squad or ambulance crew.
- (c) In order to avoid unintended taxation, the aggregate amount that a Participant elects to have directly distributed to an insurer or group health plan pursuant to this Section 6.11 for any calendar year shall be limited to \$3,000. Moreover, for purposes of applying this \$3,000 limitation, distributions with respect to the Participant that are used to pay for

qualified health insurance premiums from all qualified retirement plans of the Employer shall be aggregated.

SECTION VII ROLLOVERS AND PLAN TRANSFERS

7.1 Eligible Rollover Contributions to the Plan

- (a) A Participant who is an Employee or a Participant who has separated from service and has an Account Balance and who is entitled to receive an eligible rollover distribution from another "eligible retirement plan", as defined in 6.9(b) excluding the direct rollover of after-tax contributions, may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an "eligible retirement plan" within the meaning of Code Section 402(c)(8)(B).
- (b) If an Employee makes a rollover contribution to the Plan of amounts that have previously been distributed to him or her, the Employee must deliver to the Administrator the cash that constitutes his or her rollover contribution within 60 days of receipt of the distribution from the distributing "eligible retirement plan". Such delivery must be made in the manner prescribed by the Administrator.
- (c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is not an eligible governmental plan under Code Section 457(b).
- (d) To the extent that the Plan accepts rollover contributions attributable to Roth Contributions, the Administrator shall account for such contributions separately from other rollover contributions. In administering rollover contributions attributable to Roth Contributions, the Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of Roth Contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Roth Contributions included in the rollover contribution. Roth Contributions that are rolled over to the Plan shall be subject to the provisions of the Plan applicable to Roth Contributions rather than the provisions of the Plan applicable to rollover contributions.

7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit Participants or Beneficiaries who are participants or beneficiaries in another eligible governmental plan under Code Section 457(b)

to transfer assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's or Beneficiary's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section III.

7.3 Plan-to-Plan Transfers from the Plan

- (a) At the direction of the Employer, the Administrator may permit Participants or Beneficiaries to elect to have his or her Account Balance transferred to another eligible governmental plan within the meaning of Treasury Regulatory Section 1.457-2(f), if the other eligible governmental plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the conditions of subparagraph (i), (ii), or (iii) are met.
 - (i) A transfer from the Plan to another eligible governmental plan is permitted in the case of a transfer for a Participant if the Participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the other eligible governmental plan.
 - (ii) A transfer from the Plan to another eligible governmental plan is permitted if:
 - (A) The transfer is to another eligible governmental plan within the same State as the Plan;
 - (B) All the assets held by the Plan are transferred; and
 - (C) A Participant or Beneficiary whose amounts deferred are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
 - (iii) A transfer from the Plan to another eligible governmental plan of the Employer is permitted if:
 - (A) The transfer is to another eligible governmental plan of the Employer (and, for this purpose, an employer is not treated as the Employer if the Participant's compensation is paid by a different entity); and

- (B) A Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
- (b) Upon the transfer of assets under this Section 7.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.3, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

7.4 Permissive Service Credit Transfers

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 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 Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4 shall apply to the transferred amounts and any benefits attributable to the transferred amounts.
- (b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

7.5 In-Plan Roth Conversion

A Participant, the Participant's surviving spouse Beneficiary, or spouse or former spouse who is an alternate payee under a qualified domestic relations order (as defined under Code Section 414(p)), may request an eligible rollover distribution as defined in Section 6.9(b) to be rolled into

the Roth Contribution account under the Plan, pursuant to Code Section 402(A)(4), by filing an irrevocable election with the Administrator. The amount of the "in-plan Roth conversion" shall be included in the Participant's (surviving spouse Beneficiary's, or spouse or former spouse who is an alternate payee's) gross income, as though it were not part of a qualified rollover contribution. Notwithstanding any other provision of the Plan to the contrary, an amount is not eligible for an "in-plan Roth conversion" unless it is distributable under the terms of the Plan and such distribution is an eligible rollover distribution within the meaning of Code Section 402(c)(4). Outstanding Plan loans shall be excluded from "in-plan Roth conversions". Notwithstanding any other provision of the Plan to the contrary, an "in-plan Roth conversion" shall not accelerate or otherwise cause a Participant to default on an outstanding Plan loan.

SECTION VIII BENEFICIARY

8.1 Beneficiary Designation

A Participant has the right, by written notice filed with the Administrator, to designate one or more beneficiaries to receive any benefits payable under the Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper beneficiary designation form.

The form for this purpose shall be provided by the Administrator. The form is not valid until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator. Upon the Participant filing the form and acceptance by the Administrator, the form revokes all beneficiary designations filed prior to that date by the Participant.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him or her in full the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

SECTION IX ADMINISTRATION AND ACCOUNTING

9.1 Administrator

The Administrator shall have the responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan, the Code and regulations thereunder, and any State law as applicable.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator shall have the right to designate a plan coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the plan coordinator or other party. Notwithstanding any other provisions to the contrary, the Administrator agrees that it shall be solely responsible to the Employer for any and all services performed by a plan coordinator, subcontractor, assignee, or designee under this agreement.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan's documents, such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

9.2 Administrative Costs

All reasonable expenses of administration may be paid out of the Plan assets unless paid (or reimbursed) by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named fiduciary incident to the exercise of his or her duties under the Plan, including, but not limited to, fees of accountants, counsel, investment managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator in carrying out the instructions of Participants as to the directed investment of his or her accounts and other specialists and his or her agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account Balance of an individual a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or Alternate Payee or to the Participant for Plan loans. If liquid assets of the Plan are insufficient to cover the fees of the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund described in Section 11.1.

9.3 Paperless Administration

The 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 may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally

applicable guidance). The 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 Participant Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

SECTION X AMENDMENTS

10.1 Amendment

The Employer may at any time either prospectively or retroactively amend the Plan by notifying Participants of such action. The Employer shall not have the right to reduce or affect the value of any Participant's Account Balance or any rights accrued under the Plan prior to amendment.

10.2 Conformation

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Code to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

10.3 Plan Termination

In the event of the termination of the Plan, all Account Balances shall be disposed to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Section VI or Section VII as soon as reasonably practicable following the Plan's termination. The Employer shall not have the right to reduce or affect the value of any Participant's account or any rights accrued under the Plan prior to termination of the Plan. The Participant's or Beneficiary's written consent to the commencement of distribution shall not be required regardless of the value of his or her Account Balance.

SECTION XI TRUST FUND

11.1 Trust Fund

All amounts in a Participant's or Beneficiary's Account Balance, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust, custodial agreement, annuity contract, or similar agreement under the laws of the State. All investments, amounts, property, and rights held under the Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. Prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, no part of the assets and income of the Trust Fund may be used for, or diverted to, for purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that a contribution or any portion thereof made by the Employer through a mistake of fact under Section 12.4 shall upon written request of the Employer, reduced by losses attributable thereto, shall be returned to the Employer.

SECTION XII MISCELLANEOUS

12.1 Non-Assignability

Except as provided in Sections 12.2 and 12.3, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void except to such extent as may be required by law.

12.2 Domestic Relation Orders

The Employer shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

Notwithstanding Section 12.1, the Administrator may affect a Participant's Account Balance for a "qualified domestic relations order" as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

12.3 IRS Levy

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service to the Plan 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 or Beneficiary.

12.4 Mistaken Contributions

Notwithstanding any other provision of the Plan or the Trust Fund to the contrary, in the event any contribution of an Employer is made under a mistake of fact (and not a Plan operational error), such contribution may be returned to the Employer within one year after the payment of the contribution. Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned.

12.5 Employment

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

12.6 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

12.7 Written Notice

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator's record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law.

12.8 Total Agreement

This Plan and Participant deferral election, and any subsequently adopted Plan amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

12.9 Gender

As used herein the masculine shall include the neuter and the feminine where appropriate.

12.10 Controlling Law

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder, and under laws of the State as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.

SECTION XIII SUPERSEDING PROVISIONS

The superseding provisions applicable to the plan are described below:

Section 1.1, Plan Definitions, is hereby amended and replaced in its entirety with the following: An "Employee" means each natural person who is employed by the Employer (including any Participating Employer) as a common law employee on a full time basis and any Employee in an elected or appointed position; and any Employees who participate in the San Mateo County Part-Time, Seasonal and Temporary Plan; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan.

Any individual who is not treated by the Employer (including any Participating Employer) as a common law employee of the Employer (including any Participating Employer) shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer (including any Participating Employer), unless the Employer (including any Participating Employer) has included the individual in Plan participation as an independent contractor.

Section 1.1, Plan Definitions is hereby amended and replaced in its entirety with the following: An "Employer" means the eligible employer, including any Participating Employer, (within the meaning of Code Section 457(e)(1)) that has adopted the Plan . In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.

Section 1.1, Plan Definitions is hereby amended and replaced in its entirety with the following: "Normal Retirement Age" means age 65, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan), immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, but not greater than age 70 ½. If a Participant continues employment after attaining age 70 ½, not having previously elected an alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age, if any, is established by the Employer, or any age at which the Participant actually has a Severance from Employment if the Employer has no mandatory retirement age. If the Participant will not become eligible to receive benefits under a basic defined benefit pension plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than age 65 and may not be later than age 70 ½.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) a Normal Retirement Age may be designated for such Participant that is not

earlier than age 40 or later than age 70 ½.

A Participant's Normal Retirement Age must be the same as his or her normal retirement age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

Section 1.1, Plan Definitions, is hereby amended and replaced to include the following: "Participating Employers" means an Employer that adopts this Plan by executing the Participating Employer Adoption Page under the Plan. The following are participating employers as of January 1, 2016: Superior Court of California, County of San Mateo (EIN 04-3378617); San Mateo County Law Library (EIN 47-5604695); San Mateo County In-Home Supportive Services Public Authority (EIN 47-5618859). The following is a participating employer as of November 14, 2016: Peninsula Clean Energy Authority (EIN 81-2708786). The following is a participating employer as of April 1, 2020: San Mateo County Flood and Sea Level Rise Resiliency District (EIN 84-4084914).

Section 1.1, Plan Definitions, is hereby amended and replaced in its entirety with the following: The "State" means the State that is the Employer (including any Participating Employer) or of which the Employer (including any Participating Employer) is a political subdivision, and any agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer (including any Participating Employer) is located.

Section 2.2(a) Election is hereby amended and replaced in its entirety with the following: Automatic Contribution Arrangement: Except as otherwise specifically provided in this Section, all non-union employees who are hired on or after March 21, 2016, and any union employee who is covered by a collective bargaining agreement that provides for an automatic enrollment provision for his or her automatic enrollment if he or she has not made an affirmative election to defer or not to defer a portion of his or her Compensation under the plan shall automatically be deemed to have elected to defer one (1) percent of his or her Compensation and have that amount contributed as an Annual Deferral on his or her behalf.

Until the Employee subject to this Section 2.2(a) makes a designation of investment funds, the contributions shall be invested in the Default Investment Fund pursuant to Section 4.5.

An Employee to whom this automatic election would otherwise apply may affirmatively elect in accordance with this Section either (i) not to defer a portion of his or her Compensation under the Plan or (ii) to defer a portion of his or her Compensation under the Plan in a different amount. Once an Employee makes such an affirmative election, he or she shall not be covered by this Section 2.2(a).

The Administrator shall provide each Employee who is or becomes eligible to participate in this automatic contribution arrangement a notice explaining the automatic reduction in his or her Compensation for purposes of making Annual Deferrals, the Employee's right to affirmatively elect either a different reduction amount or no reduction, and the manner in which the Employee's Annual Deferrals will be invested in the absence of an affirmative investment

election by the Employee. If the Plan provides for Roth Contributions, the notice shall also explain that, unless the Employee affirmatively elects otherwise, Annual Deferrals made in accordance with the preceding Section shall be treated as pre-tax Annual Deferrals. The notice shall describe the procedures for affirmatively electing not to make Annual Deferrals or to make Annual Deferrals in a different amount and the period in which such an election may be made.

The Administrator shall provide such notice as soon as practicable on or after the date he becomes an Employee, and before the pay date for the payroll period that includes the date he or she becomes an Employee. An Employee shall have a reasonable period after receiving the notice described herein to make an election not to have automatic Annual Deferrals made on his or her behalf or to make Annual Deferrals in a different amount. In addition, the Administrator shall provide, at least 30 and no more than 90 days before the beginning of each year, an annual notice to each Employee subject to this Section 2.2(a).

Effective January 1, 2019 any union employee who is covered by a collective bargaining agreement that provides for an automatic enrollment provision hired on or after this date who have not made an affirmative election to defer or not to defer a portion of his or her Compensation under the Plan shall automatically be deemed to have elected to defer 1 percent of his or her Compensation and have that amount contributed as an Annual Deferral on his or her behalf.

Additionally, for any new Employee, and union employee who is covered by a collective bargaining agreement that provides for an automatic deferral increase hired on or after this effective date, the Employer shall increase the amount of the Annual Deferrals it makes on behalf of each Employee subject to this Section 2.2(a) equal to 1% of the Employee's Compensation until it reaches 5% of the Employee's Compensation, unless the Employee has designated otherwise under a Salary Deferral election. The automatic increase will take effect beginning in the first Plan Year following the year in which the automatic deferral election first becomes effective. The automatic increase date will occur each year concurrent with the respective Cost of Living Adjustments (COLA) for each designated Employee. Annual Deferrals made in accordance with this section shall be treated as pre-tax Annual Deferrals.

Effective April 1, 2020, Employees of the San Mateo County Flood and Sea Level Rise Resiliency District will be excluded from the Automatic Contribution Arrangement and the automatic deferral increase provision.

Section 3.5, Correction of Excess Deferrals, is hereby amended and replaced in its entirety with the following:

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral. If a

Participant to whom distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from Roth Contributions, then from pre-tax Annual Deferrals for the year unless otherwise specified.

Section 5.4 (b) is hereby amended and replaced to include the following:

(b) Default. In the event that a Participant fails to make a loan payment under this Section V within 90 days after the date such payment is due, unless payment is not made because the Participant is on a bona fide leave of absence as determined by the Administrator and the amortization schedule is suspended while the Participant is on leave of absence from employment with an Employer, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable (including accrued interest) at the time of the default, and (ii) interest shall continue to accrue on the outstanding loan balance until the loan is foreclosed.

Section 7.5, In-Plan Roth Conversion, is hereby amended and replaced in its entirety with the following:

A Participant, the Participant's surviving spouse Beneficiary, or spouse or former spouse who is an alternate payee under a qualified domestic relations order (as defined under Code Section 414(p)), may request an in-plan Roth conversion of pre-tax Annual Deferrals to be rolled into the Roth in-plan Roth conversion account under the Plan, pursuant to Code Section 402(A)(4), by filing an irrevocable election with the Administrator. The taxable portion of the in-plan Roth conversion shall be included in the Participant's (surviving spouse Beneficiary's, or spouse or former spouse who is an alternate payee's) gross income in the taxable year in which the conversion occurs. Notwithstanding any other provision of the Plan to the contrary, only pre-tax Annual Deferrals are eligible for an in-plan Roth conversion regardless whether the amount is distributable under the terms of the Plan. Outstanding Plan loans shall be excluded from in-plan Roth conversion. Notwithstanding any other provision of the Plan to the contrary, an in-plan Roth conversion shall not accelerate or otherwise cause a Participant to default on an outstanding Plan loan.

Section 8.1, 'Beneficiary Designation', is hereby amended and replaced in its entirety with the following:

Each Participant has the right, by written notice filed with the Administrator, to designate one or more beneficiaries to receive any benefits payable under the Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper beneficiary designation form.

The form for this purpose shall be provided by the Administrator. It is not binding on the Administrator until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's surviving spouse (if he was married at the time), registered domestic partner at the time of death, or, if neither exists, his

estate. If, at the time of death, there is no surviving spouse, no registered domestic partner, and no other designated beneficiary, and if no estate executor or administrator is appointed and qualified with one hundred twenty (120) days after the Participant's death, the payment may be made first to a surviving child or children in equal shares, and second to a surviving parent or parents in equal shares. For purposes of this Section, registered domestic partner means a person who, with a Participant or Beneficiary, is registered with the Secretary of State of the State of California declaring themselves as a domestic partnership in accordance with the requirements of the California Family Code Section 297, et seq.

A Participant's designation of his spouse or registered domestic partner as Beneficiary shall automatically be revoked upon divorce, dissolution of marriage, annulment or other legal termination of marriage, or termination as registered domestic partner of the Participant.

Section 12.11, "Participating Employers", is hereby added in its entirety:

An Employer (other than the Employer that executes the Employer Signature Page of the Plan may elect to participate under the Plan by executing a Participating Employer Adoption Page. A Participating Employer may not contribute to this Plan unless it executes the Participating Employer Adoption Page. By executing the Participating Employer Adoption Page, a Participating Employer adopts all of the provisions of the Plan.

A Participating Employer is bound by any amendments made to the Plan under Section 10.1.

In applying the provisions of this Plan, Compensation (as defined in Section 1.1) and Includible Compensation (as defined in Section 1.1) includes amounts earned with a Participating Employer, regardless if the Participating Employer adopts the Plan.

A Participating Employer may discontinue its participation under the Plan at any time. To discontinue a Participating Employers cessation of participation, the Participating Employer should adopt a resolution that formally terminates active participation in the Plan as of a specified date, the Employer should amend the Plan to remove the Participating Employer and deletion of the Participating Employer Adoption Page, and 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 a spin-off of the portion of the Plan attributable to such Participating Employer followed by a merger or transfer to another existing plan as specific a merger or transfer agreement.

EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____.

San Mateo County
EIN 94-6000532

SEAL

By _____

Name _____

Title _____

Attest:

Title

(Witness)

PARTICIPATING EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____, _____.

Superior Court of California, County of San Mateo
EIN 04-3378617

SEAL

By _____

Name _____

Title _____

Attest:

Title

(Witness)

PARTICIPATING EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____, _____.

San Mateo County Law Library
EIN 47-5604695

SEAL

By _____

Name _____

Title _____

Attest:

Title

(Witness)

PARTICIPATING EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____, _____.

San Mateo County In-Home Supportive Services
Public Authority
EIN 47-5618859

SEAL

By _____

Name _____

Title _____

Attest:

Title

(Witness)

PARTICIPATING EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____, _____.

Peninsula Clean Energy Authority
EIN 81-2708786

SEAL

By _____

Name _____

Title _____

Attest:

Title

(Witness)

PARTICIPATING EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____, _____.

San Mateo County Flood and Sea Level Rise
Resiliency District
EIN 84-4084914

SEAL

By _____

Name _____

Title _____

Attest:

Title

(Witness)

CARES INTERIM AMENDMENT

ARTICLE I - PREAMBLE

- 1.1 Adoption of Amendment. The Employer identified on the execution page adopts this Amendment to implement provisions of the CARES Act as they apply to governmental Code section 457(b) plans.
- 1.2 Plan. This Amendment applies to the Plan identified on the execution page of the Amendment.
- 1.3 General. This Amendment supersedes the provisions of the Plan identified below to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, any Article or Section reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment and does not relate to the Plan article, section, or other numbering designations. If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions). This Amendment is effective March 27, 2020 (or as soon as administratively practical thereafter).

ARTICLE II - DEFINITIONS

- 2.1 Definitions. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment. The following definitions apply specifically to this Amendment:
- 2.2 CARES Act. The “CARES Act” is the Coronavirus Aid, Relief, and Economic Security Act. This Amendment shall be interpreted and applied to comply with the CARES Act.
- 2.3 Qualified Individual. A “Qualified Individual” means any individual who meets one or more of the criteria described in paragraphs (a), (b), (c), or (d). Participants, Alternate Payees and Beneficiaries of deceased Participants can be treated as Qualified Individuals. The Administrator may rely on an individual’s certification that the individual satisfies a condition to be a Qualified Individual unless the Administrator has actual knowledge to the contrary. In applying the criteria, “COVID-19” means either the virus SARS-CoV-2 or coronavirus disease 2019; “an approved test” means a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); and a “member of the individual’s household” means someone who shares the individual’s principal residence. The criteria are as follows:
- (a) The individual was diagnosed with COVID-19 by an approved test;
 - (b) The individual’s spouse or dependent (as defined in Code Section 152) was diagnosed with COVID-19 by an approved test;
 - (c) The individual has experienced adverse financial consequences because: (i) the individual or the individual’s spouse, or a member of the individual’s household was quarantined, furloughed or laid off, or had work hours reduced due to COVID-19; (ii) the individual, the individual’s spouse, or a member of the individual’s household was unable to work due to lack of childcare due to COVID-19; (iii) A business owned or operated by the individual, the individual’s spouse, or a member of the individual’s household closed or reduced hours due to COVID-19; or (iv) the individual, the individual’s spouse, or a member of the individual’s household had a

reduction in pay (or self-employment income) due to COVID-19 or had a job offer rescinded or start date for a job delayed due to COVID-19; or

- (d) The individual satisfies any other criteria determined by the Treasury or the IRS.

ARTICLE III – CORONAVIRUS-RELATED DISTRIBUTIONS AND LOANS

3.1 Relief for Qualified Individuals. The provisions of this Article III apply only to the extent a distribution or loan has been made to a Qualified Individual under the CARES Act. If the Plan does not operationally apply the rules under this Article III, such provisions do not apply to the Plan. The Administrator shall document through administrative procedures (including designating accounts from which Coronavirus-Related Distributions and loans may be taken) or otherwise the manner in which the Plan operationally applied the rules under this Article III.

3.2 Coronavirus-Related Distribution(s). A Qualified Individual may take one or more Coronavirus-Related Distributions. A “Coronavirus-Related Distribution” means a distribution to a Qualified Individual during the period beginning January 1, 2020 and ending December 30, 2020. The total amount of Coronavirus-Related Distributions to a Qualified Individual pursuant to this Amendment from all plans maintained by the Employer, or any related employer described in Code Section 414(b), (c), (m), or (o), shall not exceed \$100,000. The Coronavirus-Related Distributions from the Plan to a Qualified Individual will not exceed the amount of the individual’s vested account balance or the present value of the individual’s vested accrued benefit. The provisions of this Section 3.2 will apply notwithstanding any limitation in the Plan on partial distributions or any otherwise applicable Plan or administrative limits on the number of allowable distributions.

3.3 Repayment of Coronavirus-Related Distribution(s). If the Plan permits a Participant to make rollover contributions, then a Participant who received a Coronavirus-Related Distribution (from this Plan and/or another eligible retirement plan as defined in Code Section 402(c)(8)(B)) may make one or more contributions to the Plan, as rollover contributions, in an aggregate amount not to exceed the amount of such distribution at any time during the 3-year period beginning on the day after receipt of the Coronavirus-Related Distribution.

3.4 Loan Relief.

(a) Increased Loan Limit. Notwithstanding the loan limitation that otherwise would apply, the Plan will determine the loan limit under Code Section 72(p)(2)(A) for a loan to a Qualified Individual, made during the period beginning March 27, 2020 and ending September 22, 2020, by substituting “\$100,000” for “\$50,000,” and by substituting “100% of the present value of the nonforfeitable accrued benefit of the employee under the Plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the Plan” (or its equivalent).

(b) Extension of Loan Repayments. If a Qualified Individual has an outstanding loan from the Plan on or after March 27, 2020, then: (1) if the date for any repayment of such loan occurs during the Suspension Period, the due date is extended for the Extension Period; (2) the due date of the loan will be extended by the Extension Period; (3) the Plan will adjust any subsequent repayments to reflect the extension of the due date and any interest accrued during the Suspension Period; and (4) the Plan will disregard the Extension Period in determining the 5-year period and the loan term under Code Section 72(p)(2)(B) or (C). The Suspension Period will begin March 27, 2020 and end December 31, 2020. The Extension Period will be one year. The provisions of this Section 3.4(b) will be applied in accordance with Section 5.B. of Notice 2020-

50, or any subsequent applicable guidance, and the adjustment described in (3) may reflect the “safe harbor” described therein.

ARTICLE IV – RMD WAIVERS FOR 2020

4.1 Waiver of RMDS. A Participant or Beneficiary who would have been required to receive a 2020 RMD or an Extended RMD that is scheduled to be paid in annual installments will not receive the distribution unless the Participant or Beneficiary chooses to receive the distribution. A Participant or Beneficiary who would have been required to receive an Extended 2020 RMD (unless it is scheduled to be paid in annual installments) will receive the distribution unless the Participant or Beneficiary chooses not to receive the distribution. The deadline for a Participant or Beneficiary of a deceased Participant to make the election to use the 5-year rule or the life expectancy rule may be extended to reflect the adoption of Code Section 401(a)(9)(I). If Code Section 401(a)(9)(B)(ii) applies, the five-year period described in such provision shall be determined without regard to the 2020 calendar year.

4.2 Direct Rollovers. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code Section 401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code Section 401(a)(9)(I).

4.3 Definitions. “RMDs” means required minimum distributions described in Code Section 401(a)(9). “2020 RMDs” means required minimum distributions the Plan would have been required to distribute in 2020 (or permitted to pay in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code Section 401(a)(9)(I). “Extended 2020 RMDs” means one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant’s designated Beneficiary, or for a period of at least 10 years.

4.4 Installment Payments. A Participant or Beneficiary receiving payment of 2020 RMDs or 2020 Extended RMDs pursuant to this Article IV may receive them in any method (including installments or partial distributions) which would have been permitted under the terms of the Plan if the amounts would have been RMDs but for the enactment of Code Section 401(a)(9)(I).

SAN MATEO COUNTY DEFERRED COMPENSATION PLAN

Name of Plan

County of San Mateo

Name of Employer

Name of Authorized Representative

Title

Signature

Date

INTERIM AMENDMENT for FCAA, SECURE, and BAMA

ARTICLE I
PREAMBLE

1.1 Adoption of Amendment. The Employer identified on the execution page adopts this Amendment to implement provisions of the pension-related provisions of the Further Consolidated Appropriations Act of 2019 (“FCAA”) in general, and Division O of that Act, the Setting Every Community Up for Retirement Enhancement Act of 2019 (“SECURE”), in specific. It also addresses a provision of the Bipartisan American Miners Act (“BAMA”), which is also part of FCAA. The provisions of this Amendment shall be interpreted and applied to be consistent with FCAA and IRS guidance issued in connection therewith, whether such guidance is issued before or after the date of this amendment. Each Article specifies the effective date of its provisions.

1.2 Plan. This Amendment applies to the Plan identified on the execution page of the Amendment.

1.3 General. This Amendment supersedes the provisions of the Plan identified below to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, any Article or Section reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment and does not relate to the Plan article, section, or other numbering designations. If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions). If the Employer previously amended the Plan after December 20, 2019 to implement a provision contained in one or more Articles of this Amendment, that prior amendment shall remain in effect and will not be superseded by this Amendment.

ARTICLE II
ELECTIONS

2.1 Operating Elections. Articles III, V, and VI of this Amendment refer to elections appearing in this Article II. Each of Sections 2.2 through 2.4 refers to a corresponding Article. For example, Section 2.2 has the elections related to Article III. The definitions in those Articles apply to the elections in the corresponding Section of this Article II, and those elections have the same effective date as the corresponding Article. Each Section of this Article II lists the default provisions which will apply if no election is made. If you accept the default(s), there is no need to complete the Section. There are no elective provisions which apply to Articles IV and VII through IX.

2.2 Article III – Birth/Adoption Distributions. In the absence of an election below, Article III does NOT apply. To permit QBADs (Qualified Birth and Adoption Distributions), check (a). If QBADs are available, they apply to all accounts except as provided in Article III or in elections (b), (c), (d), or (e). *(Select all that apply.)*

- (a) ☐ Article III is effective January 1, 2020 unless a later effective date is entered here: _____ . *(Enter date after December 31, 2019.)*
- (b) ☐ QBADs may only be made from accounts in which the Participant is fully vested.
- (c) ☐ QBADs are only available from the following accounts *(select one or more)*:
 - (1) ☐ Pre-Tax Elective Deferrals

- (2) ☐ Roth Elective Deferrals
- (3) ☐ Employer contributions
- (4) ☐ Rollover contributions
- (5) ☐ Transferred accounts
- (6) ☐ Describe: _____ (must be definitely determinable and not subject to discretion)
- (d) ☐ QBADs are not available if the Participant has severed employment.
- (e) ☐ Describe additional limitations: _____ (must be definitely determinable and not subject to discretion)

2.3 Article V – 10-Year Rule for Beneficiary RMDs. RMDs to an Eligible Designated Beneficiary of a Participant who dies prior to the Participant's RBD will be made as elected below. In the absence of an election in Section 2.3, the Plan's provisions about Beneficiary elections with regard to the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule.

- (a) ☐ Beneficiary election. The Eligible Designated Beneficiary may elect application of the 10-Year Rule or the Life Expectancy rule. If the Beneficiary does not make a timely election (*Select one of (1) or (2)*):
 - (1) ☐ 10-year rule. The 10-year rule applies to the Eligible Designated Beneficiary.
 - (2) ☐ Life Expectancy Rule. The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (b) ☐ 10-year rule. The 10-year rule applies to the Eligible Designated Beneficiary.
- (c) ☒ Life Expectancy rule. The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (d) ☐ Shorter Period. The entire interest of the Eligible Designated Beneficiary will be distributed no later than December 31 of the _____ (*enter a number of years, not exceeding "tenth"*) year following the year of the Participant's death.
- (e) ☐ Other: _____ (*Describe, e.g., the 10-Year Rule applies to all Beneficiaries other than a surviving spouse Beneficiary.*)

2.4 Article VI – In-Service Distributions. In the absence of an election below, Article VI does NOT apply. To permit in-service distributions at age 59½, check (a). Check (b) to specify an age greater than 59 ½.

- (a) ☐ Article VI applies effective on or after the first day of the first plan year beginning after December 31, 2019, unless a different date is entered here: _____. (*Enter date on or after the first day of the first plan year beginning after December 31, 2019.*)
- (b) ☐ Age at which in-service distributions are permitted _____.

ARTICLE III BIRTH/ADOPTION DISTRIBUTIONS

3.1 Effective Date. This Article III is effective as the date specified in Section 2.2(a).

3.2 Distribution Authorized. Except as limited by Section 2.2(b), (c), (e), a Participant may request a distribution of up to \$5,000 (per child or Eligible Adoptee) as a QBAD. The Participant may request the distribution whether or not the Participant has severed employment unless Section 2.2(d) is selected. This \$5,000 limit shall be reduced by QBADs to the Participant made with respect to the same child or Eligible Adoptee by other plans maintained by the Employer or a related employer described in Code §414(b), (c), (m), or (o). The Administrator may adopt a policy imposing frequency limitations or other reasonable administrative conditions for QBADs.

3.3 Definitions. The following definitions apply for this Article III and Section 2.2:

(a) A “QBAD” is a Qualified Birth or Adoption Distribution described in Code §72(t)(2)(H)(iii). A QBAD must be made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an Eligible Adoptee by the Participant is finalized.

(b) An “Eligible Adoptee” is an 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. An individual is considered physically or mentally incapable of self-support if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. This provision shall be applied in a manner consistent with Part D of IRS Notice 2020-68.

3.4 Rollover. A Participant who received one or more QBADs from this Plan may, if the Plan then permits the Participant to make rollover contributions, make one or more contributions in an aggregate amount not to exceed the amount of such QBADs. The Plan will treat such a contribution as a rollover contribution made by direct trustee-to-trustee transfer within 60 days of distribution.

3.5 Reliance. The Administrator may rely on an individual’s reasonable representation that the individual is eligible to receive a QBAD unless the Administrator has actual knowledge to the contrary.

3.6 Status. A QBAD is not an eligible rollover distribution for purpose of the obligation to permit a direct rollover under Code §401(a)(31), the notice requirement of Code §402(f), or the mandatory withholding rules of Code §3405(c)(1).

ARTICLE IV REQUIRED BEGINNING DATE

4.1 Effective Date. This Article IV is effective with regard to RMDs required to be made after December 31, 2019, with respect to Participants who attain age 70½ after such date. For purposes of determining required minimum distributions for calendar years beginning on or after January 1, 2022 (or such later date as specified in applicable final regulations or guidance), the Administrator must apply the provisions of this Article IV consistent with proposed Treas. Reg §§1.401(a)(9)-1 through 1.401(a)(9)-9 issued on February 24, 2022 (or subsequent applicable final regulations).

4.2 Delay of Required Beginning Date. An Affected Participant’s RBD shall not be earlier than April 1 of the calendar year following the year the Affected Participant attains age 72. For purposes of determining an Affected Participant’s RBD, an Affected Participant will be treated as a more than 5%

owner if the Participant was a 5-percent owner (as defined in Code §416(i)(1)(B)) as to the Plan Year ending in the calendar year the Participant attains age 72.

4.3 Spousal Distributions. If an Affected Participant dies prior to the Participant's RBD, and the Participant's sole designated Beneficiary is the Participant's surviving spouse, then the RMDs to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72, if later. However, this Section will apply only if the Plan, prior to this Amendment, permitted a surviving spouse to delay RMD distributions to December 31 of the calendar year in which the Participant would have attained age 70½.

4.4 Definitions. The following definitions apply for this Article IV:

- (a) A Participant is an "Affected Participant" if the Participant was born after June 30, 1949.
- (b) An "RMD" is a Required Minimum Distribution as described in Code §401(a)(9).
- (c) A Participant's "RBD" is the Participant's required beginning date as described in Code §401(a)(9)(C), as amplified by Section 4.2.

ARTICLE V BENEFICIARY RMDS

5.1 Effective Date. The Effective Date of this Article V is January 1, 2022. Article V applies to Participants who die on or after the Effective Date of this Article. See Section 5.4 regarding the limited application of this Article V to certain accounts of Participants who died before the Effective Date of this Article V.

5.2 Death before RBD. If the Participant dies before the Participant's RBD, the Plan will distribute or commence distribution of the Participant's Vested Account Balance not later than as follows:

- (a) No Designated Beneficiary. If there is no designated Beneficiary as of September 30 of the year following the calendar year of the Participant's death, the Beneficiary's entire interest will be distributed under the 5-Year Rule.
- (b) Eligible Designated Beneficiary. If the distributee of a Participant's account is an Eligible Designated Beneficiary, the Beneficiary's entire interest will be distributed under the Life Expectancy Rule unless the 10-Year Rule applies. The Employer may elect application of the Life Expectancy rule or the 10-Year Rule in Section 2.3. In the absence of an election in Section 2.3, the Plan's provisions with regard to election of the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule. A permitted Beneficiary election must be made no later than the earlier of December 31 of the calendar year in which distribution would be required to begin under the Life Expectancy Rule, or by December 31 of the calendar year which contains the tenth anniversary of the Participant's (or, if applicable, surviving spouse's) death.
- (c) Other Designated Beneficiaries. If the distributee of the Participant's account is a designated Beneficiary who is not an Eligible Designated Beneficiary, then the Beneficiary's entire interest will be distributed under the 10-Year Rule.

(d) 10-Year Rule. If distribution of a deceased Participant's account thereof is subject to the "10-Year Rule," then the Plan will distribute the account in full no later than December 31 of the tenth year following the year of the Participant's death. No RMDs are required to be distributed from the account prior to that date.

5.3 Death after RBD. If the Participant dies on or after the Participant's RBD, the Participant's remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the participant's death to the extent provided by applicable guidance. If the Beneficiary is a designated Beneficiary that is not an Eligible Designated Beneficiary, the Plan will distribute the remaining account in full no later than December 31 of the tenth year following the year of the Participant's death.

5.4 Beneficiary Death. If an Eligible Designated Beneficiary receiving distributions under the Life Expectancy Rule dies before receiving distribution of the Beneficiary's entire interest in the Participant's account, the Plan will distribute that interest in full no later than December 31 of the 10th year following the year of the Eligible Designated Beneficiary's death. Similarly, if a Participant died before the Effective Date of this Article V, and the beneficiary died after such Effective Date, but prior to receiving full distribution of the beneficiary's interest, the Plan will distribute that interest in full no later than December 31 of the tenth year following the year of the beneficiary's death.

5.5 Age of Majority. If a child of the Participant was receiving distributions under the Life Expectancy rule, when the child reaches the age of Majority, the Plan will distribute the child's account in full no later than 10 years after that date, provided the child is not otherwise an Eligible Designated Beneficiary, such as a disabled or chronically ill individual.

5.6 Definitions; operating rules. The following definitions and operating rules apply for this Article V and Section 2.3:

- (a) An "RMD" is a Required Minimum Distribution as described in Code §401(a)(9).
- (b) A Participant's "RBD" is the Participant's required beginning date as described in Code §401(a)(9)(C) and the Plan. Also see Section 4.2.
- (c) A distributee of a Participant's account is a "designated Beneficiary" if the distributee is an individual or trust who is a beneficiary of the account (whether pursuant to a designation by the Participant or application of the Plan terms) and who is a designated beneficiary under Code §401(a)(9) and applicable regulations.
- (d) An individual is an "Eligible Designated Beneficiary" of a Participant if the individual qualifies as a designated Beneficiary and is (1) the Participant's spouse, (2) the Participant's child who has not reached the age of Majority, (3) an individual not more than 10 years younger than the Participant, (4) a disabled individual, as defined in Code §72(m)(7), or (5) an individual who has been certified to be chronically ill (as defined in Code §7702B(c)(2)) for a reasonably lengthy period, or indefinitely. Certain trusts may be treated as Eligible Designated Beneficiaries pursuant to Code §401(a)(9)(H)(iv) and (v).
- (e) Whether a child has reached the age of "Majority" is determined under Code §401(a)(9)(F) and applicable regulations and guidance issued thereunder.

(f) The “Life Expectancy Rule” for distributing RMDs is described in Code §401(a)(9)(B)(iii) and is further described in the Plan.

(g) The “5-Year Rule” for distributing RMDs is described in Code §401(a)(9)(B)(ii) and is further described in the Plan.

(h) The “10-Year Rule” is described in Section 5.2(d).

(i) Shorter period. Section 2.3(d) may specify a shorter period to be used in place of the tenth year after the death of a Participant or Beneficiary.

(j) Separate share rule. All references in this Article to a Participant’s Account Balance and a Beneficiary’s interest in that account will be applied separately to each separate account determined under applicable regulations and Code §401(a)(9)(H)(iv).

ARTICLE VI IN-SERVICE DISTRIBUTIONS

6.1 Application. This Article VI will apply only if the Employer elects in Section 2.4 for this Article VI to apply, effective on the date specified in Section 2.4(a).

6.2 Distribution at 59½. A Participant can take an in-service distribution at age 59½, or, if later, the age (if any) specified in Section 2.4(b). Such a distribution will be limited to the vested portion of the Participant’s Account Balance and will be subject to all Plan provisions related to in-service distributions. The Plan can operationally permit distributions as early as January 1 of the calendar year the Participant attains 59½ (or such later age).

ARTICLE VII DISTRIBUTIONS OF DISCONTINUED LIFETIME INCOME INVESTMENTS

7.1 Application. This Article VII is effective for Plan Years beginning after December 31, 2019.

7.2 Distributions authorized. The Administrator may authorize Participants to request, and as soon as practical after a Participant makes the request, the Plan will make, a distribution of a Discontinued Lifetime Income Investment. Distribution under this Article is limited to the 90-day period prior to the date on which the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. Such distribution will be in the form of a Qualified Distribution, or in the form of a Qualified Plan Distribution Annuity Contract, as determined by the Administrator. The Administrator will administer this section in a reasonable, nondiscriminatory manner, and may authorize distributions of some Discontinued Lifetime Income Investments and not others.

7.3 Definitions. The terms “Lifetime Income Investment,” “Qualified Distribution” and “Qualified Plan Distribution Annuity Contract” have the meanings set forth in Code §401(a)(38)(B). A “Discontinued Lifetime Income Investment” is a Lifetime Income Investment which will no longer be authorized to be held as an investment option under the Plan.

ARTICLE VIII
UPDATED LIFE EXPECTANCY TABLES

- 8.1 Application. This Article VIII is effective for distribution calendar years beginning on or after January 1, 2022.
- 8.2 New RMD Tables. Any Plan reference to the life expectancy tables detailed in Treas. Reg. §1.401(a)(9), such as the Uniform Life Table, the Single Life Table, or the Joint and Last Survivor Table, refers to these tables as published in Treas. Reg. §1.401(a)(9)-9 from time to time, and is subject to adjustment as described in Treas. Reg. §1.401(a)(9)-9(f).

ARTICLE IX
DIFFICULTY OF CARE PAYMENTS

- 9.1 Application. This Article IX is effective for Plan Years beginning after December 31, 2015.
- 9.2 Inclusion in 415 Compensation. The amount of a Participant's Compensation for purposes of determining the annual addition limit under Code §415(c)(1)(B) is increased by the amount of Difficulty of Care Payments the Employer makes to the Participant.
- 9.3 Definition. A "Difficulty of Care Payment" is a payment described in Code §131(c)(1) made in connection with qualified foster individuals.

SAN MATEO COUNTY DEFERRED COMPENSATION PLAN

Name of Plan

County of San Mateo

Name of Employer

Name of Authorized Representative

Title

Signature

Date

**AMENDMENT TO IMPLEMENT INCREASE OF MANDATORY CASH-OUT LIMIT TO \$7,000 UNDER
SECURE 2.0**

**ARTICLE 1
PREAMBLE**

- 1.1 **Adoption and effective date of Amendment.** The Employer hereby adopts this Amendment to the Plan identified below. Where the article specifies an effective date, the provision begins on that date or shortly thereafter as administratively practicable.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment.
- 1.3 **Numbering.** Except as otherwise provided in this Amendment, any “Section” reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to the Plan article, section, or other numbering designations.
- 1.4 **Intention; Construction.** The purpose of this amendment is to amend the Plan in accordance with SECURE 2.0 Act of 2022 (“SECURE 2.0”), enacted by Congress as Division T of the Consolidated Appropriations Act of 2023, and shall be interpreted and applied accordingly. The provisions of this Amendment, and any policies and procedures issued or modified pursuant to this amendment, shall be interpreted and applied to be consistent with SECURE 2.0 and IRS and DOL guidance issued in connection therewith, whether such guidance is issued before or after the date of this amendment. The Plan Administrator may, but is not required to, reduce such policies or procedures to writing.

**ARTICLE 2
IDENTIFICATION**

2.1 **Identifying information.**

A. Name of Employer: San Mateo County Deferred Compensation Plan

B. Name of Plan: County of San Mateo

**ARTICLE 3
INCREASE IN CASH-OUT LIMIT – SECURE 2.0 §310**

- 3.1 **Increase in Cash-Out Limit.** \$5,000 limits in the Plan related to mandatory distribution (i.e., involuntary cash-out) provisions are increased to \$7,000 effective for:
- (a) ☒ Distributions made on or after April 1, 2024.
- (b) ☐ Distributions made on or after _____. (Enter date after December 31, 2023.)

* * * * *

This Amendment has been executed this ____ day of _____, 20__.

By: _____

[Print Name, Title]