

**The Board of Education of Cecil County d/b/a Cecil County Public Schools**  
**403(b) PLAN**  
**ADOPTION AGREEMENT**

**SECTION 1**  
**EMPLOYER INFORMATION**

**1-1 EMPLOYER INFORMATION:**

Name: The Board of Education of Cecil County d/b/a Cecil County Public Schools

Address:

201 Booth Street

Elkton, MD 21921-5618

Telephone: 410-996-5400

Fax: n/a

**1-2 EMPLOYER IDENTIFICATION NUMBER (EIN):** 52-6000923

**1-3 TYPE OF EMPLOYER (optional):**

- ☒ (a) Public School (including elementary school, middle school, high school, college or university)  
☐ (b) Tax exempt organization under IRC §501(c)(3)  
☐ (c) Church (as defined in Section 1.20 of the Plan)  
☐ (d) Church Related Organization (as defined in Section 1.22 of the Plan)  
☐ (e) Tax exempt organization under IRC §501(c)(3) that is also part of a state government or political subdivision  
☐ (f) Other: \_\_\_\_\_

**1-4 EMPLOYER'S TAX YEAR END:** The Employer's tax year ends June 30

**1-5 RELATED EMPLOYERS:** List any Related Employers (as defined in Section 1.94 of the Plan). A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan. The failure to cover the Employees of a Related Employer may result in a violation of the minimum coverage rules under Code §410(b).

[Note: The failure to list all Related Employers will not jeopardize the qualified status of the Plan.]

**SECTION 2**  
**PLAN INFORMATION**

**2-1 PLAN NAME:** Cecil County Public Schools 403(b) Retirement Plan

**2-2 TYPE OF PLAN:**

- ☒ (a) Custodial Account under Code §403(b)(7)  
☐ (b) Annuity Contract under Code §403(b)(1)  
☐ (c) Combination Custodial Account and Annuity Contract  
☐ (d) Retirement Income Account  
☐ (e) Other: \_\_\_\_\_

**2-3 PLAN YEAR:**

- ☒ (a) Calendar year.  
☐ (b) The 12-consecutive month period ending on \_\_\_\_\_ each year.  
☐ (c) Other: \_\_\_\_\_

**2-4 FROZEN PLAN:** Check this AA §2-4 if the Plan is a frozen Plan to which no contributions will be made.

☐ This Plan is a frozen Plan effective \_\_\_\_\_.

**SECTION 3  
ELIGIBLE EMPLOYEES**

- 3-1 **ELIGIBLE EMPLOYEES:** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. (See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(a) No exclusions.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(b) Collectively Bargained Employees.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Nonresident aliens who receive no compensation from the Employer which constitutes U.S. source income.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Student Employees (as defined in Section 1.110 of the Plan).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Employees who normally work less than ____ (not more than 20) hours a week. (See Section 2.02(b)(5) of the Plan, especially for the application of this exclusion to plans covered by Title I of ERISA.)
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(f) Highly Compensated Employees.
<input type="checkbox"/>	N/A	N/A	(g) Employees eligible for a Code §457(b) plan (see Section 2.02(b)(6) of the Plan).
<input type="checkbox"/>	N/A	N/A	(h) Employees eligible for a 401(k) or another 403(b) plan sponsored by the Employer (see Section 2.02(b)(6) of the Plan).
<input type="checkbox"/>	N/A	N/A	(i) Employees whose contribution would be \$200 or less (see Section 2.02(b)(6) of the Plan).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Other: _____

*[Note: Unless designated otherwise under subsection (j), any selection(s) in the Deferral column also apply to Roth Deferrals, After-Tax Contributions, and Safe Harbor Contributions; any selection(s) in the Match column also apply to QMACs; and any selection(s) in the ER column also apply to QNECs.]*

**SECTION 4  
MINIMUM AGE AND SERVICE REQUIREMENTS**

- 4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE:** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below). [Note that **an Eligible Employee becomes eligible to make Salary Deferrals on such Employee's first day of employment with the Employer.** See the Plan for the application of the minimum age and service conditions to After-Tax Employee Contributions and the application of the minimum age and service conditions to Safe Harbor Contributions.]

- (a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Match	ER	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(1) There is no minimum service requirement for participation in the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	(2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
<input type="checkbox"/>	<input type="checkbox"/>	(3) The completion of ____ [cannot exceed 12] consecutive full calendar months of employment during which the Employee is credited with at least ____ [cannot exceed 1,000] Hours of Service or the completion of a Year of Service. [If no minimum Hours of Service are required, insert one (1) in the second blank line.]
<input type="checkbox"/>	<input type="checkbox"/>	(4) The completion of ____ [cannot exceed 1,000] Hours of Service during an Eligibility Computation Period. [If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.]

- | Match                    | ER                       |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (5) Two (2) Years of Service. <i>[Full and immediate vesting must be chosen under AA §8.]</i> |
| <input type="checkbox"/> | <input type="checkbox"/> | (6) Under the Elapsed Time method. See AA §4-3(c) below.                                      |
| <input type="checkbox"/> | <input type="checkbox"/> | (7) Describe eligibility conditions: _____  |
- [Note: Any conditions provided under (7) must be described in a manner that precludes Employer discretion, must satisfy the nondiscrimination requirements of §1.401(a)(4) of the regulations, and may not cause the Plan to violate the provisions of Code §410(a).]*
- (b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

- | Match                    | ER                                  |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | (1) There is no minimum age for Plan eligibility.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (2) Age 21.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (3) Age 20½.   |
| <input type="checkbox"/> | <input type="checkbox"/>            | (4) Age ____ (not later than age 21, but if an educational organization described in Code §170(b)(1)(A)(ii), not later than age 26). |

- 4-2 **ENTRY DATE:** An Eligible Employee who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2. *[Note: If any of (b) – (g) is completed for a contribution source, also complete one of (h) – (k) for the same contribution source.]*

- | Match                    | ER                                  |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | (a) <b>Immediate.</b> The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply). |
| <input type="checkbox"/> | <input type="checkbox"/>            | (b) <b>Semi-annual.</b> The first day of the 1st and 7th month of the Plan Year.   |
| <input type="checkbox"/> | <input type="checkbox"/>            | (c) <b>Quarterly.</b> The first day of the 1st, 4th, 7th and 10th month of the Plan Year.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (d) <b>Monthly.</b> The first day of each calendar month.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (e) <b>Payroll period.</b> The first day of the payroll period.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (f) <b>The first day of the Plan Year.</b> <i>[If this (f) is checked, see Section 2.03(b)(2) of the Plan for special rules that apply.]</i>               |

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

- | Match                    | ER                       |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | (g) <b>next following</b> satisfaction of the minimum age and service requirements.                    |
| <input type="checkbox"/> | <input type="checkbox"/> | (h) <b>coinciding with or next following</b> satisfaction of the minimum age and service requirements. |
| <input type="checkbox"/> | <input type="checkbox"/> | (i) <b>nearest</b> the satisfaction of the minimum age and service requirements.                       |
| <input type="checkbox"/> | <input type="checkbox"/> | (j) <b>preceding</b> the satisfaction of the minimum age and service requirements.                     |

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.59 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the Plan).
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. (See Section 2.07 of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	(a) <b>Year of Service.</b> Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ [ <i>must be less than 1,000</i> ] Hours of Service during an Eligibility Computation Period.
<input type="checkbox"/>	<input type="checkbox"/>	(b) <b>Eligibility Computation Period (ECP).</b> The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years.
<input type="checkbox"/>	<input type="checkbox"/>	(c) <b>Elapsed Time method.</b> [ <i>Check the same contribution source as checked in AA §4-1(a)(6) above.</i> ] Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a ____ [ <i>not to exceed 24 month</i> ] period of service to participate in the Plan. (See Section 2.03(a)(5) of the Plan.)  [ <i>Note: If a period greater than 12 months applies to either Matching Contributions or Employer Contributions, 100% vesting must be selected under AA §8 for those contributions.</i> ]
<input type="checkbox"/>	<input type="checkbox"/>	(d) <b>Equivalency Method.</b> For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the Plan). The Equivalency Method will apply to: <input type="checkbox"/> (1) All Employees. <input type="checkbox"/> (2) Employees who are not paid on an hourly basis. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.  If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method. <input type="checkbox"/> (3) <b>Monthly.</b> 190 Hours of Service for each month worked. <input type="checkbox"/> (4) <b>Daily.</b> 10 Hours of Service for each day worked. <input type="checkbox"/> (5) <b>Weekly.</b> 45 Hours of Service for each week worked. <input type="checkbox"/> (6) <b>Semi-monthly.</b> 95 Hours of Service for each semi-monthly period worked.
<input type="checkbox"/>	<input type="checkbox"/>	(e) <b>Nonvested Participant Break in Service rule applies.</b> Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules. (See Section 2.07(b) of the Plan)
<input type="checkbox"/>	<input type="checkbox"/>	(f) <b>One-Year Break in Service rule applies.</b> The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
<input type="checkbox"/>	<input type="checkbox"/>	(g) <b>Special eligibility provisions.</b> The following special eligibility provisions apply:

- 4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

**Match**

**ER**

☐

☐

- (a) **Automatic Eligibility.** An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to any minimum age and/or service conditions:

- ☐ (1) the Effective Date of this Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable)
- ☐ (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page)
- ☐ (3) \_\_\_\_\_ [insert date]

☐

☐

- (b) **Describe** other effective date provisions: \_\_\_\_\_

- 4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility, vesting and for purposes of applying any allocation conditions under AA §6-6 and AA §6B-7.

In addition, service with the following Predecessor Employers also will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under (b) below. (See Sections 2.06, 3.09 and 7.06 of the Plan.)

- ☐ (a) Identify Predecessor Employer(s):

•

[Note: If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility.]

- ☐ (b) The following special rules apply: \_\_\_\_\_

[Use this (b) to impose limits on the service that will be taken into account with a Predecessor Employer for determining eligibility, vesting and allocation conditions. For example, if service with a Predecessor Employer will not be taken into account in the same manner in applying eligibility, vesting and allocation conditions, the limits applicable to such service may be identified in (b). Any limits imposed under this (b) may not cause the Plan to violate the nondiscrimination requirements under Treas. Reg. §1.401(a)(4).]

## SECTION 5 COMPENSATION DEFINITIONS

- 5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.114 of the Plan for a specific definition of the various types of Total Compensation.

- ☒ (a) W-2 Wages
- ☐ (b) Code §415 Compensation.
- ☐ (c) Wages under Code §3401(a).

[For purposes of determining Total Compensation, each definition includes Elective Deferrals, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

## 5-2 POST-SEVERANCE COMPENSATION.

- (a) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation (as defined in Section 1.114 of the Plan) includes post-severance compensation, to the extent provided in Section 1.114(b) of the Plan. For this purpose, severance pay is always excluded from the definition of Total Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the Limitation Year that includes such date of severance from employment is included in Total Compensation, unless excluded under this subsection (a). See Section 1.114(b) of the Plan.

The following amounts paid after a Participant's severance from employment are excluded from Total Compensation.

- ☐ (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.
- ☐ (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

*[Note: Plan Compensation (as defined in Section 1.80 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(k). ]*

- (b) **Continuation payments for military service and disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for military service and disabled Participants. To count Total Compensation paid after severance of employment on account of military service and/or disability, check the appropriate selections under this subsection (b).
- ☒ (1) **Payments for military service.** Total Compensation includes amounts paid to an individual who does not currently perform services for the Employer by reason of qualified military service to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service. See Section 1.114(c)(1) of the Plan.
- ☒ (2) **Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.114(c)(2) of the Plan. For this purpose, disability continuation payments will be included for:
- ☐ (i) Nonhighly Compensated Employees only
- ☒ (ii) All Participants who are permanently and totally disabled for a fixed or determinable period
- (c) **Few weeks rule.** The few weeks rule (as described in Section 5.03(c)(7)(iii) of the Plan) will not apply unless designated otherwise under this subsection (c).
- ☐ Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year. See Section 5.03(c)(7)(iii) of the Plan.

- 5-3 **PLAN COMPENSATION:** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	(a) No exclusions.
<input type="checkbox"/>	<input type="checkbox"/>	(b) Elective Deferrals (as defined in Section 1.40 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(c) All fringe benefits, expense reimbursements, deferred compensation, and welfare benefits are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	(d) Compensation above \$ ____ is excluded.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(e) Amounts received as a bonus are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	(f) Amounts received as commissions are excluded.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	(g) Overtime payments are excluded.

- | Match                    | ER                                  |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/>            | (h) Amounts received for services performed for a non-signatory Related Employer are excluded.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (i) “Deemed §125 compensation” as defined in Section 1.114 of the Plan.   |
| <input type="checkbox"/> | <input type="checkbox"/>            | (j) Amounts received after severance from employment are excluded. (See Section 1.114(b) of the Plan.)  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | (k) Describe adjustments to Plan Compensation: <u>Compensation received from additional duties throughout the school year that are not directly associated with the standard employee contract are excluded</u> |

[Note: See AA §6C-3(c) for special rules that apply for purposes of applying the Safe Harbor provisions under AA §6C.]

#### 5-4 PERIOD FOR DETERMINING COMPENSATION.

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. [If (2), (3) or (4) is checked for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated below.]

- | Match                    | ER                                  |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | (1) The Plan Year.  |
| <input type="checkbox"/> | <input type="checkbox"/>            | (2) The calendar year ending in the Plan Year.                          |
| <input type="checkbox"/> | <input type="checkbox"/>            | (3) The Employer's fiscal tax year ending in the Plan Year.             |
| <input type="checkbox"/> | <input type="checkbox"/>            | (4) The 12-month period ending on ____ which ends during the Plan Year. |

- (b) **Compensation while a Participant.** In determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation earned while an individual is not a Participant with respect to such contribution source, check below.

- | Match                    | ER                                  |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant. |

### SECTION 6 EMPLOYER CONTRIBUTIONS

- 6-1 **EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions and/or Qualified Nonelective Contributions (QNECs) under the Plan?

- ☒ Yes  
☐ No [If No, skip to Section 6A.]

- 6-2 **EMPLOYER CONTRIBUTION FORMULAS.** For the period designated in AA §6-5 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-6 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3 or AA §6-4, as applicable.

- ☒ (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.
- ☐ (b) **Fixed contribution.**
- ☐ (1) \_\_\_\_% of each Participant's Plan Compensation.
- ☐ (2) \$\_\_\_\_ for each Participant.

- ☐ (c) **Service-based contribution.** The Employer will make:
- ☐ (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.
  - ☐ (2) **Fixed percentage.** \_\_\_\_% of Plan Compensation paid for each period of service designated below.
  - ☐ (3) **Fixed dollar.** \$\_\_\_\_ for each period of service designated below.

The service-based contribution selected under this (c) will be based on the following periods of service:

- ☐ (4) Each Hour of Service
- ☐ (5) Each week of employment
- ☐ (6) Describe period: \_\_\_\_\_

[Note: Any period described in subsection (6) cannot exceed a 12-month period.]

### 6-3 ALLOCATION FORMULA.

- ☐ (a) **Pro rata allocation.** The Employer Contribution under AA §6-2 will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount. If a fixed Employer Contribution is selected in AA §6-2(b), the Employer Contribution will be allocated in accordance with the selections made in AA §6-2(b). If both a discretionary and fixed Employer Contribution is selected in AA §6-2, this subsection (a) may be selected for both contribution formulas.
- ☒ (b) **New comparability allocation.** The Employer may make a separate discretionary Employer Contribution (as authorized under AA §6-2(a) above) to the Participants in the following allocation groups. Any amounts allocated to an allocation group will be allocated as a uniform percentage of Plan Compensation or as a uniform dollar amount to all Participants within that allocation group. The Employer must notify the Trustee in writing of the amount of the contribution to be allocated to each allocation group.

- ☒ (1) A separate discretionary Employer Contribution will be made to each Participant of the Employer (i.e., each Participant is in his/her own allocation group).

- ☐ (2) A separate discretionary Employer Contribution will be made to the following allocation groups:

- ☐ (i) **Group 1:** \_\_\_\_\_
- ☐ (ii) **Group 2:** \_\_\_\_\_
- ☐ (iii) **Group 3:** \_\_\_\_\_
- ☐ (iv) **Group 4:** \_\_\_\_\_
- ☐ (v) **Group 5:** \_\_\_\_\_

[Note: The allocation groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(ii). See Section 3.02(a)(1)(ii)(B)(IV) of the Plan for restrictions that apply with respect to "short-service" Employees.]

- ☐ (3) **Special rules.** The following special rules apply to the new comparability allocation formula described in this AA §6-3(c).

- ☐ (i) **Family Members.** In determining the separate groups under (2) above, Family Members (as defined in Section 3.02(a)(1)(ii)(B)(I) of the Plan) of a Five Percent Owner are always in a separate allocation group.
- ☐ (ii) **Benefiting Participants who do not receive Minimum Gateway Contribution.** In determining the separate groups under (2) above, Benefiting Participants who do not receive a Minimum Gateway Contribution are always in a separate allocation group. (See Section 3.02(a)(1)(ii)(B)(III) of the Plan.)

- ☐ (c) **Age-based allocation.** The discretionary Employer Contribution designated in AA §6-2(a) will be allocated under the age-based allocation formula so that each Participant receives a pro rata allocation based on adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 3.02(a)(1)(iii)(B) of the Plan).

Unless designated otherwise below, a Participant's Actuarial Factor is determined based on a designated interest rate of 8.5% and a UP-1984 mortality table.

- ☐ **Alternative interest rate and/or mortality table:** \_\_\_\_\_

[Note: See Exhibit A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Any alternative interest or mortality factors must meet the requirements for standard interest and mortality assumptions as defined in Treas. Reg. §1.401(a)-12.]

- ☐ (d) **Service-based allocation formula.** The service-based Employer Contribution selected in AA §6-2(c) will be allocated in accordance with the selections made in AA §6-2(c).



- 6-4 **QUALIFIED NONELECTIVE CONTRIBUTIONS (QNECs).** For any Plan Year, the Employer may make a discretionary QNEC to the Plan. Such QNEC will be allocated as a uniform percentage of Plan Compensation to all Nonhighly Compensated Participants, without regard to the allocation conditions selected in AA §6-6 below.

To modify these default allocation provisions, complete the applicable provision under this AA §6-4.

- ☐ (a) **All Participants.** Any QNEC made pursuant to this AA §6-4 will be allocated to all Participants, including Highly Compensated Participants.
- ☐ (b) **Targeted QNECs.** The QNEC will be allocated to Nonhighly Compensated Employees in accordance with the Targeted QNEC allocation formula under Section 3.02(b)(2)(ii) of the Plan. For this purpose, a Targeted QNEC may be allocated as a percentage of Plan Compensation or as a uniform dollar amount.

- 6-5 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-5.

- ☐ (a) **Period for determining Employer Contributions.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation earned during the Plan Year.

Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation earned during the following period:

- ☐ (1) Plan Year quarter. ☐ (2) calendar month.
- ☐ (3) payroll period. ☐ (4) Other: \_\_\_\_\_

*[Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Employer Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this subsection (a). Any alternative period designated under subsection (4) may not exceed a 12-month period and will apply uniformly to all Participants.]*

- ☒ (b) **Contributions for former Employees.** If this (b) is elected, the Employer will continue to make Employer Contributions on behalf of a former Employee as provided in Section 3.01(c) of the Plan.

- ☐ (c) **Special rules.** The following special provisions apply: \_\_\_\_\_

- 6-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-6 to receive an allocation of Employer Contributions under the Plan. *[Note: The allocation conditions under this AA §6-6 do not apply to Safe Harbor Employer Contributions.]*

- ☒ (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

- ☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:

- ☐ (1) \_\_\_\_\_ (not to exceed 500) Hours of Service during the Plan Year.
- ☐ (2) \_\_\_\_\_ (not more than 91) consecutive days of employment with the Employer during the Plan Year.

- ☐ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

- ☐ (d) **Minimum service condition.** An Employee must be credited with at least:

- ☐ (1) \_\_\_\_\_ Hours of Service (not to exceed 1,000) during the Plan Year.
- ☐ (2) \_\_\_\_\_ (not more than 182) consecutive days of employment with the Employer during the Plan Year.

- ☐ (e) **Exceptions.** The above allocation condition(s) will **not** apply if the Employee:

- ☐ (1) dies during the Plan Year.
- ☐ (2) terminates employment as a result of a Disability.
- ☐ (3) terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.
- ☐ (4) terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

**SECTION 6A**  
**SALARY DEFERRALS**

**6A-1 SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?

- ☐ (a) **Yes.** This is a Salary Deferral only Plan. The Employer will make no other contributions to the Plan. [Note: If certain conditions are satisfied, this Plan is not subject to ERISA.]
- ☒ (b) **Yes.** This Plan permits Salary Deferrals and other Employer Contributions. [Note: This Plan, unless otherwise exempt as a Governmental Plan or Church Plan, is subject to ERISA.]
- ☐ (c) **No.** [If "No" is checked, skip to Section 6B.]

**6A-2 MAXIMUM LIMIT ON SALARY DEFERRALS.** A Participant may defer an amount up to the Elective Deferral Dollar Limit and the Code §415 Limitation. See Sections 5.02 and 5.03 of the Plan.

**6A-3 MINIMUM DEFERRAL RATE.** There is no minimum deferral rate applicable to Salary Deferrals under the Plan.

**6A-4 AGE 50 CATCH-UP CONTRIBUTIONS.** The following provisions apply with respect to Age 50 Catch-Up Contributions (as defined in Section 3.03(d) of the Plan).

- ☒ (a) Age 50 Catch-Up Contributions are permitted under the Plan.
- ☐ (1) Age 50 Catch-Up Contributions are eligible for any Matching Contributions under the Plan.
- ☒ (2) Age 50 Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).
- ☐ (b) Age 50 Catch-Up Contributions are **not** permitted under the Plan.

**6A-5 SPECIAL CATCH-UP CONTRIBUTIONS FOR QUALIFIED EMPLOYEES OF QUALIFIED ORGANIZATIONS.** The following provisions apply with respect to Special Catch-Up Contributions (as defined in Section 3.03(e) of the Plan).

- ☐ (a) Special Catch-Up Contributions are permitted under the Plan.
- ☐ (1) Special Catch-Up Contributions are eligible for any Matching Contributions under the Plan.
- ☐ (2) Special Catch-Up Contributions are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).
- ☒ (b) Special Catch-Up Contributions are **not** permitted under the Plan.

*[Note: Special Catch-Up Contributions are only available to qualified Employees of Qualified Organizations. See Section 3.03(e) of the Plan.]*

**6A-6 ROTH DEFERRALS.** The following provisions apply with respect to Roth Deferrals (as defined in Section 3.03(g) of the Plan).

**Availability of Roth Deferrals.**

- ☒ (a) Roth Deferrals are permitted under the Plan. [Note: If Roth Deferrals are effective as of a date other than the Effective Date of the Plan, designate such special Effective Date in AA §6A-9(c) below.]
- ☐ (1) Roth Deferrals are **not** eligible for any Matching Contributions under the Plan (other than Safe Harbor Matching Contributions).
- ☐ (2) Only Roth Deferrals are eligible for any Matching Contributions under the Plan (i.e., Pre-Tax Deferrals are not eligible for Matching Contributions (other than Safe Harbor Matching Contributions)).
- [If neither (1) nor (2) is selected, all Salary Deferrals are eligible for Matching Contributions.]*
- ☐ (b) Roth Deferrals are **not** permitted under the Plan.

**Distribution of Roth Deferrals.** To the extent a Participant takes a distribution or withdrawal from his/her deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. (See Section 8.10(b)(2) of the Plan for default distribution rules if a Participant fails to designate the appropriate Account for corrective distributions from the Plan.)

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

- ☐ (c) **Distributions and withdrawals.**
  - ☐ (1) Any distribution will be taken on a pro rata basis from the Participant's Pre-Tax Deferral Account and Roth Deferral Account.
  - ☐ (2) Any distribution will be taken first from the Participant's Roth Deferral Account and then from the Participant's Pre-Tax Deferral Account.
  - ☐ (3) Any distribution will be taken first from the Participant's Pre-Tax Deferral Account and then from the Participant's Roth Deferral Account.
- ☐ (d) **Corrective distributions of Excess Deferrals, Excess Annual Additions under Code §415, or Excess Aggregate Contributions.**
  - ☐ (1) Corrective distributions will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.
  - ☐ (2) Corrective distributions will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.
  - ☐ (3) Corrective distributions will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

**6A-7 CHANGE OR REVOCATION OF DEFERRAL ELECTION:** In addition to the Participant's Entry Date under the Plan, a Participant may change, revoke or resume a Deferral Election (on a prospective basis) as of the dates designated under the Salary Deferral Agreement or other written procedures adopted by the Plan Administrator.

**6A-8 AUTOMATIC DEFERRAL ELECTION.** No automatic deferral election applies under Section 3.03(c) of the Plan.

To provide for an automatic deferral election, complete this AA §6A-8.

- ☐ (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), an Eligible Participant will be deemed to have entered into a Salary Deferral Election with a \_\_\_\_% of Total Compensation deferral election for each payroll period, unless the Participant makes a contrary Salary Reduction Agreement. Unless designated otherwise by the Participant, any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals.
- ☐ (b) **Automatic increase.** If elected under this subsection (b), the automatic deferral amount set forth in subsection (a) will increase each Plan Year by the following percentage:
  - ☐ (1) \_\_\_\_% of Total Compensation  
but not in excess of
  - ☐ (2) \_\_\_\_% of Total Compensation
- ☐ (c) **Application of automatic deferral provisions.** This automatic deferral election will apply to:
  - ☐ (1) all Participants who have not entered into a Salary Reduction Agreement (including an election not to defer under the Plan).
  - ☐ (2) all Participants who have not entered into a Salary Reduction Agreement as of \_\_\_\_\_ that is at least equal to the automatic deferral amount under subsection (a).
  - ☐ (3) only Employees who become Participants on or after \_\_\_\_\_ and who do not enter into a contrary Salary Reduction Agreement (including an election not to defer under the Plan).
- ☐ (d) **Permissible withdrawals under Eligible Automatic Contribution Arrangements.** If the Plan provides for an automatic deferral election under this AA §6A-8 and the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c)(1) of the Plan), any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of Section 3.03(c)(2) of the Plan.

*[Note: If this subsection (d) is not checked, the permissible withdrawal provisions under Section 3.03(c)(2) of the Plan are not available.]*

6A-9 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-9, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the Plan.)

- ☐ (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:
- ☐ (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
  - ☐ (2) \_\_\_\_ (insert date).
- ☒ (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-6 are effective as of 10-2-2007. [If this (b) is not checked and Roth Deferrals are permitted under AA §6A-6 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9].
- ☐ (c) **Automatic deferral provisions.** The automatic deferral provisions under AA §6A-8 are effective as of \_\_\_\_\_. [If this (c) is not checked and the Plan applies an automatic deferral election under AA §6A-8, such automatic deferral provisions are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-9].

6A-10 **SPECIAL RULES APPLICABLE TO SALARY DEFERRAL.** The following special rules apply to Salary Deferrals:

**SECTION 6B**  
**MATCHING CONTRIBUTIONS**

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions and/or Qualified Matching Contributions (QMACs) under the Plan?

- ☐ **Yes.** [Check this box if Matching Contributions may be made under the Plan, including Matching Contributions that satisfy the ACP safe harbor (i.e., Matching Contributions that are made in addition to the Safe Harbor Contributions required to satisfy the ADP safe harbor under AA §6C-2(a)).]
- ☒ **No.** [Check this box if there are no Matching Contributions or the only Matching Contributions are Safe Harbor Matching Contributions that satisfy the ADP safe harbor under AA §6C-2(a). If "No" is checked, skip to Section 6C.]

6B-2 **MATCHING CONTRIBUTION FORMULAS:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-7 below. [If the Plan provides for After-Tax Contributions, see AA §6D to determine the application of the Matching Contribution formulas to After-Tax Contributions.]

- ☐ (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution. Such amount can be determined either as a uniform percentage of deferrals or as a flat dollar amount for each Participant.
- ☐ (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:
- ☐ (1) \_\_\_\_% of Salary Deferrals made for each period designated in AA §6B-5 below.
  - ☐ (2) \$\_\_\_\_ for each period designated in AA §6B-5 below.

- ☐ (c) **Tiered match.** The Employer will make a Matching Contribution to all Participants based on the following tiers of Salary Deferrals.

Salary Deferrals (% of Plan Compensation or dollar amount)	Match %
<input type="checkbox"/> (1) Salary Deferrals up to first ___% or \$ ____	_____ %
<input type="checkbox"/> (2) Salary Deferrals up to ___% or \$ ____	_____ %
<input type="checkbox"/> (3) Salary Deferrals up to ___% or \$ ____	_____ %
<input type="checkbox"/> (4) Salary Deferrals up to ___% or \$ ____	_____ %

*[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]*

- ☐ (d) **Discretionary tiered match.** The Employer will make a discretionary Matching Contribution to all Participants based on the following tiers of Salary Deferrals. The Employer may determine the amount of Matching Contribution to be made with respect to each tier of Salary Deferrals.

Salary Deferrals (% of Plan Compensation or dollar amount)
<input type="checkbox"/> (1) Salary Deferrals up to first ___% or \$ ____
<input type="checkbox"/> (2) Salary Deferrals up to ___% or \$ ____
<input type="checkbox"/> (3) Salary Deferrals up to ___% or \$ ____
<input type="checkbox"/> (4) Salary Deferrals up to ___% or \$ ____

*[Note: All tiers must be based on percentages or dollar amounts (but not both). If the Plan is designed to satisfy the ACP safe harbor with respect to the Matching Contribution, the rate of Matching Contribution may not increase as the rate of Salary Deferrals increase.]*

- ☐ (e) **Year of Service match.** The Employer will make a Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	Matching Percentage
<input type="checkbox"/> (1) Up to ___ YOS	_____ %
<input type="checkbox"/> (2) Up to ___ YOS	_____ %
<input type="checkbox"/> (3) Up to ___ YOS	_____ %
<input type="checkbox"/> (4) YOS above _____	_____ %

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: \_\_\_\_\_

*[Note: Each separate rate of Matching Contribution must satisfy the nondiscrimination requirements under Treas. Reg. §1.401(a)(4)-4 as a separate benefit, right or feature.]*

**6B-3 LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, the following limits apply.

- ☐ (a) **No limits apply.** All Salary Deferrals are eligible for Matching Contributions.

- ☐ (b) **Limit on Salary Deferrals.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Salary Deferrals that do not exceed:
- ☐ (1) \_\_\_\_% of Plan Compensation.
  - ☐ (2) \$\_\_\_\_\_.
  - ☐ (3) A discretionary amount determined by the Employer.
- ☐ (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:
- ☐ (1) \_\_\_\_% of Plan Compensation.
  - ☐ (2) \$\_\_\_\_\_.

*[Note: If a Matching Contribution is designed to satisfy the ACP safe harbor (as described in Section 6.04 of the Plan), subsection (b)(1) above must be completed with no more than a 6% of Plan Compensation deferral limit. In addition, if the Matching Contribution is a discretionary formula, to satisfy the ACP safe harbor, subsection (c)(1) above also must be completed with no more than a 4% of Plan Compensation total match limit.]*

**6B-4 QUALIFIED MATCHING CONTRIBUTIONS (QMACs):** For any Plan Year, the Employer may make a discretionary QMAC to the Plan to correct a failed ACP Test. Such QMAC will be allocated as a uniform percentage of each Nonhighly Compensated Participant's Salary Deferrals made during the Plan Year, without regard to any allocation conditions selected under AA §6B-7. (See Section 3.04(d) of the Plan.)

**6B-5 PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-3) are based on Salary Deferrals for the **Plan Year**. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-3, check one of (a) – (d) below.

- |  |   |
|--|---|
| <input type="checkbox"/> (a) payroll period. | <input type="checkbox"/> (b) Plan Year quarter. |
| <input type="checkbox"/> (c) calendar month. | <input type="checkbox"/> (d) Other: _____       |

*[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. Matching Contributions may be contributed and allocated to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6B-5. See Section 3.04(c) of the Plan for a discussion of the "true up" requirements applicable to Matching Contributions.]*

**6B-6 ACP TESTING.** (See Section 6.02 of the Plan.)

- (a) **ACP Testing Method.** The ACP Test will be performed using the following testing method: (See Section 6.02(a)(2) of the Plan.)
- ☐ (1) The Plan will use the **Current Year Method** in running the ACP Test.
  - ☐ (2) The Plan will use the **Prior Year Method** in running the ACP Test.

*[Note: If the Plan is intended to be a Safe Harbor Plan (as designated in AA §6C below), the Plan must use the Current Year Method.]*

- (b) **Special rule for first Plan Year.** If this is a new Plan, the testing method selected in subsection (a) above applies for purposes of applying the ACP Test for the first Plan Year of the Plan, unless designated otherwise under this subsection (b). If the Prior Year Testing Method applies, the ACP of the Nonhighly Compensated Group for the first Plan Year is deemed to be 3%. (See Section 6.02(a)(3) of the Plan.)

- ☐ (1) **Instead of the Prior Year Method** selected under subsection (a)(2) above, the Plan will use the Current Year Method for the first Plan Year for which the Plan is effective.
- ☐ (2) **Instead of the Current Year Method** selected under subsection (a)(1) above, the Plan will use the Prior Year Method for the first Plan Year for which the Plan is effective.

**6B-7 ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive a Matching Contribution, must satisfy any allocation conditions designated under this AA §6B-7 to receive an allocation of Matching Contributions under the Plan. *[Note: The allocation conditions under this AA §6B-7 do not apply to Safe Harbor Matching Contributions under AA §6C or QMACs under AA §6B-4, unless provided otherwise under those specific sections. Administrative problems may occur if Matching Contributions are actually made to the Plan prior to the completion of any allocation conditions under this AA §6B-7. See Section 3.08 of the Plan.]*

- ☐ (a) **No allocation conditions** apply with respect to Matching Contributions under the Plan.

- ☐ (b) **Safe harbor allocation condition.** An Employee must be employed by the Employer on the last day of the Plan Year OR must complete more than:
- ☐ (1) \_\_\_\_ (not to exceed 500) Hours of Service during the Plan Year.
  - ☐ (2) \_\_\_\_ (not more than 91) consecutive days of employment with the Employer during the Plan Year.
- ☐ (c) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- ☐ (d) **Minimum service condition.** An Employee must be credited with at least:
- ☐ (1) \_\_\_\_ Hours of Service (not to exceed 1,000) during the Plan Year.
  - ☐ (2) \_\_\_\_ (not more than 182) consecutive days of employment with the Employer during the Plan Year.
- ☐ (e) **Exceptions.** The above allocation condition(s) will **not** apply:
- ☐ (1) if the Employee dies during the Plan Year.
  - ☐ (2) if the Employee terminates employment as a result of a Disability.
  - ☐ (3) if the Employee terminates employment after attainment of Normal Retirement Age in the current Plan Year or any prior Plan Year.
  - ☐ (4) if the Employee terminates employment after attainment of Early Retirement Age in the current Plan Year or any prior Plan Year.

6B-8 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: \_\_\_\_\_

**SECTION 6C**  
**SAFE HARBOR CONTRIBUTIONS**

6C-1 **SAFE HARBOR PLAN.** Is the Plan intended to be a Safe Harbor Plan?

- ☐ Yes
- ☒ No [If "No" is checked, skip to Section 6D.]

6C-2 **SAFE HARBOR CONTRIBUTION.** To qualify as a Safe Harbor Plan, the Employer must make a Safe Harbor Matching Contribution or Safe Harbor Employer Contribution. The Safe Harbor Contribution elected under this AA §6C-2 will be in addition to any Employer Contribution or Matching Contribution elected in AA §6 or AA §6B above.

☐ (a) **Safe Harbor Matching Contribution.**

(1) **Safe Harbor Matching Contribution formula.**

- ☐ (i) **Basic match:** 100% of Salary Deferrals up to the first 3% of Plan Compensation, plus 50% of Salary Deferrals up to the next 2% of Plan Compensation.
- ☐ (ii) **Enhanced match:** \_\_\_\_% (not less than 100%) of Salary Deferrals up to \_\_\_\_% (not less than 4% and not more than 6%) of Plan Compensation.
- ☐ (iii) **Tiered match:** \_\_\_\_% of Salary Deferrals up to the first \_\_\_\_% of Plan Compensation,
  - ☐ (A) plus \_\_\_\_% of Salary Deferrals up to the next \_\_\_\_% of Plan Compensation,
  - ☐ (B) plus \_\_\_\_% of Salary Deferrals up to the next \_\_\_\_% of Plan Compensation.

[Note: The tiered match may not provide for a greater level of match at higher levels of Salary Deferrals and the total amount of Salary Deferrals eligible for a match may not exceed 6% of Plan Compensation.]

(2) **Period for determining Safe Harbor Matching Contributions.** The Safe Harbor Matching Contribution formula selected in (1) above is based on Salary Deferrals for the following period:

- ☐ (i) Plan Year.
- ☐ (ii) payroll period.
- ☐ (iii) Plan Year quarter.
- ☐ (iv) calendar month.
- ☐ (v) Other: \_\_\_\_\_

- ☐ (b) **Safe Harbor Employer Contribution:** \_\_\_% (not less than 3%) of Plan Compensation.
- ☐ (1) **Supplemental Safe Harbor notice.** Check this selection if the Employer will make the Safe Harbor Employer Contribution pursuant to a supplemental notice, as described in Section 6.04(a)(4)(iii) of the Plan.  
*[Note: If this (1) is checked, the Safe Harbor Employer Contribution described above will be required for a Plan Year only if the Employer provides a supplemental notice (as described in Section 6.04(a)(4)(iii) of the Plan). If the Employer properly provides the Safe Harbor notice but does not provide a supplemental notice, the Employer need not provide the Safe Harbor Employer Contribution described above. In such a case, the Plan will not qualify as a Safe Harbor Plan for that Plan Year and will be subject to ACP testing, as applicable.]*
- ☐ (2) **Other plan.** Check this selection if the Safe Harbor Employer Contribution will be made under another plan maintained by the Employer and identify the plan: \_\_\_\_\_

6C-3 **ELIGIBILITY FOR SAFE HARBOR CONTRIBUTION.** The Safe Harbor Contribution selected in AA §6C-2 above will be allocated to all Participants who are eligible to make Salary Deferrals under the Plan, unless designated otherwise under this AA §6-3.

- ☐ (a) **Eligible Employees.** Instead of being allocated to all eligible Participants, the Safe Harbor Contribution will be allocated only to:
- ☐ (1) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan (see AA §4-1).
- ☐ (2) Nonhighly Compensated Participants who are eligible to make Salary Deferrals under the Plan and any Highly Compensated Non-Key Employees who are eligible to make Salary Deferrals under the Plan (see AA §4-1).
- ☐ (b) **Eligibility conditions.** Instead of using the eligibility conditions applicable to Salary Deferrals under AA §4-1, the following eligibility conditions apply for Safe Harbor Contributions:
- ☐ (1) One Year of Service and age 21 with semi-annual Entry Dates.
- ☐ (2) The eligibility conditions applicable to Matching Contributions (as selected in AA §4-1).
- ☐ (3) The eligibility conditions applicable to Employer Contributions (as selected in AA §4-1).
- ☐ (c) **Describe special conditions for determining Safe Harbor Contributions:** \_\_\_\_\_

6C-4 **DELAYED EFFECTIVE DATE.** The Safe Harbor provisions under this AA §6C are effective as of the Effective Date of the Plan, as designated in the Employer Signature Page. To provide for a delayed effective date for the Safe Harbor provisions, check this AA §6C-4.

- ☐ The Safe Harbor provisions under this AA §6C are effective beginning \_\_\_\_\_. Prior to this delayed effective date, the provisions of this AA §6C do not apply. Thus, prior to the delayed effective date, the Employer is not obligated to make a Safe Harbor Contribution and the Plan is subject to ACP Testing, to the extent applicable.

## SECTION 6D AFTER-TAX CONTRIBUTIONS

6D-1 **AFTER-TAX CONTRIBUTIONS.** Are Employees permitted to make After-Tax Contributions under the Plan?

- ☐ Yes
- ☒ No [If "No" is checked, skip to Section 7.]

6D-2 **LIMITS ON AFTER-TAX CONTRIBUTIONS.** A Participant may contribute any amount as After-Tax Contributions up to the Code §415 Limitation (as defined in Section 5.03 of the Plan).

6D-3 **ELIGIBILITY FOR MATCHING CONTRIBUTIONS.** If the Plan provides for Matching Contributions under AA §6B or Safe Harbor Matching Contributions under AA §6C, such matching contributions will apply to After-Tax Contributions made pursuant to this AA §6D, unless limited under AA 6D-4 below.

6D-4 **SPECIAL RULES.** The following special rules apply with respect to After-Tax Contributions: \_\_\_\_\_



6D-5 **MANDATORY AFTER-TAX CONTRIBUTIONS.**

- ☐ (a) Employees are required to make Mandatory After-Tax Contributions in order to participate under the Plan in the following amount:
- ☐ (1) \_\_\_\_\_ % of each Employee's Total Compensation.
- ☐ (2) \$\_\_\_\_\_ for each Participant.
- ☐ (3) Describe rate or amount: \_\_\_\_\_
- ☐ (b) Special rules applicable to Mandatory After-Tax Contributions: \_\_\_\_\_

**SECTION 7  
RETIREMENT AGES**

7-1 **NORMAL RETIREMENT AGE:** Normal Retirement Age under the Plan is:

- ☒ (a) Age 65 (not to exceed 65).
- ☐ (b) The later of (1) age \_\_\_\_\_ (not to exceed 65) or (2) the \_\_\_\_\_ (not to exceed 5<sup>th</sup>) anniversary of the date the Employee commenced participation in the Plan.
- ☐ (c) \_\_\_\_\_ (may not be later than the maximum age permitted under subsection (b)).

7-2 **EARLY RETIREMENT AGE:**

- ☒ (a) There is no Early Retirement Age under the Plan.
- ☐ (b) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
- ☐ (1) Attainment of age \_\_\_\_\_
- ☐ (2) The \_\_\_\_\_ anniversary of the date the Employee commenced participation in the Plan, and/or
- ☐ (3) The completion of \_\_\_\_\_ Years of Service, determined as follows:
- ☐ (i) Same as for eligibility.
- ☐ (ii) Same as for vesting.

**SECTION 8  
VESTING AND FORFEITURES**

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

- ☒ Yes
- ☐ No [If "No" is checked, skip to Section 9. See Section 7.11(a) of the Plan for default forfeiture rules.]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02(a) of the Plan for a description of the various vesting schedules under this AA §8-2. [Note: Any Safe Harbor Employer Contributions or Safe Harbor Matching Contributions under AA §6C and any QNECs or QMACs under AA §6-4 or AA §6B-4 are always 100% vested.]

- |  |  |
|--|--|
| <p><input checked="" type="checkbox"/> (a) <b>Employer Contributions (see AA §6)</b></p> <p><input checked="" type="checkbox"/> (1) Full and immediate vesting.</p> <p><input type="checkbox"/> (2) Three-year cliff vesting schedule</p> <p><input type="checkbox"/> (3) Six-year graded vesting schedule</p> | <p><input type="checkbox"/> (b) <b>Matching Contributions (see AA §6B)</b></p> <p><input type="checkbox"/> (1) Full and immediate vesting.</p> <p><input type="checkbox"/> (2) Three-year cliff vesting schedule</p> <p><input type="checkbox"/> (3) Six-year graded vesting</p> |
|--|--|

☒ (a) **Employer Contributions (see AA §6)**

☐ (4) Modified vesting schedule

\_\_\_\_\_ % after 1 Year of Service  
 \_\_\_\_\_ % after 2 Years of Service  
 \_\_\_\_\_ % after 3 Years of Service  
 \_\_\_\_\_ % after 4 Years of Service  
 \_\_\_\_\_ % after 5 Years of Service  
 100% after 6 Years of Service

☐ (5) Other vesting schedule: \_\_\_\_\_

☐ (b) **Matching Contributions (see AA §6B)**

☐ (4) Modified vesting schedule

\_\_\_\_\_ % after 1 Year of Service  
 \_\_\_\_\_ % after 2 Years of Service  
 \_\_\_\_\_ % after 3 Years of Service  
 \_\_\_\_\_ % after 4 Years of Service  
 \_\_\_\_\_ % after 5 Years of Service  
 100% after 6 Years of Service

☐ (5) Other vesting schedule \_\_\_\_\_

*[Note: If a modified vesting schedule is selected under subsection (4) for Employer Contributions or Matching Contributions, the vested percentage for every Year of Service must satisfy the vesting requirements under the 6-year graded vesting schedule, unless 100% vesting occurs after no more than 3 Years of Service. If the Employer is a governmental entity or nonelecting church plan (i.e., a non-ERISA plan), the Employer may elect under subsection (5) a vesting schedule that satisfies the pre-ERISA vesting requirements.]*

**8-3 VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

- ☒ (a) None, all service with the Employer counts for vesting purposes.
- ☐ (b) Service before the original Effective Date of this Plan is excluded. (See Section 7.06 of the Plan for rules regarding Predecessor Service.)
- ☐ (c) Service completed before the Employee's \_\_\_\_\_ (not to exceed 18th) birthday is excluded.

*[Note: See Section 7.06 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.]*

**8-4 VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

- ☒ (a) dies
- ☒ (b) terminates employment due to becoming Disabled
- ☐ (c) reaches Early Retirement Age

**8-5 DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and One-Year Break in Service rules do NOT apply. (See Section 7.07 of the Plan.)

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

**ER Match**

☐ ☐ (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of \_\_\_\_\_ [must be less than 1,000] Hours of Service during a Vesting Computation Period.

☐ ☐ (b) **Vesting Computation Period (VCP).** Instead of the Plan Year, the Vesting Computation Period is:

☐ (1) The 12-month period beginning with the anniversary of the Employee's date of hire.

☐ (2) Describe: \_\_\_\_\_

*[Note: Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.]*

☐ ☐ (c) **Elapsed Time Method.** Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the Plan.)

**ER Match**

- ☐ ☐ (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a) (2) of the Plan). The Equivalency Method will apply to:
- ☐ (1) All Employees.
- ☐ (2) Employees who are not paid on an hourly basis. For Employees paid on an hourly basis, vesting will be determined based on actual hours worked.
- If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method.
- ☐ (3) **Monthly.** 190 Hours of Service for each month worked.
- ☐ (4) **Daily.** 10 Hours of Service for each day worked.
- ☐ (5) **Weekly.** 45 Hours of Service for each week worked.
- ☐ (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.
- ☐ ☐ (e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the vesting rules. (See Section 7.07(c) of the Plan).
- ☐ ☐ (f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 7.07(b) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
- ☐ ☐ (g) **Special vesting provisions.** No special vesting provisions apply unless designated under this subsection (g): \_\_\_\_\_
- [Note: Any special vesting provision designated in subsection (g) must satisfy the requirements of Code §411(a) and must satisfy the nondiscrimination requirements under §1.401(a)(4) of the regulations.]*

**8-6 ALLOCATION OF FORFEITURES.** Any forfeitures occurring during a Plan Year will be:

**ER Match**

- ☐ ☐ (a) Reallocated as additional Employer Contributions or as additional Matching Contributions.
- ☐ ☐ (b) Used to reduce Employer and/or Matching Contributions.

For purposes of this AA §8-6, forfeitures will be applied:

- ☐ ☐ (c) for the Plan Year in which the forfeiture occurs.
- ☐ ☐ (d) for the Plan Year **following** the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under this AA §8-6:

- ☐ ☐ (e) Forfeitures will be used to pay Plan expenses.
- ☐ ☐ (f) Forfeitures will **not** be used to pay Plan expenses.

**8-7 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

- (a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 7.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-7(a).

- ☒ The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 7.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-7(b).

- ☐ A forfeiture will occur upon the completion of \_\_\_\_ [cannot exceed 5] consecutive Breaks in Service (as defined in Section 7.07(a) of the Plan).

**SECTION 9**  
**DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT**

**9-1 AVAILABLE FORMS OF DISTRIBUTION.**

**Lump sum distribution** Unless selected otherwise under subsection (c) below, a Participant may take a distribution of his/her entire vested Account Balance in a single lump sum.

**Additional distribution options.** To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (c) below and indicate that no lump sum distribution is available under the Plan.

- ☐ (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.
- ☐ **Minimum distribution amount.** A Participant may not take a partial lump sum distribution of less than \$\_\_\_\_\_.
- ☒ (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).
- ☐ (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 8.11 of the Plan.
- ☒ (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 8.02 of the Plan.
- ☐ (e) **Describe:** \_\_\_\_\_

*[Note: Any distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

**9-2 QUALIFIED JOINT AND SURVIVOR ANNUITY RULES.** This Plan is not subject to the Qualified Joint and Survivor Annuity rules, except to the extent required under Section 9.01 of the Plan (e.g., if the Plan is a Transferee Plan). Upon termination of employment, a Participant may receive a distribution from the Plan, in accordance with the provisions of AA §9-3, in any form allowed under AA §9-1. (If any portion of this Plan is subject to the Qualified Joint and Survivor Annuity rules, the QJSA and QPSA provisions will automatically apply to such portion of the Plan.)

To override this default provision, complete the applicable sections of this AA §9-2.

- ☐ (a) **Qualified Joint and Survivor Annuity rules.** Check this (a) to apply the Qualified Joint and Survivor rules to the entire Plan. If this (a) is checked, all distributions from the Plan must satisfy the QJSA and QPSA requirements under Section 9 of the Plan, with the following modifications:
- ☐ (1) **No modifications.**
- ☐ (2) **Modified QJSA benefit.** Instead of a 50% survivor benefit, the spouse's survivor benefit is:
- ☐ (i) 100%. ☐ (ii) 75%. ☐ (iii) 66-2/3%.
- ☐ (3) **Modified QPSA benefit.** Instead of a 50% QPSA benefit, the QPSA benefit is 100% of the Participant's vested Account Balance.
- ☐ (b) **One-year marriage rule.** The one-year marriage rule does not apply unless this (b) is checked. See Section 9.04(c)(2) of the Plan.

**9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.**

- (a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:
- ☒ (1) the date the Participant terminates employment.
- ☐ (2) the last day of the Plan Year during which the Participant terminates employment.
- ☐ (3) the first Valuation Date following the Participant's termination of employment.
- ☐ (4) the completion of \_\_\_\_ Breaks in Service.
- ☐ (5) Describe: \_\_\_\_\_

*[Note: Any distribution event described in (5) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 may receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:

- ☒ (1) the date the Participant terminates employment.
- ☐ (2) the last day of the Plan Year during which the Participant terminates employment.
- ☐ (3) the first Valuation Date following the Participant's termination of employment.
- ☐ (4) Describe: \_\_\_\_\_

*[Note: Any distribution event described in (4) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]*

#### 9-4 SPECIAL RULES.

- (a) **Availability of Involuntary Cash-Out Distributions.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, subject to the Automatic Rollover provisions under Section 8.06 of the Plan.

Alternatively, an Involuntary Cash-Out Distribution will be made to the following terminated Participants

- ☐ (1) **No Involuntary Cash-Out Distribution.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan.
- ☒ (2) **Lower Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to:
  - ☒ (i) \$1,000
  - ☐ (ii) \$\_\_\_\_\_ (must be less than \$5,000)

- (b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.06 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000 (to the extent available under the Plan).

To override this default provision, check this subsection (b).

- ☐ Check this (b) to apply the Automatic Rollover provisions under Section 8.06 of the Plan to all Involuntary Cash-Out Distributions (including those below \$1,000).

- (c) **Treatment of Rollover Contributions.** Unless elected otherwise under this (c), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.04(a) of the Plan. To include Rollover Contributions for purposes of applying the Plan's distribution rules, check below.

- ☒ In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be included.

- (d) **Distribution upon attainment of stated age.** A Participant must consent to a distribution from the Plan at any time prior to attainment of the Participant's Required Beginning Date.

To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.

- ☐ Subject to the spousal consent requirements under Section 9.04 of the Plan, a distribution from the Plan will be made to a terminated Participant without the Participant's consent, regardless of the value of such Participant's vested Account Balance, upon attainment of Normal Retirement Age (or age 62, if later).

### SECTION 10 IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

- 10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §10-1.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(b) Attainment of age <u>59 1/2</u> . <i>[If age is earlier than 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]</i>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) A Hardship (that satisfies the safe harbor rules under Section 8.09(d)(1) of the Plan). <i>[Note: Not applicable to amounts attributable to Matching Contributions and Employer Contributions held in a Custodial Account, QNECs, QMACs, or Safe Harbor Contributions.]</i>

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Attainment of Normal Retirement Age. <i>[If Normal Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Attainment of Early Retirement Age. <i>[If Early Retirement Age is earlier than age 59½, such age is deemed to be age 59½ for Salary Deferrals and for amounts held in a Custodial Account.]</i>
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(f) Completion of ____ Years of Service. <i>[This election is not available with respect to amounts held in a Custodial Account.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Describe: _____

*[Note: Unless designated otherwise under (g), any selection(s) in the Deferral column also apply to Roth Contributions, After-Tax Contributions, Safe Harbor Contributions, QMACs and QNECs. Distributions from a Participant's Salary Deferral Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, has a Hardship, becomes Disabled or attains age 59 ½. Distributions from a Participant's Custodial Account may not be made before the earliest of the time a Participant has a Severance from Employment, dies, becomes Disabled or attains age 59 ½.]*

**10-2 SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-2.

- ☐ (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.
  - ☐ (b) A Participant may take no more than \_\_\_\_ in-service distribution(s) in a Plan Year.
  - ☐ (c) A Participant may not take an in-service distribution of less than \$\_\_\_\_ (may not exceed \$1,000).
  - ☐ (d) If a Hardship distribution is permitted in AA §10-1 above, a Participant may take such a Hardship distribution after termination of employment.
  - ☒ (e) Describe: A Participant may take no more than one hardship distribution in a Plan Year.
- [Note: Any special rules described in (e) will apply uniformly to all Participants under the Plan.]*

**10-3 REQUIRED BEGINNING DATE – NON-5% OWNERS.** In applying the required minimum distribution rules under Section 8.11 of the Plan, the Required Beginning Date for non-5% owners is:

- ☒ (a) the later of attainment of age 70½ or termination of employment.
- ☐ (b) the date the Employee attains age 70½, even if the Employee is still employed with the Employer.

**10-4 HARDSHIP DISTRIBUTIONS.** Unless elected below, the hardship distribution provisions of the Plan do not apply with respect to primary beneficiaries. See Section 8.09(d)(4) of the Plan.

- ☒ Check this AA §10-4 to allow hardship distribution to be determined based on a hardship of a primary beneficiary (as permitted under Section 8.09(d)(4) of the Plan).

**SECTION 11  
MISCELLANEOUS PROVISIONS**

**11-1 VALUATION DATES.** The Plan is valued **annually**, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(a) <b>Daily.</b> The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) <b>Monthly.</b> The Plan is valued at the end of each month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) <b>Quarterly.</b> The Plan is valued at the end of each Plan Year quarter.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) <b>Describe:</b> _____

*[Note: The Employer may elect operationally to perform interim valuations, provided such valuations do not result in discrimination in favor of Highly Compensated Employees.]*

11-2 **DEFINITION OF HIGHLY COMPENSATED EMPLOYEE.** In determining which Employees are Highly Compensated (as defined in Section 1.57 of the Plan), the following rules apply:

- ☒ (a) The **Top-Paid Group Test** does not apply.
- ☐ (b) The **Top-Paid Group Test** applies.
- ☐ (c) The **Calendar Year Election** applies. *[This (c) may be chosen only if the Plan Year is not the calendar year. If this (c) is not selected, the determination of Highly Compensated Employees is based on the Plan Year. See Section 1.57(d) of the Plan.]*

11-3 **SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.03 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-3 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.03 of the Plan.

- ☐ (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending \_\_\_\_\_.  
*[Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year, unless provided otherwise in (c) below.]*
- ☐ (b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Nonhighly Compensated Participant who terminates employment on account of becoming Disabled. (See Section 5.03(c)(7)(iv) of the Plan.)
- ☐ (c) **Special rules.** Instead of the default provisions under Section 5.03 of the Plan, the following rules apply:  
\_\_\_\_\_

11-4 **SPECIAL RULES FOR MORE THAN ONE PLAN.** If the Employer maintains another Defined Contribution Plan in which any Participant is a participant, the rules set forth under Section 5.03(b)(5) of the Plan apply.

To modify the default provisions under Section 5.03(b)(5) of the Plan, designate how such rules will apply.

- ☐ Instead of applying the default rules under Section 5.03(b)(5) of the Plan, the Employer will limit Annual Additions in the following manner: \_\_\_\_\_

11-5 **DELEGATION OF ADMINISTRATIVE FUNCTIONS.** Generally the Employer, as Plan Administrator, has responsibility to administer the Plan. These responsibilities include compliance with Code §403(b) and other tax requirements. However, the Employer may delegate such responsibilities to a third party, including a provider of an Annuity Contract or Custodial Account, provided such third party agrees to such delegation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants. (See Section 11.06 of the Plan.)

- ☐ The following special provisions apply with respect to the delegation of administrative responsibilities, including any insurance policies, custodial agreements or other documents that are incorporated into the Plan by reference:  
\_\_\_\_\_

11-6 **CONTRACT EXCHANGES AND PLAN-TO-PLAN TRANSFERS.** Unless otherwise indicated below, the Plan authorizes contract exchanges and plan-to-plan transfers.

- ☐ (a) **Contract exchanges.** The Plan does not authorize contract exchanges as described in Section 14.04 of the Plan.
- ☒ (b) **Plan-to-plan transfers.** The Plan does not authorize plan-to-plan transfers as described in Section 14.05 of the Plan.

11-7 **SPECIAL RULES APPLICABLE TO THIS PLAN.** The following rules apply to this Plan: This Plan is not subject to ERISA.

**APPENDIX A  
SPECIAL EFFECTIVE DATES**

- ☐ A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:
- 
- ☐ A-2 **Minimum age and service conditions.** The minimum age and service conditions Entry Date provisions specified in AA §4 are effective as follows:
- 
- ☒ A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:  
For Salary Deferral purposes, compensation excludes all fringe benefits, expense reimbursements, deferred compensation, welfare benefits, bonuses, overtime pay, and compensation received from additional duties throughout the school year that are not directly associated with the standard employee contract.
- 
- ☐ A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:
- 
- ☐ A-5 **Salary Deferrals.** The provisions regarding Salary Deferrals under AA §6A are effective as follows:
- 
- ☐ A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:
- 
- ☐ A-7 **Safe Harbor Plan provisions.** The Safe Harbor Plan provisions under AA §6C effective as follows:
- 
- ☐ A-8 **After-Tax Contributions.** The After-Tax Contribution provisions under AA §6D are effective as follows:
- 
- ☐ A-9 **Retirement age.** The retirement age provisions under AA §7 are effective as follows:
- 
- ☐ A-10 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:
- 
- ☐ A-11 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:
- 
- ☐ A-12 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:
- 
- ☐ A-13 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:
- 
- ☐ A-14 **Special effective date provisions for merged plans.** If any retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply, except as follows:
- 
- ☐ A-15 **Other special effective dates:**
-



**APPENDIX B  
LOAN POLICY**

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- ☒ (a) Yes.  
☐ (b) No.

B-2 **LOAN PROCEDURES.**

- ☐ (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.  
☒ (b) Loans will be provided under a separate written loan policy. *[If this (b) is checked, do not complete the remainder of this Appendix B.]*

B-3 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-3.

- ☐ A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance. *[If this AA §B-3 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]*

B-4 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

- ☐ (a) A Participant may have \_\_\_\_ loans outstanding at any time.  
☐ (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-5 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-5.

- ☐ (a) The prime interest rate  
☐ (1) plus \_\_\_\_ percentage point(s).  
☐ (b) Describe: \_\_\_\_\_

B-6 **MINIMUM LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount, complete (a) or (b) below.

- ☐ (a) There is no minimum loan amount.  
☐ (b) The minimum loan amount is \$ \_\_\_\_.

B-7 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, complete (a) or (b) below.

- ☐ (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 8.10(d)(1)(i) of the Plan.  
☐ (b) A Participant may only receive a Participant loan under the following circumstances: \_\_\_\_\_

B-8 **SOURCE OF LOAN.** The default loan policy under Section 13.09 of the Plan provides that Participant loans will be made first from Employer Contribution and Employer Matching Contributions Accounts and then from the Salary Deferral Account(s). To modify the default loan policy to modify the contribution sources from which a Participant loan is made, complete (a) or (b) below.

- ☐ (a) Participant loans will be made on a prorata basis from all contribution sources.  
☐ (b) Participant loans will only be available from the following contribution sources: \_\_\_\_\_

**APPENDIX C**  
**ADMINISTRATIVE ELECTIONS**

*Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without reexecuting this Agreement by substituting an updated Appendix C with new elections.*

**C-1 DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.08(c) of the Plan.)

☐ (a) No

☒ (b) Yes

☒ (1) Specify Accounts: All Accounts

☐ (2) Check this selection if the Plan is intended to comply with **ERISA §404(c)**. (See Section 10.08(d) of the Plan.)

**C-2 ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.07 of the Plan.)

☐ (a) No

☒ (b) Yes

**C-3 QDRO PROCEDURES.** Do the **default QDRO procedures** under Section 11.07 of the Plan apply?

☒ (a) No

☐ (b) Yes

EMPLOYER SIGNATURE PAGE

**PURPOSE OF EXECUTION.** This Signature Page is being executed for Cecil County Public Schools 403(b) Retirement Plan to effect:

- ☐ (a) The adoption of a **new plan**, effective \_\_\_\_\_ [insert Effective Date of Plan].
- ☒ (b) The **restatement** of an existing plan, effective 10-1-2015 [insert Effective Date of Plan].
- (1) Name of Plan(s) being restated: Cecil County Public Schools 403(b) Retirement Plan.
- (2) The original effective date of the plan(s) being restated: 10-2-2007
- ☐ (c) An **amendment** of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Identify the section(s) of the Adoption Agreement being amended: \_\_\_\_\_
- (2) Effective Date(s) of such changes: \_\_\_\_\_
- ☐ (d) To identify a **Successor Employer**. Check this selection if a successor to the signatory Employer is continuing this Plan as a Successor Employer. Complete this Employer Signature Page and substitute a new page 1 under this Adoption Agreement to identify the Successor Employer. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date of the amendment is: \_\_\_\_\_

[Note: It is recommended that the Employer consult with legal counsel before executing this Agreement.]

The Board of Education of Cecil County d/b/a Cecil County Public Schools  
(Name of Employer)

Thomas KAPPA  
(Name of authorized representative)

Chief Financial Officer  
(Title)

Tom Kappa  
(Signature)

9/29/15  
(Date)

PLEASE SIGN  
& DATE

**CUSTODIAN/INSURANCE COMPANY DECLARATION**

Effective date of Declaration: 10-1-2015

**Custodian/Insurance Company Signature.** By signing this Declaration, the Custodian/Insurance Company agrees to the duties, responsibilities and liabilities imposed on the Custodian/Insurance Company by the BPD and this Agreement.

THIS PAGE IS FOR YOUR CONVENIENCE IN TRACKING VENDORS FOR YOUR PLAN  
(Print name)

(Signature of authorized representative)

(Date)

Lincoln National Life Insurance Company  
(Print name)

(Signature of authorized representative)

(Date)

(Print name)

(Signature of authorized representative)

(Date)

(Print name)

(Signature of authorized representative)

(Date)

(Print name)

(Signature of authorized representative)

(Date)

(Print name)

(Signature of authorized representative)

(Date)

**INTERIM AMENDMENT #1**  
**AMENDMENTS TO COMPLY WITH THE HEART ACT, WRERA AND OTHER IRS GUIDANCE**

*This Section contains the elective provisions for implementing the interim amendments set forth in Appendix B of the Plan. The interim amendments and any elections under these elective provisions are effective as set forth in Appendix B of the Plan and supersede any contrary provisions under the Plan or Adoption Agreement. This Interim Amendment does not replace any prior amendments that were adopted to comply with the remedial amendment requirements applicable to these interim amendments. Thus, the date of adoption of any prior interim amendments will continue to control in determining the date as of which such amendments were first adopted to comply with these rules.*

**IA1-1 HEART ACT PROVISIONS.**

- (a) **Benefit Accruals.** The benefit accrual provisions under Section B-2.01(b) of the Plan do not apply. To apply the benefit accrual provisions under Section B-2.01(b) of the Plan, check the box below.
- ☐ **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section B-2.01(b) of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.
- (b) **Treatment of Differential Pay.** Section B-2.01(c) of the Plan provides that if an individual performing service in the Uniformed Services receives Differential Pay from the Employer, such Differential Pay is treated as Total Compensation under the Plan. In addition, unless designated otherwise below, Differential Pay will be treated as Plan Compensation for purposes of applying the contribution provisions under the Plan. To exclude Differential Pay from Plan Compensation, check the box below.
- ☐ **Definition of Plan Compensation.** Check this box if Differential Pay will be excluded from the definition of Plan Compensation. If this box is checked, no contribution under the Plan will be made with respect to Differential Pay.

- IA1-2 **REQUIRED MINIMUM DISTRIBUTION.** For purposes of applying the Required Minimum Distribution rules for the 2009 Distribution Calendar Year, as described in Section B-2.02(a) of the Plan, a Participant (including an Alternate Payee or beneficiary of a deceased Participant) who is eligible to receive a Required Minimum Distribution for the 2009 Distribution Calendar Year may elect whether or not to receive the 2009 Required Minimum Distribution (or any portion of such distribution). If a Participant does not specifically elect to leave the 2009 Required Minimum Distribution in the Plan, such distribution will be made for the 2009 Distribution Calendar Year as set forth in Section B-2.02(a) of the Plan.
- ☒ **No distribution.** If this box is checked, 2009 Required Minimum Distributions will not be made to Participants who are otherwise required to receive a Required Minimum Distribution for the 2009 Distribution Calendar Year under Section 8.11 of the Plan, unless the Participant elects to receive such distribution.

**IA1-3 PROVISIONS TO COMPLY WITH FINAL AUTOMATIC CONTRIBUTION REGULATIONS.**

- (a) **Permissive Withdrawals under Eligible Automatic Contribution Arrangement.** Section 3.03(c)(2) of the Plan allows a Participant to make a permissive withdrawal of amounts that are automatically contributed to the Plan, provided the Employee requests a withdrawal no later than 90 days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. To provide for a shorter period by which a Participant must elect a permissive withdrawal from the Plan, check the box below.
- ☐ **Time period for electing a permissive withdrawal.** Instead of a 90-day election period, a Participant must request a permissive withdrawal no later than \_\_\_\_ [may not be less than 30 or more than 90] days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.
- (b) **Effective date of automatic increase.** The automatic increase provisions under AA §6A-8(b) are generally effective as of the beginning of a Plan Year (as set forth in Section 3.03(c) of the Plan). The first automatic increase occurs as of the appropriate date within the second full Plan Year following the Plan Year in which automatic contributions begin under the Plan. To provide for the automatic increase as of a different date during the Plan Year, check the box below:
- ☐ (1) **Automatic increase during Plan Year.** Instead of becoming effective on the first day of the Plan Year, the automatic increase provisions under AA §6A-8(b) will be effective on \_\_\_\_\_ of each Plan Year.
- ☐ (2) **Timing of first automatic increase.** Instead of applying as of a date within the second full Plan Year following the Plan Year in which automatic contributions begin, the first automatic increase under AA §6A-8(b) will apply as of the appropriate date within the first full Plan Year following the date the automatic contributions begin under the Plan.
- (c) **Treatment of Rehires.** In applying the provisions of AA §6A-8, a Participant who does not make automatic deferrals to the Plan for a full Plan Year will be treated as a new Employee if such Employee should recommence making automatic

deferrals under the Plan. Thus, the Participant's automatic deferral percentage will be calculated as though the recommencement of automatic deferrals is the date the individual first began making automatic deferrals under the Plan. To override this provision, check the box below.

- ☐ **Recommencement of automatic deferrals treated as continuation from initial deferral date.** In applying the provisions of AA §6A-8, a Participant who does not make automatic deferrals to the Plan for a full Plan Year will not be treated as a new Employee if such Employee should recommence making automatic deferrals under the Plan. Thus, the Participant's automatic deferral percentage will continue to be calculated based on the date the individual first began making automatic deferrals under the Plan.

IA1-4 **APPLICATION OF AMENDMENT.** This amendment is hereby adopted on behalf of the Plan. The above amendment applies to the signatory Employer and any other adopting employers of the Plan. This amendment supersedes any contrary provisions under the Plan.

The Board of Education of Cecil County d/b/a Cecil County Public Schools

(Name of Employer)

THOMAS KAPPRA

(Name of Authorized Representative)

Chief Financial Officer

(Title)

TM Kappra

(Signature)

9/29/15

(Date)

PLEASE SIGN  
& DATE