

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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Meeting Date:	March 11, 2025	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Human Resources		
Submitted By:	Human Resources		
Submitted For:	County Administration		

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**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve: Lincoln Financial Group's Application for Group Fixed Annuity Contract on behalf of Bencor, Inc. between Palm Beach County Board of County Commissioners (BCC) and the Lincoln Financial Group for the final stage of implementation of the BCC approved 401 (a) Special Pay Plan (Plan).


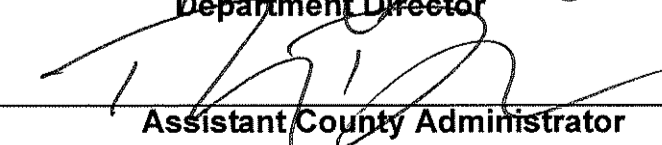
**Summary:** The BCC previously approved the 401(a) Special Pay Plan on September 17, 2024 and directed staff to solicit vendors for a Plan. Following a Request for Proposal (RFP) Bencor, Inc. was the selected vendor to implement and administer Palm Beach County's (County) Plan. Pursuant to BCC direction, the Plan contributions will be deducted from the designated Plan participants upon separation from the County via eligible compensable vacation and/or sick leave balances, consistent with the County's Merit Rule provisions regarding payouts upon separation from employment. As directed by the BCC, the Plan also includes a stipulation (attached Appendix) to offset a loss of income for employees who would incur a ten percent (10%) penalty by reason of their age, or early withdrawal of their funds following separation. Staff is currently seeking approval of the Lincoln Financial Group's Application for Group Fixed Annuity Contract on behalf of Bencor, Inc. with an effective date of April 19, 2025 (two (2) pay periods after BCC's approval). Lincoln Financial Group's Application for a Fixed Annuity Contract will provide capital preservation options within the County's 401 (a) Special Pay Plan with the terms as follows: 3.50% net crediting rate on stable value assets through December 31, 2025; and 3.25% net crediting rate on stable value assets through December 31, 2026. COUNTYWIDE (DO)

**Background and Justification:** 401(a) Plans are investment tools that are also known as Special Pay Plans (SPP) that can be customized for specific group participants. Through these Plans, the employer mandatorily contributes any accumulated Special Pay, designated under the rules of the Plan, directly into the Plan. Special Pay is defined as income derived from compensable vacation and/or sick balances according to the County's Merit Rule provision for payout upon separation from the County. To be eligible for the Plan, an employee must be in a predefined category of employees as designated by the BCC. The current Plan includes all non-union County employees and BCC personal staff that accumulate leave consistent with the County's Merit Rules.

**Attachments:**

- 1. Lincoln Financial Group's Application for Group Fixed Annuity Contract
- 2. Bencor Adoption Agreement
- 3. Bencor 401(a) Plan Document

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Recommended by:	 Department Director	<u>3/6/25</u> Date
Approved by:	 Assistant County Administrator	<u>3/6/25</u> Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

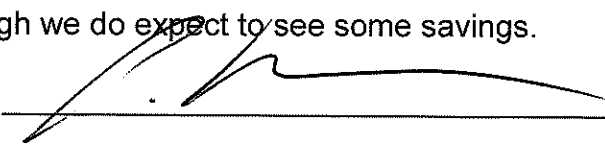
<b>Fiscal Years</b>	2025	2026	2027	2028	2029
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income(County)					
In-Kind Match(County)					
<b>NET FISCAL IMPACT</b>	*	*	*	*	*
#ADDITIONAL FTE					
POSITIONS (CUMULATIVE)					

Is Item Included in Current Budget?                      Yes         No   ✓    
 Does this item include the use of Federal funds? Yes         No   ✓    
 Does this item include the use of State funds?    Yes         No   ✓  

**Budget Account**    Fund                      Agency                      Organization                      Object  
**No:**                      \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

\*Fiscal impact is undeterminable although we do expect to see some savings.

**C. Departmental Fiscal Review:** \_\_\_\_\_  


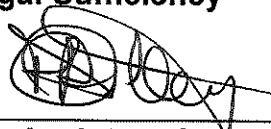
**III. REVIEW COMMENTS:**

**A. OFMB Fiscal and/or Contract Dev. and Control Comments:**

Jose Mina 2/24/2025  
 OFMB    MF 2/26

Arunde Zumbardo 3-4-25  
 Contract Dev. & Control  
 2673A-25

**B. Legal Sufficiency**

  
 Assistant County Attorney

**C. Other Department Review**

\_\_\_\_\_  
 Department Director



Lincoln Financial  
150 Radnor Chester Road, F3-05R  
Radnor, PA 19087

2/24/2025

Maria Figueroa  
Assistant Director, Human Resources Department  
Palm Beach County  
301 N. Olive Ave  
West Palm Beach, FL 33401

Dear Maria Figueroa:

Thank you for including The Lincoln National Life Insurance Company ("Lincoln") as a provider in your search related to Palm Beach County's 401(a) plan's capital preservation needs. Lincoln is pleased to acknowledge its proposal, made on to issue a contract in accordance with the following terms:

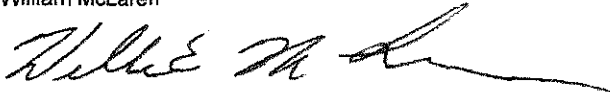
- A 3.50% net crediting rate on stable value assets through 12/31/2025
- A 3.25% net crediting rate on stable value assets through 12/31/2026

Again, thank you for allowing us the opportunity to serve as the capital preservation option within Palm Beach County's 401(a) plan in coordination with BENCOR.

Sincerely,

**The Lincoln National Life Insurance Company**

Name: William McLaren

Signature: 

Title: Vice President, Head of Stable Value Business

Date: 2/25/2025

Acknowledged, Agreed to, and Accepted:

**Palm Beach County Board of County Commissioners**

Name: Maria G. Marino

Signature: \_\_\_\_\_

Title: Mayor

Date: 03/11/2025

**APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY**

  
\_\_\_\_\_  
**COUNTY ATTORNEY**

# Application for group fixed annuity contract



THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

## 1 Tell us about the contract.

Contract owner's name

Palm Beach County Board of County Commissioners

Street address

301 North Olive Avenue

City, state, zip

West Palm Beach, FL 33401

Contract number

897761+087

Tax ID#

59-6000785

Effective date (mm/dd/yyyy)

03 / 01 / 2025

## 2 Tell us about the plan.

Plan name

Palm Beach County 401(a) Special Pay Plan

Employer's name

Palm Beach County Board of County Commissioners

Product code

Z668X

Market type

401(a)

Plan code

N/A

Type of plan (choose one)

Institutional  Intermediary

## 3 Sign and date this form.

### IMPORTANT FRAUD NOTICE

Residents of all states except Alabama, Arkansas, California, Colorado, District of Columbia, Florida, Kansas, Kentucky, Louisiana, Maine, Maryland, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia and Washington, please note: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties.

**For Alabama residents only:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**For Arkansas, Louisiana, and Rhode Island residents only:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**For California residents only:** Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**For Colorado, Kentucky, Maine, and Tennessee residents only:** Any person who, knowingly and with intent to injure, defraud or deceive any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties, fines, imprisonment, or a denial of insurance benefits.

**For District of Columbia residents only:** WARNING: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**For Florida residents only:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**For Kansas residents only:** Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, may be guilty of fraud as determined by a court of law.

**For Maryland residents only:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**For New Jersey residents only:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**For New Mexico residents only:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

➔ Continue to the next page for REQUIRED signatures.

RPS28939 (12/22)

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

PAD-3542349-040921

Page 1 of 2

FL Print date 12/22

# Application for group fixed annuity contract

## 3 Sign and date this form (continued).

**For Ohio residents only:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**For Oklahoma residents only:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**For Oregon residents only:** Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, may commit a fraudulent insurance act, which may be a crime and may be subject such person to criminal and civil penalties.

**For Pennsylvania residents only:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**For Vermont residents only:** Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

**For Virginia residents only:** Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated the state law.

**For Washington residents only:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

By signing below, I represent to the best of my knowledge that:

- I have read the Important Fraud Notice on the previous page and understand the implications stated.
- I am authorized to purchase this contract on behalf of the plan.
- If this contract is being purchased to fund a 401(a), 401(k), 403(b), 409A, 414(k), 457(b) Gov, 457(b) TH, 457(e), 457(f), 529, HSA, IRA, VEBA or an Other plan, I certify that the purchase payments are qualified under sections 401(a), 401(k), 403(b), 409A, 414(k), 457(b) Gov, 457(b) TH, 457(e), 457(f), 529, HSA, IRA, VEBA or an Other plan, as applicable, of the Internal Revenue Code or in the opinion of my counsel.
- To the best of my knowledge, all information provided is complete and accurate.

### CONTRACT OWNER OR AUTHORIZED SIGNER

Do you have any knowledge or reason to believe that the proposed annuity contract will replace any existing annuity or life insurance contract, including any Lincoln Life contracts?

Yes  No

Contract owner's or authorized signer's name (please print or type)

Maria G. Marino

Contract owner's or authorized signer's title

Mayor of Palm Beach County Board of County Commissioners

Contract owner's or authorized signer's signature

Date (mm/dd/yyyy)

03 / 11 / 2025

Signed at (city, state)

West Palm Beach, Florida

### AGENT

Do you have any knowledge or reason to believe that the proposed annuity contract will replace any existing annuity or life insurance contract, including any Lincoln Life contracts?

Yes  No

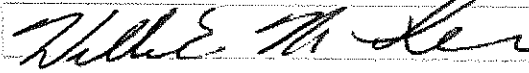
Agent's name (please print or type)

William McLaren

Florida license ID number

P136575

Agent's signature



Date (mm/dd/yyyy)

02 / 25 / 2025

Return this form to your retirement plan representative.

RPS28939 (12/22)

**APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY**

PAD-3542349-040921

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FL Print date 12/22



COUNTY ATTORNEY



The Lincoln National Life Insurance Company  
1301 South Harrison St.  
Fort Wayne, IN 46802  
Service number: 800-234-3500

(Please give a copy of this notice to the Contractholder)

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**Out-of-State Verification Notice**

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By signing the application and accepting delivery of the enclosed entire Contract, the parties confirm that this Contract was principally negotiated, issued, and delivered in the state where the application was signed. Any communication pertaining to this Contract also occurred in the state where the application was signed.

If the above statement is not accurate, in its entirety, please contact Us at the Service number shown above.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

RPS7406

PAD-5468448-021523(2/23)

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**What Does Lincoln Financial Do with Your Personal Information?**

The Lincoln Financial companies\* are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. You do not need to take any action because of this Notice, but you do have certain rights as described below.

We are committed to the responsible use of information and protecting individual privacy rights. As such, we look to leading data protection standards to guide our privacy program. These standards include collecting data through fair and lawful means, such as obtaining your consent when appropriate.

Financial companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this carefully to understand what we do.

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**Information We May Collect and Use**

We collect personal information about you:

- to help us identify you as a consumer, our customer or our former customer;
- to process your requests and transactions;
- to offer investment, insurance, retirement and other financial services to you;
- to pay your claim;
- to analyze in order to enhance our products and services;
- to tell you about our products or services we believe you may want and use; and
- as otherwise permitted by law.

The types of personal information we collect depend on your relationship and on the products or services you request and may include the following:

- **Information from you:** When you submit your application or other forms, you give us information such as your name; address; Social Security number; your financial health; and employment history. We may also collect voice recordings or biometric data for use in accordance with applicable law.
- **Information about your transactions:** We maintain information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; payment details; and your payment and claims history.
- **Information from outside our family of companies:** If you are applying for or purchasing insurance products, we may collect information from consumer reporting agencies, such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information (such as medical information, retirement information, and information related to Social Security benefits), from other individuals or businesses.
- **Information from your employer:** If your employer applies for or purchases group products from us, we may obtain information about you from your employer or group representative to enroll you in the plan.

When you are no longer our customer, we continue to share your information as described in this notice.

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**How We Share and Use Your Personal Information**

We may share your personal information within our companies and with certain service providers. They may use this information:

- to process transactions you, your employer, or your group representative have requested;
- to provide customer service;
- to analyze in order to evaluate or enhance our products and services;
- to gain customer insight; to provide education and training to our workforce and customers; and/or
- to inform you of products or services we offer that you may find useful.

Our service providers may or may not be affiliated with us. Affiliates are companies related by common ownership or control. Nonaffiliates are companies not related by common ownership or control. They include:

- Financial service providers: third party administrators; broker-dealers; insurance agents and brokers; registered representatives; reinsurers and other financial services companies with which we have joint marketing agreements. A joint marketing agreement is a formal agreement between nonaffiliated financial companies that together market financial products or services to you. Our joint marketing partners include, but are not limited to, insurance providers and financial technology solutions.
- Non-financial companies and individuals: consultants; vendors; and companies that perform marketing services on our behalf.

Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law. We may execute agreements with our service providers that permit the service provider to process your personal information outside of the United States, when not prohibited by our contracts and permitted by applicable law.

When you apply for one of our products:

- We may share information about your application with credit bureaus.
- We may provide information to group policy owners or their designees (for example, to your employer for employer-sponsored plans and their authorized service providers).
- We may provide information to regulatory authorities, law enforcement officials, and to other nonaffiliated or affiliated parties as permitted by law.
- In the event of a sale of all or part of our businesses, we may share customer information with the acquiror as part of the sale.
- **We do not sell or release your information to outside marketers who may want to offer you their own products and services unless we receive your express consent; nor do we release information we receive about you from a consumer reporting agency.**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Lincoln chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Lincoln share?	Can you limit this sharing?
<b>For our everyday business purposes</b> —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> —to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> —information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> —information about your creditworthiness	No	We Don't Share
<b>For our affiliates to market to you</b>	Yes	Yes (We only share if we receive your express consent)
<b>For nonaffiliates to market to you</b>	Yes	Yes (We only share if we receive your express consent)



Federal law gives you the right to limit only:

- sharing for our affiliates' everyday business purposes – information about your creditworthiness;
- sharing for our affiliates to market to you; and
- sharing for nonaffiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing. California residents can review our California Privacy Notice located at <https://www.lincolnfinancial.com/public/general/privacy/californiaprivacynotice>.

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## Security of Information

We have an important responsibility to keep your information safe. We use safeguards to protect your information from unauthorized disclosure. To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. Our employees are authorized to access your information only when they need it to perform their job responsibilities. Employees who have access to your personal information are required to keep it confidential. Employees are required to complete privacy training annually.

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## Your Rights Regarding Your Personal Information

This Privacy Notice describes how you can exercise your rights regarding your personal information. Lincoln complies with all applicable laws and regulations regarding the provision of personal information. The rights provided to you in this Privacy Notice will be administered in accordance with your state's specific laws and regulations.

**Access to personal information:** You must submit a written request to receive a copy of your personal information. You may see your personal information in person, or you may ask us to send you a copy of your personal information by mail or electronically, whichever you prefer. We will need to verify your identity before we process the request. Within 30 business days of receiving your request, we will, depending on the specific request you make, (1) inform you of the nature and substance of the recorded personal information we have about you; (2) permit you to obtain a copy of your personal information; and (3) provide the identity (if recorded) of persons to whom we disclosed your personal information within two years prior to the request (if this information is not recorded, we will provide you with the names of those insurance institutions, agents, insurance support organizations or other persons to whom such information is normally disclosed). We will send you notification within 30 business days if we need additional time to respond to your request. If you request a copy of your information by mail, we may charge you a fee for copying and mailing costs.

**Changes to personal information:** If you believe that your personal information is inaccurate or incomplete, you may ask us to correct, amend, or delete the information. Your request must be in writing and must include the reason you are requesting the change. We will respond within 30 business days from the date we receive your request.

If we make changes to your records as a result of your request, we will notify you in writing and we will send the updated information, at your request, to any person who may have received your personal information within the past two years. We will also send the updated information to any insurance support organization that gave us the information and any insurance support organization that systematically received personal information from us within the prior 7 years unless that support organization no longer maintains your personal information.

If we deny your request to correct, amend, or delete your information, we will provide you with the reasons for the denial. You may write to us and concisely describe what you believe our records should say and why you disagree with our denial of your request to correct, amend, or delete that information. We will file this communication from you with the disputed information, identify the disputed information if it is disclosed, and provide notice of the disagreement to the recipients and in the manner described in the paragraph above.

**Basis for adverse underwriting decision:** You may ask in writing for the specific reasons for an adverse underwriting decision. An adverse underwriting decision is where we decline your application for insurance, offer to insure you at a higher than standard rate, or terminate your coverage.

Your state may provide for additional privacy protections under applicable laws. We will protect your information in accordance with these additional protections.

If you would like to exercise your rights regarding your personal information, please provide your full name, address and telephone number and either email your inquiry to our Data Subject Access Request Team at [DSAR@lfg.com](mailto:DSAR@lfg.com) or mail to: Lincoln Financial, Attn: Corporate Privacy Office, 1301 South Harrison St., Fort Wayne, IN 46802. **The DSAR@lfg.com email address should only be used for inquiries related to this Privacy Notice.**

For general account service requests or inquiries unrelated to this Privacy Notice, please call 1-877-ASK-LINC.

\*This information applies to the following Lincoln Financial companies:

First Penn-Pacific Life Insurance Company  
Lincoln Financial Distributors, Inc.  
Lincoln Financial Group Trust Company, Inc.  
Lincoln Financial Investments Corporation (formerly  
Lincoln Investment Advisors Corporation)  
Lincoln Life & Annuity Company of New York

Lincoln Life Assurance Company of Boston  
Lincoln Retirement Services Company, LLC  
Lincoln Variable Insurance Products Trust  
The Lincoln National Life Insurance Company  
Lincoln Financial Insurance Agency Incorporated

GB06714

Page 3 of 3  
Last updated: 10/24

## Continuity Plan Summary

Lincoln National Corporation ("LNC") headquartered in Radnor, PA, is the parent corporation of, among others, The Lincoln National Life Insurance Company, First Penn-Pacific Life Insurance Company, and Lincoln Life & Annuity Company of New York. LNC's subsidiaries have offices located in Atlanta, GA; Boston, MA; Charlotte, NC; Fort Wayne, IN; Greensboro, NC; Hartford, CT; Omaha, NE; Philadelphia, PA; Phoenix, AZ; Radnor, PA; Dover, NH; and Syracuse, NY. Lincoln Financial Advisors Corporation, Lincoln Financial Distributors, Inc., and Lincoln Financial Securities Corporation have business locations throughout the USA. Unless the context otherwise implies, as used herein LNC refers to LNC and its subsidiaries.

LNC is committed to safeguarding the interests of its clients and customers in the event of an emergency or significant business disruption ("SBD"). LNC's broad business continuity strategy is designed to enable LNC to meet its existing obligations to its clients and customers in the event of an emergency or SBD by safeguarding employees and property, making a financial and operational assessment, recovering, and resuming operations, protecting LNC's books and records, and allowing customers to conduct business.

### Business Continuity Planning

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LNC has a documented corporate policy requiring each Business Unit to develop a business continuity plan. In support of this policy, LNC's Business Resilience area has the full-time responsibility of coordinating the development, testing and maintenance of all LNC Business Continuity Plans. Business Resilience determines and drives appropriate strategies for the development of a resilient business environment with formal systematic processes with auditable controls that enforces the corporate policy on continuity.

LNC's Business Continuity Plans address advance preparations and actions to be taken in response to disruptions of various magnitudes. The Business Continuity Plans address the potential impact of varying risks of disruptions to LNC employees, equipment, computer and telecommunications systems, and office facilities. While it is impossible to anticipate every type of disruption that could affect LNC's businesses, LNC takes an 'all hazards' approach to planning which encompasses reduction in workforce, loss of facility and loss of data.

### Crisis Management

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Local crisis management teams are in place in all LNC locations. These local crisis teams are charged with recording and managing any potential or actual crisis at the site from the time a situation occurs to the resolution of the incident and resumption of normal business operations.

### Backup and Recovery

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With the use of a co-located alternate Disaster Recovery data center solution LNC maintains back-up systems and power supplies that allow critical computer and telecommunications systems and facility functions to be maintained in the event of significant business disruption("SBD"). The duration of the disruption will depend on the nature and extent of the emergency or SBD.

In the event of an SBD, where it is not possible to conduct business from one of LNC's offices, the company will utilize work from home solutions as well as the use of alternate sites equipped with resources to support critical business operations.

LNC's Business Continuity Plans are reviewed as necessary, and at least annually, to ensure they account for technology, business, operations, structure, or location.

## Continuity Plan Summary

### Critical Infrastructure and Application Testing

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LNC's testing strategy incorporates the use of a Business Impact Analysis ("BIA") for developing enterprise-wide and Information Technology ("IT") Disaster Recovery ("DR") testing strategies. The strategy identifies key roles and responsibilities and establishes the minimum requirements for testing, including baseline requirements for frequency, objectives, and reporting test results. It also drives the requirements for creating and updating Disaster Recovery Plans and Validation Recovery documentation. Testing allows for the evaluation of the level of preparedness that exists in our environment and supports recommendations for resources and funding needed for compliance with applicable federal laws and regulations.

Lincoln completes scheduled annual testing focused on pre-defined parts of critical infrastructure. Tests are designed to establish and/or validate recovery time objectives. Additional tests are done periodically to recover individual applications based on criticality.

As an example, the scope of the tests may include:

- Evaluation of infrastructure (ex: computers, network, hardware) to demonstrate the anticipated operation of the components and system. Tests are often performed as part of normal operations and maintenance. Disaster Recovery tests are often included within these exercises.
- Operational readiness testing ("ORT") is used to conduct operational readiness (pre-release) of a product, service, or system and/or physical infrastructure (ex: building systems, generators, utilities). ORT may include checking the backup/restore facilities, IT disaster recovery procedures, maintenance tasks and periodic check of security vulnerabilities.
- Activities performed to evaluate a plan relative to specified objectives or measurement criteria.



**The Lincoln National Life Insurance Company**

(the "Company")  
**Service Office:**  
Fort Wayne, IN  
800-234-3500

A Stock Company

**GROUP ANNUITY CONTRACT**

The Lincoln National Life Insurance Company agrees to provide the benefits and other rights in accordance with the terms of this Contract.

This Contract is delivered in the jurisdiction of and is governed by the laws of Florida.

**UNALLOCATED  
GROUP FIXED ANNUITY CONTRACT  
NONPARTICIPATING**

Company contact information is for Contract Owners to present inquiries or obtain information about coverage and to provide assistance in resolving complaints.

The Florida Department of Financial Services Consumer Services:  
1-877-693-5236 or 1-850-413-3089

Handwritten signature of Ellen Cooper in cursive script.

President

Handwritten signature of James A. Shaw in cursive script.

Secretary

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

AN-700 (03/21)

FL

Alliance 2021

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## Contract Specifications

**CONTRACT NUMBER:** 897761+087  
**CONTRACT OWNER:** Palm Beach County Board of County Commissioners  
**EFFECTIVE DATE:** March 1, 2025  
**EMPLOYER:** Palm Beach County Board of County Commissioners  
**PLAN:** Palm Beach County 401(a) Special Pay Plan

### INTEREST RATE

Interest will be credited daily to the Contract Owner Account so that when compounded and accrued yields at least the effective annual interest rate. The effective annual interest rate will equal the greater of the two rates shown below.

- a. **GUARANTEED MINIMUM INTEREST RATE (GMIR):** 1.50% for all years
- b. **DECLARED INTEREST RATE:** declared and made available reasonably in advance of each six-month period (January to June and July to December)

### GENERAL ACCOUNT

Contributions and interest become part of the general assets of the Company.

### ADDITIONAL PARTICIPANT INITIATED WITHDRAWAL LIMITATIONS (see Section 4.01)

Participant initiated withdrawals to a Competing Fund will not be permitted. In addition, withdrawals will not be permitted for 90 days after a transfer from any other investment option in the Plan to a Competing Fund. Finally, if a withdrawal from this Contract is allowed for a Participant, transfers thereafter from any other investment option in the Plan to a Competing Fund will not be permitted for 90 days. These restrictions apply at the Participant level and will continue to apply to transfers made up to and including the Contract Termination Date.

**Competing Fund** - An investment option which has similar investment objectives, duration or market volatility as this Contract including fixed accounts of annuities, money market funds, short-term bond funds, short-term lifecycle funds or any other fund with similar investment objectives, duration or market volatility. Such investment options will also include individual brokerage accounts and all investment options except those where we have agreements in place with the benefit plan platform provider to manage compliance with competing fund restrictions outlined in the Contract.

**CONTRIBUTION LIMITS:** We may prohibit new Contributions to this Contract, provided you are given at least 180 days advance notice during which time you may reject this change by terminating as outlined in Section 6.01.

## PAYMENT OPTIONS UPON CONTRACT TERMINATION

### a. Book Value Installment Option

Under this option, the value of Contract Owner Account will be paid in 6 payments to the Contract Owner beginning with the Payout Initiation Date. The timing and percentage of each installment payment will be as indicated in the following schedule:

Transaction Dates	Percentage Eligible For Payment
Payout Initiation Date	20% of the balance on such date
First anniversary of the Payout Initiation Date	20% of the balance on such date
Second anniversary of the Payout Initiation Date	25% of the balance on such date
Third anniversary of the Payout Initiation Date	33% of the balance on such date
Fourth anniversary of the Payout Initiation Date	50% of the balance on such date
Fifth anniversary of the Payout Initiation Date	100% of the balance on such date

Withdrawals made while payments are being made under this option are allowed or restricted according to the provisions in Section 4.01 and 4.02. Following the Payout Initiation Date, We will reduce the Declared Interest Rate to the GMIR. If the value of the Contract Owner Account is less than \$1,000, the entire amount may be paid in the first installment.

### b. Lump Sum Payment Option

Under this option, the value of the Contract Owner Account on the Contract Termination Date, reduced by the contract termination Disintermediation Charge, will be paid in a lump sum on the first business day after the Contract Termination Date to the Plan trustee or other party designated by you. We will determine the amount payable as follows:

The Disintermediation Charge will equal the product of the value of the Contract Owner Account as of the Contract Termination Date and a multiplier which is 1.00 minus the Bond Pricing Factor.

The Bond Pricing Factor is the lesser of 1.00 and the ratio of:

$$\frac{\text{Current Bond Price}}{\text{Par Value of that Bond}}$$

We will calculate the Current Bond Price to equal the price of a bond as described below:

1. issued with a maturity of 6.5 years and semiannual coupons equal to the par value multiplied by the interest rate in number 2. The amount of the semiannual coupons will be equal to the par value multiplied by 50% of the interest rate in number 2;
2. bearing interest at the 5 year average of the Bloomberg U.S. Aggregate Bond Index yield to worst as of the most recent month end prior to the Payout Initiation Date, however, if the Contract has been in force for less than 2 years, the average yield will be computed over a period not greater than the number of full calendar months that the Contract has been in force; and
3. determining the present value of the coupons and maturity of the bond based on the Bloomberg U.S. Aggregate Bond Index yield to worst as of the most recent month end prior to the Payout Initiation Date. If this index ceases to be published, we will select a comparable index. Once the Contract has been in force for 2 years, We reserve the right to substitute a different bond pricing formula. We will provide notice at least 120 days in advance to the Contract Owner of this change subject to your right to reject this change and terminate under the terms in effect prior to the noticed change.

The lump sum payment as determined above is subject to the Minimum Value described below.

**Minimum Value**

The minimum value will be the principal accumulated at 0.15% through the Contract Termination Date. For purposes of this paragraph, "principal" is defined as Contributions minus withdrawals, if any, but not less than zero. We will calculate the minimum value on a date that is, at most, ten days prior to the Contract Termination Date.



## ARTICLE 1 – DEFINITIONS

### Section

- 1.01** Annuitant and Contingent Annuitant – The persons upon whose lives the Annuity Payouts will be based.
- 1.02** Annuity Payout – An amount paid at regular intervals under one of several options available to the Annuitant and/or any other payee.
- 1.03** Book Value – The value of the Contract Owner Account. It is the sum of Contributions plus interest credited, less withdrawals.
- 1.04** Code – The Internal Revenue Code of 1986, as amended.
- 1.05** Company (We, Us, Our) – The Lincoln National Life Insurance Company.
- 1.06** Contract – The agreement between the Contract Owner and the Company providing a group fixed annuity as a funding option within the Plan.
- 1.07** Contract Owner (You, Your) – The Contract Owner shown on the Contract Specifications.
- 1.08** Contract Owner Account – An account maintained under this Contract to account for Contributions, interest and withdrawals.
- 1.09** Contract Termination Date – The date specified by You or Us for termination of this Contract under the Lump Sum Payment Option, as shown on the Contract Specifications. If a Book Value Payment Option is elected, this date will be the business day immediately prior to the final payment.
- 1.10** Contract Year – The twelve (12) month period which begins on the Effective Date of this Contract and continues through each anniversary of the Effective Date thereafter.
- 1.11** Contributions – Amounts paid into the Contract.
- 1.12** Disintermediation Charge – The cost associated with disintermediation, which is the risk of trading out of a long-term investment into a short-term investment when rates rise.
- 1.13** Effective Date – The effective date shown on the Contract Specifications.
- 1.14** Notice of Contract Termination – A written, signed communication between You and Us or other written communication approved in advance by Us, which provides information about the Payout Initiation Date, and must include your election of one of the Payment Options shown on the Contract Specifications. Any Notice of Contract Termination by You must be received by Us at Our Service Office in good order. A Notice of Contract Termination is not binding on any payment or action We make before receiving such Notice of Contract Termination. Notice of termination and payment election cannot be modified unless mutually agreed to by the parties.
- 1.15** In Writing - This term means a written form of communication satisfactory to us and received at our Service Office Address. We retain the right to agree in advance to accept communication by telephone or some other form of transmission, in a manner we prescribe, and doing so does not waive our right to require that future communications be in written form. Before we receive your communication at our Service Office Address, we will not be responsible for any action we take or allow that conflicts with your communication. With respect to any written communication from Us to You or any other person, this term means a written form of communication by ordinary mail to such person at the most recent address in our records. If agreed to in advance by You, we may also send communication to You by some other form of transmission. Any notice, election or request required or permitted under the terms of this Policy stated as "Notice", "Request" or "Election" are communications

required to be In Writing as provided by this definition.

- 1.16 Participant** – A person defined as a Participant in the Plan.
- 1.17 Participant's Account Balance** – The portion of the Contract Owner Account Balance that is attributable to a Participant.
- 1.18 Participant's Minimum Cash Surrender Value** – the minimum value will be consistent with the Standard Nonforfeiture Law of the state of issue.
- 1.19 Payout Initiation Date** – The date specified in a Notice of Contract Termination. For a payment under the Lump Sum Payment Option as shown on the Contract Specifications, it is the date the lump sum is requested to be paid out. For a book value option, it is the date of the first scheduled payment.
- 1.20 Plan** – The plan named in the Contract Specifications
- 1.21 Prohibited Participant Communications** – any communications provided by You, Your service provider, representatives, agents or consultants, In Writing or otherwise, that advise, encourage, influence or recommend either (i) Participants to make withdrawals from this Contract prior to Contract Termination Date, (ii) Participants to cease making Contributions to this Contract prior to Contract Termination Date, or (iii) Participants to take any other action that may have a material adverse impact on Our obligations under this Contract, unless authorized in advance by the Company.
- 1.22 Re-enrollment Program** – An event initiated by You, Your service provider, representatives, agents or consultants that requires or allows (i) all existing Participants to re-enroll in a Plan, select or default into new allocations for existing account balances and/or new allocations for Contributions, or (ii) nonparticipating employees to enroll in the Plan at this time, pursuant to the event.
- 1.23 Service Office** – Our principal place of business as shown on the cover page of this Contract.
- 1.24 Standard Nonforfeiture Law** – The Standard Nonforfeiture Law of the state of issue.

## **ARTICLE 2 – PURPOSE OF CONTRACT**

### **Section**

- 2.01** This is a group fixed annuity Contract. This Contract may be used to fund all or part of the Plan's obligation to the Participants.
- 2.02** The provisions of the Plan control the operation of the Plan. The provisions of the Contract control the operation of the Contract.
- 2.03** We are not a party to the Plan. The Plan is mentioned merely for reference purposes. Except for the obligations provided under this Contract, we have no liability under the Plan. We are under no obligation under or by reason of issuance of this Contract either (a) to determine whether any payment or distribution under this Contract complies with the provisions, terms and conditions of the Plan or with applicable law, or (b) to administer the Plan, including without limitation, any provisions required by the Retirement Equity Act of 1984.
- 2.04** This Contract can be issued in connection with a Plan which meets the requirements of the Code and is approved by Us. We may require evidence of the Plan's tax-exempt status.

## **ARTICLE 3 – FUNDING**

### **Section**

- 3.01** Contributions must be made to Us at a location designated by Us.
- 3.02** Contributions may be subject to the Contribution Limits shown on the Contract Specifications, if any.
- 3.03** We will credit interest daily on all Contributions as shown in the Contract Specifications. We guarantee that we will credit an effective annual interest rate as shown in the Contract Specifications, as of the date that the applicable rate was declared.
- 3.04** At least once during each Contract Year, we will provide a report of the Book Value.

## ARTICLE 4 – WITHDRAWALS

### Section

**4.01** Subject to the specified restrictions, Participant-initiated withdrawals will be allowed during the life of this Contract as described below.

- a. Withdrawals out of the Plan without any assessment of a Disintermediation Charge :
  1. Withdrawal due to the Participant's death or disability, as defined by the Code;
  2. Withdrawal due to the Participant's retirement (early, normal or late);
  3. Withdrawal due to the Participant's separation of service, however if the separation of service is due to plant shutdown or any other program instituted by the employer (such as a change to the early retirement program), only 20% of this Contract would be allowed to be withdrawn under this section in a calendar year. Excess withdrawals over 20% will be assessed a Disintermediation Charge;
  4. Withdrawal due to the Participant's financial hardship or unforeseeable emergency as defined by the Code and if applicable, certified by the Employer;
  5. Withdrawal pursuant to a qualified domestic relations order (QDRO);
  6. Withdrawal due to the annuitization under the Contract (Article 5);
  7. Withdrawal due to a Participant loan;
  8. Withdrawal due to a Participant attaining the age at which the Code allows withdrawals without penalty, as allowed by the Plan as an in-service withdrawal;
  9. Withdrawal due to Plan termination, which includes the complete liquidation of assets from the Plan, unless we have notified you at least 90 days in advance of that event that a Disintermediation Charge would apply.
  10. Withdrawals to fund Qualified Birth or Adoption distributions as permitted by the Plan and defined by the Code.
- b. Withdrawals to be transferred to other investment options within the Plan without any assessment of Disintermediation Charge:
  1. Withdrawals due to a Re-enrollment Program when such program is limited to no more than 20% of the value of the Contract Owner Account being withdrawn as a result of the re-enrollment. Excess withdrawals over 20% will be assessed a Disintermediation Charge;
  2. Withdrawals that occur automatically due to a previously established automatic investment allocation program. For withdrawals that result from the initial establishment of an automatic investment allocation program or a change to a new methodology for determining automatic investment allocations see 4.01(c)(2);
- c. Other withdrawals that will have restrictions or Disintermediation Charge:
  1. Withdrawals not listed above that are in-service withdrawals out of the Plan that are allowed by the Plan, will be subject to a Disintermediation Charge calculated pursuant to the formula described below, unless such withdrawals occur because of a change in the law and are otherwise permitted under the Plan;

2. Withdrawals that are the result of establishing an automatic investment allocation program or changing an existing methodology for determining automatic investment allocations will be subject to a Disintermediation Charge calculated pursuant to the formula described below;
3. Withdrawals will be subject to any Additional Withdrawal Limitations that may be specified on the Contract Specifications;

**Disintermediation Charge** – If a requested withdrawal is subject to a Disintermediation Charge, the amount paid will be adjusted as follows:

For any participant-initiated withdrawals, as of the date of the requested withdrawal, the amount paid will be the greater of:

- a) The product of the requested withdrawal and the Bond Pricing Factor under the Lump Sum Payment Option on the Contract Specifications, and
- b) The requested withdrawal multiplied by the Participant's Minimum Cash Surrender Value divided by the Participant's Account Balance.

Contract Owner initiated withdrawals of the Contract Owner Account will also be subject to the same restrictions of this section 4.01(c) and will apply to the portion of the Contract Owner Account not attributable to Participants.

The Contract Owner Account will be reduced by the amount of the requested withdrawal.

- 4.02** You agree that no Prohibited Participant Communications will be generated nor distributed unless agreed to in advance by the Company. If Prohibited Participant Communications occur, the Company will assess a Disintermediation Charge on withdrawals occurring after such Prohibited Participant Communication as described in Section 4.01. The Disintermediation Charge will also apply to any amounts payable under Payment Options Upon Contract Termination shown on the Contract Specifications.
- 4.03** You must submit withdrawal Requests to Us at our Service Office, with proof of the event giving rise to any withdrawal under this Contract.
- 4.04** Total withdrawals on any one day will be limited to the Book Value.
- 4.05** Refer to the Contract Specifications for any additional withdrawal provisions or limitations that may apply.

## ARTICLE 5 – ANNUITY OPTIONS

### Section

- 5.01** You may establish an annuity benefit for any Annuitant from the options in Article 8. The Participant's Account Balance needed to establish the annuity benefit will be withdrawn from the Contract Owner Account, as directed by You using the amount available for the Annuitant under the provision of section 4.01. The form of annuity or a Contingent Annuitant may not be changed subsequent to the issuance of a certificate.
- 5.02** Article 8 of this Contract shows the annuity purchase rates and the age adjustments which will be used to determine monthly annuity payment options. The tables show the dollar amount of the guaranteed monthly annuity payments which can be established with each \$1,000 applied.
- 5.03** The frequency of the periodic payment will be determined such that each payment will not be less than \$100. However, the Annuitant will receive at least one payment annually.
- 5.04** When You establish an annuity benefit for any Annuitant, We will issue to each Annuitant a certificate or supplemental contract which sets forth the amount and terms of the annuity benefit.
- 5.05** If we receive proof that a person receiving payments under this Contract is legally or mentally incompetent, the payments may be made to any person deemed a legal representative by a court of competent jurisdiction; as mandated by the court or required by regulation.
- 5.06** We will require satisfactory proof of each Annuitant's age. If it is determined that an Annuitant's age has been misstated, annuity payments will be adjusted. Any underpayments already made will be made up immediately and any overpayments already made will be charged against the annuity payments becoming due after the adjustment.
- 5.07** The Annuitant may name a Contingent Annuitant at the time the annuity is established.
- 5.08** When applicable and subject to the annuity payout option selected:
1. If the Annuitant dies and there is no named Contingent Annuitant living, the Annuitant's estate will be paid the present value of any remaining guaranteed payments in one lump sum.
  2. If the Annuitant dies and there is a named Contingent Annuitant living, any remaining guaranteed payments due will be distributed to the Contingent Annuitant.
  3. If a named Contingent Annuitant is receiving guaranteed payments and dies, the present value of any remaining guaranteed payments will be paid in one lump sum to the Contingent Annuitant's estate.

Payments to the Contingent Annuitant will be made after the Contingent Annuitant has provided to Us (a) due proof of death of the Participant as the case may be, and (b) properly completed claim forms. Due proof of death will be either the certificate of death from the attending physician, a copy of the certified statement of death from the attending physician, a copy of a certified decree of a court of competent jurisdiction as to the finding of death, or any other proof satisfactory to Us.

- 5.09** We may, at any time, require proof that any person who is entitled to receive annuity payments under this Contract is living when payment is contingent upon survival of such person.

## ARTICLE 6 – CONTRACT TERMINATION

### Section

**6.01** Notwithstanding our rights specified in 6.02, You may terminate this Contract at any time by giving Notice of Contract Termination at least 90 days but not more than 180 days in advance of the Payout Initiation Date and electing one of the Payment Options shown on the Contract Specifications Page. The Notice of Contract Termination must specify the Payout Initiation Date. Upon Our receipt of Notice of Contract Termination, the Company will immediately begin the process of terminating the Contract and will make the appropriate payout according to the timing specified under the payment option selected by You. The Notice of Contract Termination and Payment Option direction may not be rescinded or modified without the mutual agreement of the parties.

**6.02** We may give you Notice of Contract Termination that this Contract is to be terminated if:

- a. any charges billed to you have not been paid to Us within 30 days; or
- b. the Plan ceases to meet the requirements of the Code for purchasers of this Contract; or
- c. at any time following the end of the third Contract Year, the Contract Owner Account is less than \$15,000; or
- d. at any time following the end of the third Contract Year, there is no deposit activity for a 24 consecutive month period and the Contract Owner Account is less than \$50,000; or
- e. You fail to furnish requested information or other documentation; or
- f. We discover any misrepresentation of material information; or
- g. If we discontinue offering this Contract form to the public; or
- h. If the Plan terminates the recordkeeping agreement ; or
- i. If the risk profiles of the Plan including other fund options, change such as to alter the risk We intended to assume.

The Notice of Contract Termination will specify a Payout Initiation Date which for items a. through h. above will be at least 90 days from the date of the Notice of Contract Termination, and for item i. above will be at least 180 days. If no Payment Option shown on the Contract Specifications is selected by You within 45 days from the date of the Notice of Contract Termination, the Book Value Installment Option will be utilized and the amount due will be distributed to the Contract Owner or Plan Sponsor; if no Book Value Installment Option is shown on the Contract Specifications, the Lump Sum Payment Option will be utilized.

**6.03** All payments will be made to the Contract Owner . We will rely on Your Notice to transfer assets to a specified party. We do not need to verify that such specified party has the right to receive any payments.

**6.04** This Contract will terminate on the Contract Termination Date.

**6.05** No Contributions will be accepted after the Payout Initiation Date and no withdrawals will be permitted except under Section 4.01 as stipulated herein.

## **ARTICLE 7 – GENERAL PROVISIONS**

### **Section**

- 7.01** This Contract, any amendments, endorsements and riders, together with the application signed by You constitutes the entire Contract between You and Us.
- 7.02** We may rely on any action or information provided by You under the terms of this Contract and will be relieved and discharged from any further liability to any party in acting at the direction and upon Your authority. All statements made by You will be deemed representations and not warranties.
- 7.03** Except as allowed by the Plan or applicable law, neither this Contract nor the Participant's interest in this Contract may be transferred, sold, assigned, discounted or pledged, either as collateral for a loan or as security for the performance of an obligation or for any other purpose.
- 7.04** We have the right to amend this Contract to maintain the Contract under applicable local, state, or federal laws or regulations, such as the Internal Revenue Code, Internal Revenue Service regulations, or published revenue rulings. We will provide You with Notice of amendments made to comply with applicable law 60 days prior to the change or as soon as administratively practicable. If you do not wish to accept this change you may terminate this Contract pursuant to the termination provision in Section 6.01.
- 7.05** You and We may also mutually agree to amend this Contract. No amendment will adversely affect the terms of any certificate that has already been issued to an Annuitant under the provisions of this Contract.
- 7.06** Only an authorized Officer of the Company may make or modify the terms of the Contract or any of its Amendments, Endorsements or Riders. Any such changes must be provided in a Notice in order to be effective.
- 7.07** We are not liable to provide sufficient funds to provide the Plan's benefits.
- 7.08** Our failure to perform or insist upon the strict performance of any provision or condition of this Contract will not:
- a. constitute a waiver of Our rights to perform or require performance of such provision or condition; or
  - b. prohibit Us from exercising any other rights We may have in such provision, condition, or otherwise in this Contract.
- 7.09** If any provision of this Contract is determined to be invalid, the remainder of the provisions will remain in full force and effect.
- 7.10** Federal, state or local government premium tax, if applicable, will be deducted from either the Contribution when received or at time of withdrawal or annuitization.
- 7.11** We are not a trustee for assets held in this Contract.
- 7.12** If an error is found, We will agree to credit the Contract (for any loss) or recover assets previously deposited under this Contract, for any gain, to correct the error. If required, We will utilize legal remedies to pursue correction of the error.



**7.13** We will suspend or postpone the processing of any transactions under this Contract when any of the following events occur and prevent the Company from processing transactions under this Contract:

- a. a natural disaster or another emergency occurs; or
- b. trading on the New York Stock Exchange (or its successor exchange) is restricted; or
- c. a State Insurance Department restricts transactions for the protection of Contract Owners; or
- d. Our systems fail.

**7.14** If You have any questions concerning this Contract, please contact Our Service Office at the address shown on the cover page of this Contract.

**ARTICLE 8 – ANNUITY PURCHASE RATES  
UNDER A FIXED PAYOUT OPTION**

SINGLE LIFE ANNUITY TABLE  
SINGLE LIFE CERTAIN PERIOD TABLE

DOLLAR AMOUNT OF FIRST MONTHLY PAYMENT WHICH IS  
PURCHASED WITH EACH \$1,000 APPLIED

Annuitant Age	No Period Certain	10 Years Certain	20 Years Certain
55	\$2.61	\$2.61	\$2.58
56	2.67	2.67	2.64
57	2.74	2.73	2.70
58	2.81	2.80	2.76
59	2.88	2.87	2.82
60	2.95	2.94	2.89
61	3.03	3.02	2.95
62	3.12	3.10	3.02
63	3.21	3.19	3.10
64	3.30	3.28	3.17
65	3.40	3.38	3.25
66	3.51	3.48	3.33
67	3.63	3.59	3.41
68	3.75	3.70	3.49
69	3.88	3.82	3.58
70	4.02	3.95	3.66

Annuity 2000 Individual Annuity Mortality Table Female, Projected to 2030 and then Generation Projection Scale G, with 1% interest rate.

Annuity purchase rates for any Age(s) not shown, determined on the same basis, will be furnished by Us upon Request.

Age Adjustment Table

<u>Year of Annuitization</u>	<u>Adjustment to Age</u>
Before 2030	0
2030-2039	-1
2040-2049	-2
2050-2059	-3
2060 and after	Available upon request

**JOINT AND SURVIVOR LIFE ANNUITY TABLE**

**DOLLAR AMOUNT OF FIRST MONTHLY PAYMENT WHICH IS  
PURCHASED WITH EACH \$1,000 APPLIED**

Contingent Annuitant Age	100%	66.2/3%	50%
	Joint & Survivor	Joint & Survivor	Joint & Survivor
55	\$2.32	\$2.36	\$2.46
56	2.37	2.41	2.52
57	2.42	2.47	2.58
58	2.47	2.52	2.64
59	2.52	2.59	2.71
60	2.58	2.65	2.78
61	2.64	2.72	2.85
62	2.70	2.79	2.93
63	2.76	2.86	3.02
64	2.83	2.94	3.11
65	2.91	3.03	3.20
66	2.99	3.12	3.30
67	3.07	3.22	3.41
68	3.16	3.32	3.53
69	3.26	3.43	3.65
70	3.36	3.55	3.79

\*The Contingent Annuitant's Age is assumed to be the same as the Annuitant's Age for illustration purposes in the table above.

Annuity purchase rates for any Age(s) not shown, determined on the same basis, will be furnished by Us upon Request.

Annuity purchase rates for any agreed upon annuity form not shown in this Article will be determined on the same basis and furnished by Us upon Request.

**Age Adjustment Table**

<u>Year of Annuitization</u>	<u>Adjustment to Age</u>
Before 2030	0
2030-2039	-1
2040-2049	-2
2050-2059	-3
2060 and after	Available upon request

**THE LINCOLN NATIONAL LIFE INSURANCE COMPANY**  
**Home Office Location: Fort Wayne, Indiana**

**GROUP ANNUITY AMENDMENT NO. 1**

**Attached to and made part of your Group Annuity Contract Number: 897761+087**

**Contract Owner: Palm Beach County Board of County Commissioners**

This Amendment is made a part of the contract and any certificate to which it is attached and is effective on the date the contract and any certificate became effective. This Amendment modifies certain provisions of the contract and any certificate as described below to bring the contract and any certificate into compliance with Section 401(a)(9) of the Internal Revenue Code (Code) or its successor. All existing contract and certificate provisions apply, except as described or modified in this Amendment. If there is any conflict between the contract and any certificate, including any attached riders, and endorsement provisions, these amended provisions take precedence.

**Withdrawals**

In addition to the reasons stated in the contract, early distributions/withdrawals for reasons permitted by the Internal Revenue Code or its successor and the associated retirement plan will not be subject to any Withdrawal Charge or Market Value Adjustment, as applicable and pursuant to any limitations specified by the applicable section(s) of the Code.

**Required Minimum Distribution**

Distributions must commence in accordance with the rules specified by Section 401(a)(9) of the Code or its successor and continue in accordance with the requirements of the Code.

**Annuity Benefits**

Notwithstanding any provision of the contract or any certificate to the contrary, the distribution of an individual's interest shall be made in accordance with the minimum distribution requirements of section 401(a)(9) of the Code or its successor (including the incidental death benefit requirements of section 401(a)(9)(G) of the Code or its successor) and the regulations thereunder.

The contract is intended to qualify for tax favored treatment under the Internal Revenue Code. Language contained in the contract referring to federal tax provisions may be required under the Internal Revenue Code and Regulations. This language is not subject to approval or disapproval by the state insurance department in which the contract is issued for delivery. The insurance contract and your qualifying status

are factors in determining whether your funds will receive favorable tax treatment. Please consult your tax advisor if you have questions regarding these issues. We reserve the right to amend the Contract to maintain the Contract under applicable local, state, or federal laws or regulations.

**The Lincoln National Life Insurance Company**

A handwritten signature in cursive script that reads "Ellen Cooper".

President

For inquiries regarding coverage of this Amendment and assistance in resolving complaints, please contact our administrative office at 1301 South Harrison Street, Fort Wayne, IN 46802 or by calling 800-234-3500.

**The Lincoln National Life Insurance Company**

**Service Office:  
Fort Wayne, IN  
800-234-3500**

**A Stock Company**

**UNALLOCATED  
GROUP FIXED ANNUITY CONTRACT  
NONPARTICIPATING**

**BENCOR  
NATIONAL GOVERNMENT  
EMPLOYEES RETIREMENT PLAN™**

**Basic Plan Document 01**

Effective January 1, 1994  
Amended and Restated  
January 1, 1997  
Amended and Restated  
January 1, 1998  
Amended and Restated  
January 1, 2005  
Amended and Restated  
January 1, 2006  
Amended and Restated  
January 1, 2007  
Amended and Restated  
January 1, 2011  
Amended and Restated  
January 1, 2017

*Sponsored by*

BENCOR, Inc.  
One Sarasota Tower, Suite 602  
2 North Tamiami Trail  
Sarasota, FL 34236

*Prepared by*

Rosenberger Law Group PLLC  
33 Bloomfield Hills Parkway, Suite 230  
Bloomfield Hills, MI 48304

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IRS BASIC PLAN DOCUMENT 01

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**ARTICLE 1**

**PREAMBLES**

This plan, as set forth on this and the following pages, is sponsored by and distributed to government unit employers by BENCOR, Inc. ("BENCOR"), and is known as the BENCOR National Government Employees Retirement Plan™ ("BENCOR Plan"). The BENCOR Plan, together with the adoption agreement executed by the Employer ("Adoption Agreement"), shall constitute the Employer's retirement plan for eligible employees, shall be known by the name set forth in the Adoption Agreement, and shall be referred to herein as the "Plan."

**Section 1.01 Establishment of Plan.** Effective as of the original effective date provided in Part 1(g) of the Adoption Agreement, the Employer has adopted the Plan for the purpose of providing retirement benefits for eligible employees.

**Section 1.02 Effective Dates.** The Plan is generally effective as of the original effective date provided in Part 1(g) of the Adoption Agreement. However, if the Employer is adopting the BENCOR Plan as a means of amending and restating its existing retirement plan, the amendment and restatement is generally effective as of the date provided in Part 1(h) of the Adoption Agreement, subject to the following sections of the Plan being effective as indicated below:

<b>Section</b>	<b>Subject</b>	<b>Effective Date</b>
3.04(c)(7)	Rollover contribution from Simple Retirement Arrangement	Contributions after December 18, 2015
5.01	Definition of Normal Retirement Age	Plan Years beginning on and after January 1, 2015
602(f)(2)	Rollover distribution to Simple Retirement Arrangement	Distributions after December 18, 2015
7.06	Marriage and Definition of "spouse"	June 26, 2013

**Section 1.03 Applicable Law.** The Plan is intended to be a profit-sharing plan and to satisfy those requirements of the Internal Revenue Code of 1986, as amended ("Code"), that apply to governmental entities. Where not governed by such provisions of the Code, by related Treasury Regulations, or by other federal laws, the Plan shall be administered and construed in accordance with the applicable local law of the state within which the Employer is located. It is further intended that the Plan constitute a governmental plan as defined in Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended, and that as such, the Plan is exempt from the requirements of that statute pursuant to its Section 4(a).

**Section 1.04 Defined Terms.** Throughout the BENCOR Plan, various terms are used repeatedly, which terms have very specific and definite meanings when capitalized in the text. For convenience, such terms are collected and defined in Article 11. Wherever such capitalized terms appear in the BENCOR Plan or in the Adoption Agreement, they shall have the meanings specified in that article.

## ARTICLE 2

### ELIGIBILITY AND PARTICIPATION

**Section 2.01 Eligibility.** In order to be eligible to participate in the Plan, an individual must be within the eligible class of Employees described in Part 3 of the Adoption Agreement for the various types of contributions provided under the Plan. An eligible individual shall complete such enrollment forms as may be required by the Administrator. It shall be the responsibility of the Employer to certify to the Administrator the names of Employees eligible for the Plan, and no other party to the Plan shall have any responsibility with respect to such determination. If an eligible Employee is omitted in error or an ineligible Employee is included in error, correction for either such failure shall be made in accordance with those requirements of the Employee Plans Compliance Resolution System ("ERCRS") program described in Rev. Proc. 2016-51 that apply in the situation presented.

#### **Section 2.02 Participation.**

(a) **Meaning of Participation.** Participation entitles an individual to have maintained on the books and records of the Plan an Account in his/her name to which allocations may be made in accordance with Article 3. However, mere participation in the Plan does not entitle a Participant to a benefit from the Plan. A Participant will receive a benefit only if allocations are made to his/her Account over his/her period of participation pursuant to Article 3.

(b) **Commencement of Participation.** (1) An individual who was participating in the Plan prior to its amendment and restatement, if applicable, and who had not ceased participation for any reason, shall continue participating in the Plan as amended and restated. (2) An individual who as of the day prior to the Effective Date had satisfied the applicable eligibility requirements, but who was not participating in the Plan prior to such date, shall commence participation in the Plan on the Effective Date. (3) Any other individual shall commence participation in the Plan on the later of the Effective Date or the first day of his/her employment within the eligible class of Employees described in Section 2.01 of the Plan and Part 3 of the Adoption Agreement.

(c) **Termination of Participation.** Participation in the Plan shall terminate for a Participant on his/her date of termination of employment, although an Account will be maintained for him/her until that Account has been credited with any contributions earned prior to termination of employment under Article 3 and the Account balance has been fully distributed as provided by Article 6.

(d) **Resumption of Participation.** Subject to the rules in Section 7.01, an individual whose participation has terminated pursuant to paragraph (c) above shall resume participation as of his/her date of reemployment, provided he/she then is within an eligible class of Employees described in Part 3 of the Adoption Agreement.

(e) Waiver of Participation. Participation in the Plan is mandatory, and an individual who meets the requirements for participation in the Plan may not elect to waive participation.

## ARTICLE 3

### CONTRIBUTIONS

**Section 3.01 Sources of Contributions.** Depending upon the Employer's selections made in Part 4 of the Adoption Agreement, both the Employer and Employees may make contributions under the Plan. Employer contributions shall be made as provided in Sections 3.02 and 3.03, as applicable. Rollover contributions by Employees shall be made as provided in Section 3.04. No other Employer or Employee contributions are permitted or required under the Plan, and no contributions may be made by or on behalf of any individual whose employment with the Employer has terminated, except under any grace period allowed by law for the making of contributions with respect to his/her period of service with the Employer prior to termination of employment.

**Section 3.02 Employer Basic Contributions.**

(a) **Amount.** For each Plan Year, the Employer shall make basic contributions to an Account on behalf of each Participant who is described in Part 3(a)(i) of the Adoption Agreement in the amount specified in Part 4(a) of the Adoption Agreement. Contributions under Part 4(a)(i) shall be made on an employee salary reduction basis and are not includible in gross income of the Participant for federal income tax purposes due to their nature as employer pick-up contributions under Code Section 414(h)(2) and by satisfying the requirements of Rev. Ruls. 81-35, 81-36, 87-10 and 2006-43, namely that (1) the Employer has taken action, evidenced in writing and prospective in effect, that contributions on behalf of a specified class of employees, although designated as employee contributions, will be paid by the Employer (even if through a reduction of the employee's salary or an offset against future salary increases), and (2) no Participant shall have a cash or deferred election with respect to the designated contributions or be permitted to opt out of the pick-up. All other Employer contributions under this section shall be nonelective Employer contributions.

(b) **Payment.** Contributions made under this section that are required by Part 4(a)(i) of the Adoption Agreement shall be deducted from the Participant's salary for each pay period and paid to the Fund by the Employer in such manner, and at such times during the Plan Year, as prescribed by the Trustee, but not later than the earliest date on which such contributions reasonably can be segregated from the Employer's assets and in no event later than the 15th day of the calendar month following the calendar month in which the Participant's salary was reduced to reflect the contributions. All other Employer basic contributions specified by Part 4(a) of the Adoption Agreement shall be paid to the Fund at the time or times established by the Trustee, or at such later date as the Employer determines, but in no event later than the 15th day of the tenth calendar month following the close of the Employer's fiscal year with or within which the Plan Year ends.

(c) Reversion. In no event shall any contribution made under the Plan by the Employer, or income on any such contribution, revert to the Employer, except to the extent provided by this paragraph. All amounts paid to the Fund pursuant to this section by the Employer shall be used and applied for the exclusive benefit of Participants and their Beneficiaries; provided, that for this purpose, payment of expenses out of Plan assets shall be considered paid for such exclusive benefit. Notwithstanding the foregoing or any other provision of the Plan to the contrary, a contribution made to the Fund by the Employer may be returned to the Employer if such contribution is made by the Employer by mistake of fact, provided that the contribution is returned to the Employer within one year after payment of the contribution. Employer pick-up contributions shall be irrevocable and in no event may they revert to the Employer.

(d) Allocation. Subject to the limitations of Section 7.03, a contribution made pursuant to this section shall be allocated to the Participant's Account as of the Accounting Date immediately following the date the contribution is made, and in all cases no later than the last day of the Plan Year.

(e) Vesting. A Participant's Account attributable to contributions under this section shall be 100% nonforfeitable (subject, however, to investment gains and losses and allocable expenses).

### **Section 3.03 Employer Special Pay Contributions.**

(a) Amount. For each applicable Plan Year, the Employer shall make special pay contributions to the Plan of a Participant's accumulated sick and vacation leave as provided by Part 4(b) of the Adoption Agreement. Such special pay contributions shall be made to an Account on behalf of each Participant who is described in Part 3(a)(ii) of the Adoption Agreement in the amount specified in Part 4(b) of the Adoption Agreement. For purposes of this section and Part 4(b) of the Adoption Agreement, accumulated sick and vacation leave means paid time off work that is unused and cannot be received by the Participant, at his/her election, in the form of current cash in lieu of the time off work.

(b) Payment. The special pay contributions of the Employer, as determined under paragraph (a) above, shall be paid to the Fund no later than the 15th day of the tenth calendar month following the close of the Employer's fiscal year with or within which the Plan Year ends.

(c) Reversion. Reversion of Employer special pay contributions, or income on any such contributions, shall be subject to the same limitations as set forth in Section 3.02(c) above.

(d) Allocation. Subject to the limitations of Section 7.03 and the last sentence of this paragraph, Employer special pay contributions made under this section shall be allocated to and among the Accounts of eligible Participants (as described in Part 3(a)(ii) of the Adoption Agreement) as of the Accounting Date nearest the date each such contribution is made, and in



all cases no later than as of the last day of the Plan Year, in the manner described in Part 4(b) of the Adoption Agreement. Provided, however, that in no event will an allocation to any Participant under Part 4(b) of the Adoption Agreement exceed the sum of the Participant's accumulated sick and vacation leave pay (other than regular wages) as selected in the Adoption Agreement, for any Plan Year.

(e) Vesting. A Participant's Account attributable to special pay contributions made under this section shall be 100% nonforfeitable (subject, however, to investment gains and losses and allocable expenses).

#### **Section 3.04 Employee Rollover Contributions.**

(a) Amount. Any Employee who is a Participant, or who is eligible to become a Participant under Part 3 of the Adoption Agreement, may pay to the Fund, or arrange for the direct transfer to the Fund from another eligible retirement plan, provided that in each case the Administrator agrees, a contribution of an amount which qualifies for rollover treatment to a Code Section 401(a) qualified retirement plan under Code Section 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii) or 457(e)(16)(A).

(b) Payment. Except in the case of a direct rollover, an Employee's rollover contribution to the Plan must be made to the Fund not later than the 60th day after the day on which he/she received the distribution that is eligible for rollover.

(c) Limitation. An Employee may not roll over to the Plan: (1) a contribution which exceeds in value the amount received (or the proceeds of the sale of property received) in a distribution described in paragraph (a); (2) any amounts representing after-tax Employee contributions made under any other plan and in which the Employee has other than a zero income tax basis, unless the Administrator agrees to account separately for such amounts, including separately accounting for the portion of the rollover which is includible in gross income and the portion which is not so includible; (3) any amount representing a lifetime annuity payment or a periodic distribution over a period of ten years or more as described in Code Section 402(c)(4)(A); (4) any amount that is a required distribution under Code Section 401(a)(9); (5) any amount the Employee has received from a plan in his capacity as a non-spouse beneficiary of a deceased individual participant in that plan; (6) any hardship distribution described in Code Section 401(k)(2)(B)(i)(IV) or (7) a distribution from a SIMPLE Retirement Account as defined in Code Section 408(p) unless the contribution is made after December 18, 2015 and the Employee making the contribution had been participating in a salary reduction arrangement under the SIMPLE Retirement Arrangement for a period of at least two years.

(d) Reversion. Rollover contributions in no event may revert to the Employer.

(e) Allocation. A rollover contribution made by a Participant pursuant to this section shall be allocated to the Participant's Rollover Contribution Account as of the Accounting Date

immediately following the date the contribution is made. Prior to such Accounting Date, or if the Employee has not yet become a Participant under the Plan, any such contribution shall be allocated to a temporary account, and as of the next Accounting Date, or if later, as soon as the Employee does become a Participant, any such amount in this temporary account shall become a regular Rollover Contribution Account which shall be part of the Participant's Account.

(f) Vesting. A Participant's Account attributable to a rollover contribution shall be 100% nonforfeitable (subject, however, to investment gains and losses and allocable expenses).

## ARTICLE 4

### ADJUSTMENT OF ACCOUNTS

**Section 4.01 Individual Accounts.** There shall be reflected on the books and records of the Plan sufficient entries to disclose the interest of each Participant and each Beneficiary of a deceased Participant. Such entries shall be in the form of individual Accounts. However, the maintenance of these Accounts is only for accounting purposes. Similarly, the fact that individual Accounts are maintained shall not be construed to mean that any Participant or Beneficiary has title to any specific assets of the Plan. Each Account may be further divided into separate sub-accounts to receive and hold contributions having a particular characterization, as determined by the Administrator.

#### **Section 4.02 Allocation Procedures.**

(a) **Earnings, Gains, Losses and Expenses.** The earnings, gains and losses of the investments in the Fund and expenses of the Fund's investments and of the Plan, shall be determined periodically and allocated to Accounts pursuant to the procedures established by the Administrator. In no event shall such allocations be made less frequently than annually, and for purposes of each allocation, assets shall be valued at fair market value.

(b) **Contributions.** Contributions made pursuant to Article 3 shall be credited to Accounts at the time and in the manner provided by that article.

(c) **Distributions.** Distributions made pursuant to Article 6 shall be charged to Accounts in accordance with the rules of that article.

**Section 4.03 Participant Statements.** Periodically, as required by law, the Administrator shall prepare and provide to Participants individual statements of their Accounts showing the market value of each Account as of the most recent Accounting Date, along with contributions, distributions and adjustments since the last Accounting Date and such other information as is deemed appropriate by the Administrator.

#### **Section 4.04 Directed Investments.**

(a) **Right To Direct Investments.** Notwithstanding any other provisions of the Plan, to the extent provided in Part 5 of the Adoption Agreement, each Participant may direct, by written instruction in such form and at such time as prescribed by the Administrator, the investment of his/her Account among investments made available for directed investments pursuant to paragraph (b) below.

(b) **Available Investments.** Such directed investments shall be selected by the Participant from investments made available by the Investment Provider. Provided, however,

that no investment which would constitute a prohibited transaction under Code Section 4975 or which is a collectible shall be made available. For this purpose, a collectible includes any work of art, rug, antique, metal, gem, stamp, coin, alcoholic beverage or any other tangible personal property specified by the Secretary of the Treasury. The Administrator may, from time to time, set minimum dollar amounts that a Participant may direct in any investment or the frequency with which Participants may direct purchases and sales, or the Investment Provider may set similar restrictions to avoid unwarranted transactional costs and undue administrative burdens or to comply with applicable securities trading rules.

(c) Effects of Investment Directions.

(1) Notwithstanding any other provisions of the Plan, there shall be a separate accounting for the investments which have been directed by a Participant pursuant to this section.

(2) A Participant directing investment of his/her Account pursuant to this section shall not, to the extent of the portion of his/her Account balance affected by the direction, be entitled to any adjustment of his/her Account for earnings, gains, losses or expenses of the Fund pursuant to Section 4.02. Rather, such a Participant shall be entitled only to those earnings and investment gains or losses as are experienced by the specific investments of his/her Account (less any expense incurred by the Plan in carrying out the Participant's investment directions), plus any amount allocated to the part of his/her Account, if any, for which he/she does not direct investments.

(3) The Employer, the Trustee, the Administrator, the Investment Provider and BENCOR shall have no liability to any Participant or Beneficiary or any other person for any loss arising from an investment or sale made pursuant to a direction by a Participant.

(d) Effective Date of Investment Directions. All investment directions made pursuant to this section shall be effective on regular dates as determined by the Trustee and the Investment Provider, subject to applicable securities rules, and communicated to Participants by the Administrator, which dates may, but need not, coincide with the valuation and Accounting Dates established pursuant to the Plan.

## ARTICLE 5

### RETIREMENT AND OTHER TERMINATION OF EMPLOYMENT

#### **Section 5.01 Retirement.**

(a) Normal Retirement Age. Because of its status as a governmental plan as described by Code Section 414(d), the Plan is not required to specify or define a Normal Retirement Age unless a Participant may receive an in-service distribution prior to attaining age 62 under the specific Plan terms. If, however, a Normal Retirement Age is defined in Part 2(e) of the Adoption Agreement, a Participant may retire as of any date coincident with or following his/her attainment of such age. A Participant who continues to be actively employed by the Employer after reaching his/her Normal Retirement Age shall continue to be a Participant in the Plan while he/she remains so employed by the Employer, and he/she may retire on any date thereafter. Participants always are 100% vested in all contributions made under the Plan, without regard to attainment of Normal Retirement Age or any other age.

(b) Distribution. A Participant who retires under this section shall be entitled to distribution of his/her Account balance at the time and in the manner provided by Article 6.

#### **Section 5.02 Disability.**

(a) Pre-Retirement Disability. In the event of a Participant's disability prior to his/her termination of employment with the Employer, the Participant shall be considered to have taken a disability retirement as of the first day of the month following the month in which the Employer so determines the Participant's disability. Upon such disability retirement, the Participant's Account shall become payable to the Participant.

(b) Post-Retirement Disability. A Participant's disability occurring after his/her termination of employment with the Employer shall have no impact on the timing of any distributions under the Plan.

(c) Definition of Disability. Disability means a physical or mental condition of a Participant supported by medical evidence and resulting from bodily injury, disease or mental disorder which renders him/her incapable of continuing his/her usual and customary employment with the Employer and which is expected to be of indefinite duration. The Employer may require the Participant to submit to medical examinations for the purpose of verifying his/her disability. Standards for the determination of disability shall be uniformly applied to all Participants.

(d) Distribution. A Participant who becomes disabled as provided in paragraph (a) of this section shall be entitled to distribution of his/her Account balance at the time and in the manner provided by Article 6.

**Section 5.03 Death.**

(a) Pre-Retirement Death. In the event of a Participant's death prior to his/her termination of employment with the Employer, the entire balance of such Participant's Account shall become payable to the Participant's Beneficiary.

(b) Post-Retirement Death. In the event of a Participant's death after his/her termination of employment with the Employer, any undistributed balance of the Participant's Account shall become payable to the Participant's Beneficiary. Provided, however, that if payments to the Participant had commenced prior to his/her death in the form of an annuity, then the amount, if any, of continuing payments, the duration thereof, and the recipient of the same, shall be determined solely by the terms of the annuity contract.

(c) Designation of Beneficiary. (1) Each Participant may submit a designation of Beneficiary to the Administrator. Any such designation may be changed from time to time by the Participant by filing a new designation with the Administrator. Every Participant's designation shall specify the share to be received by each Beneficiary. A Participant's designation of Beneficiary shall be made on a form prescribed by, provided by, filed with and accepted by the Administrator. (2) If any Participant fails to designate a Beneficiary, has not properly completed a valid designation form, or if all Beneficiaries who are designated have predeceased the Participant, any balance in the Account shall be paid to the Participant's surviving spouse, or if the Participant's spouse does not survive, then to the Participant's children who survive him/her in equal shares, or if there are no surviving children and no surviving spouse, then to the Participant's estate. (3) If a Beneficiary fails to survive the Participant, that Beneficiary's share shall be divided equally between or among the remaining Beneficiaries of the same class who do survive the Participant, unless specified otherwise by the Participant in his/her Beneficiary Designation. (4) If a Beneficiary survives the Participant but fails to collect all amounts payable on behalf of the Beneficiary from the Participant's Account prior to the Beneficiary's death, the balance shall be paid to the Beneficiary's estate, unless specified otherwise by the Participant in his/her Beneficiary designation. (5) If a Beneficiary cannot provide a valid receipt because the Beneficiary is a minor, is incapacitated or for other reason, the Beneficiary's share may be paid to the Beneficiary's parent, guardian or conservator who can provide a valid receipt, and such payment shall fully discharge from the liability the Plan, the Employer, the Trustee and the Administrator. (6) In the case of any dispute or uncertainty regarding the identity or share of any Beneficiary, the Administrator, in its discretion, may require any claimant(s) and other interested party(ies) to seek a judicial determination from the probate or other court having jurisdiction over the Participant's estate.

(d) Distribution. Distribution of the Participant's Account balance to his/her Beneficiary shall be made at the time and in the manner provided by Article 6.

**Section 5.04 Termination of Employment prior to Retirement, Disability or Death.** A Participant who terminates employment with the Employer, and who is not entitled to a distribution under any previous section of this Article 5, shall be entitled to distribution of the balance of his/her Account, if any, at the time and in the manner provided by Article 6.

## ARTICLE 6

### DISTRIBUTIONS

**Section 6.01 Date of Distribution.** Following a Participant's retirement, disability, death or other termination of employment, distribution of benefits from such Participant's Account shall commence or be made to the Participant (or to his/her Beneficiary) as of the date elected or deemed elected under Section 6.02.

**Section 6.02 Distribution Options.**

(a) **Notice of Distribution Options.** The Administrator shall provide each Participant and Beneficiary who is entitled to payment under this section with notice of the available distribution options. Such notice shall be furnished in writing (or in permitted electronic form) not more than 180 days and not fewer than 30 days prior to the date of scheduled distribution, in accordance with Treasury Regulation Section 1.411(a)-11(c), and shall clearly inform the Participant (or Beneficiary) of the right to a period of at least 30 days after receiving the notice to consider the decision whether or not to elect a distribution and, if applicable, a particular distribution option. However, if the distribution is one to which Code Sections 401(a)(11) and 417 do not apply, distribution may be made or commence fewer than 30 days after the notice is given, provided that the Participant (or Beneficiary), after receiving the notice, affirmatively elects a distribution option and subject to any other applicable restrictions of the Plan.

(b) **Election.** Subject to the restrictions in paragraph (d) below, each Participant shall be entitled to elect, on a form prescribed by and filed with the Administrator (or by permitted telephonic or electronic means) within 180 days prior to the commencement of benefits, the distribution option by which his/her Account shall be distributed and the date on which payments should commence or be made. In the case of the death of a Participant, and subject to the restrictions in paragraph (d) below, the Participant's Beneficiary shall be entitled to indicate on a form prescribed by and filed with the Administrator (or by permitted telephonic or electronic means) within 180 days prior to the elected commencement of benefits, that Beneficiary's election as to the form and date of distribution of the deceased Participant's Account balance. The Administrator, upon receipt of an election filed pursuant to this section, shall direct the Trustee as to the time and manner of distribution.

(c) **Options.** Subject to paragraphs (d) and (e) below, the distribution options available to a Participant shall include (1) a current lump sum cash payment payable as soon as administratively feasible after the Participant's termination of employment, (2) a direct rollover to the extent permitted by paragraph (f) below, and (3) any additional options selected by the Employer in Part 6 of the Adoption Agreement.



(d) Restrictions. Distributions under this Article 6 shall be subject to the following rules:

(1) Time and Manner of Distribution.

(A) Required Distribution Date. Each Participant's Account balance must be distributed to him/her in full, or distribution must at least commence, no later than April 1 following the calendar year in which he/she attains age 70½ or in which he/she retires, if later ("required distribution date"). If not distributed in a lump sum, the Participant's Account must be distributed in one or more of the following ways: over the life of the Participant; over the life of the Participant and a designated beneficiary; over a period certain not extending beyond the life expectancy of the Participant; or over a period not extending beyond the joint life and last survivor expectancy of the Participant and a designated beneficiary.

(B) Death of Participant on or after Required Distribution Date. If the Participant dies on or after the required distribution date, his/her remaining Account balance must be distributed to the Participant's designated beneficiary at least as rapidly as under the method of distribution being used as of the date of the Participant's death.

(C) Death of Participant before Required Distributions Date. If the Participant dies before the required distribution date, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) For any portion of the Account for which the Participant's surviving spouse is the Participant's designated beneficiary, except as provided in paragraph (5) below, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later, over the lifetime of the spouse or over a period certain not extending beyond the life expectancy of the spouse.

(ii) For any portion of the Account for which the Participant's designated beneficiary is a person other than the Participant's surviving spouse, except as provided in paragraph (5) below, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, over the lifetime of the beneficiary or over a period certain not extending beyond the life expectancy of the beneficiary.

(iii) For any portion of the Participant's Account for which there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, that portion of the Participant's Account will be fully distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) For any portion of the Account for which the Participant's surviving spouse is the Participant's designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this paragraph (C), other than part (i), will apply as if the surviving spouse were the Participant.

For purposes of this paragraph (C) and paragraph (4) below, unless part (iv) of this paragraph (C) applies, distributions are considered to begin on the Participant's required beginning date. If part (iv) of this paragraph (C) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under part (i). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under part (i)), the date distributions are considered to begin is the date distributions do commence.

(D) Forms of Distribution. Unless the Participant's Account is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, distributions as of the first distribution calendar year will be made in accordance with paragraphs (2) and (3) below. If the Participant's Account is distributed in the form of an annuity purchased from an insurance company, distributions under the annuity will be made at least as rapidly as required under the tables located in Section 1.401(a)(9)-9 of the Treasury Regulations.

(2) Required Minimum Distributions during Participant's Lifetime.

(A) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) the quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q&A-2 of the Treasury Regulations, using the Participant's attained age as of the Participant's birthday in the distribution calendar year; or

(ii) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9, Q&A-3 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(B) Lifetime Required Minimum Distributions Continue through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (2) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(3) Required Minimum Distributions after Participant's Death.

(A) Death on or after Date Distributions Begin.

(i) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

(aa) the Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(bb) if the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after

the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(cc) if the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent calendar year.

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

(B) Death before Date Distributions Begin.

(i) Participant Survived by Designated Beneficiary. Except as provided in paragraph (4) below, if the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in paragraph (A) above.

(ii) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire Account will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse before Distributions to Surviving Spouse Are Required To Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under paragraph (1)(C)(i) above, this paragraph (B) will apply as if the surviving spouse were the Participant.

(4) Special Election. Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in paragraphs (1)(C)(iii) and (3)(B) above applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under paragraph (1)(C) above, or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph (A), distributions will be made in accordance with paragraphs (1)(C) and (3)(B) above.

(5) Definitions.

(A) Designated beneficiary. The individual who is designated as the Beneficiary under 5.03(c) of the Plan and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4 of the Treasury Regulations.

(B) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under paragraph (1)(B) above. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(C) Life expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9, Q&A-1 of the Treasury Regulations.

(D) Participant's Account balance. The Account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated to the Account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(E) Required beginning date. The date specified in Section 6.02(d)(1)(A) of the Plan and referred to in that section as the "required beginning date."

(6) Default. If no election for a time or method of distribution is made by the Participant (or by the Beneficiary in the case of a death benefit), the Administrator either may direct commencement of distributions on a date and in a manner selected by it, or direct that payments of benefits be held until an election is made under this Section 6.02, subject to the restrictions in the paragraphs above.

(e) Cash-Outs. Notwithstanding any provision of the Plan to the contrary, but subject to the direct rollover option described in paragraph (f) below, if the Account balance of a Participant does not exceed \$1,000, the Administrator shall direct the Trustee to make a non-deferred lump sum distribution to such Participant, or in the case of a Participant's death, to the Participant's surviving spouse or other properly designated Beneficiary, of the Participant's entire Account balance.

(f) Direct Rollovers. Notwithstanding any contrary provision of the Plan that otherwise would limit a Participant's distribution election under the Plan, a Participant may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid as a direct rollover to an eligible retirement plan specified by the Participant. For purposes of this paragraph (f), the following terms shall have the meanings indicated:

(1) "eligible rollover distribution" means any distribution of all or part of the balance to the credit of the Participant, except that where a direct rollover of less than the full nonforfeitable balance of the Account is elected, another

option for distribution of the remaining balance may be made. In addition, a Participant (or Beneficiary) may elect the direct rollover option only if his/her nonforfeitable Account balance equals or exceeds \$200 and may elect a partial direct rollover only if the amount to be rolled over is at least \$500. A distribution will not be an "eligible rollover distribution" if it is described by any of the following: (A) one of a series of substantially equal periodic payments (made not less frequently than annually) for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and his/her Beneficiary, or for a specified period of ten years or more; (B) a required minimum distribution under paragraph (d) above; (C) not includible in the Participant's gross income for federal income tax purposes, except that a distribution from the Plan of any after-tax amounts also shall qualify as an eligible rollover distribution, but only if made to an individual retirement account described in Code Section 408(a), individual retirement annuity described in Section 408(b) or a trust qualified under Code Section 401(a) which is part of a defined contribution plan that agrees to account separately for such amounts; or (D) a hardship distribution.

(2) "eligible retirement plan" means: (A) an individual retirement account described in Code Section 408(a); (B) an individual retirement annuity described in Code Section 408(b); (C) a qualified plan described in Code Section 401(a); (D) an annuity plan described in Code Section 403(a); (E) an annuity contract described in Code Section 403(b); (F) an eligible plan described in Code Section 457(b) which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state, which plan agrees to account separately for amounts transferred into it from this Plan; (G) for distributions made after December 31, 2007, a Roth IRA as described in Code Section 408A, provided that for distributions made prior to January 1, 2010, the Participant does not have modified adjusted gross income exceeding \$100,000 and, if married, does not file a separate federal income tax return from his spouse. In each case, the plan must be one that, by its terms, will accept an eligible rollover distribution as a direct rollover; and (G) for distributions made after December 18, 2015, a simple retirement arrangement defined in Code Section 408(p).

(3) "direct rollover" means a payment by the Plan to the eligible retirement plan specified by the Participant.

The Plan shall not be required to withhold any federal income tax from an eligible rollover distribution that is paid as a direct rollover to an eligible retirement plan, even though, in the case of a direct rollover to a Roth IRA, the distribution is a taxable distribution. The direct rollover option is available with respect to a distribution meeting the foregoing requirements payable to: (i) a Participant; (ii) a Beneficiary who is the Participant's surviving spouse or a Participant's former spouse who is the alternate payee under a qualified domestic relations order as defined in Code Section 414(p); or (iii) a Beneficiary

who is not the surviving spouse of the Participant. For purposes of a direct rollover by a Beneficiary described in (iii), however, the direct rollover distribution may be made only to an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b), in either case which is designated an "inherited account" within the meaning of Code Section 408(d)(3)(C), the distribution is not subject to the direct rollover requirements of Code Section 401(a)(31), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover. If the Beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a "designated beneficiary" within the meaning of Code Section 401(a)(9)(E).

**Section 6.03 Valuation of Accounts and Subsequent Distributions.**

(a) Valuation of Account. Following the date of a Participant's retirement, disability, death or other termination of employment, the Administrator shall direct one or more valuations for purposes of determining the value of the Participant's Account. For purposes of distribution, a valuation shall be made as of the Accounting Date immediately preceding the date scheduled for distribution of the Account. A Participant's Account shall not share in any allocation of earnings, gains, losses and expenses after the date on which it is valued in accordance with this paragraph (a) for distribution in a lump sum, nor shall the Participant be entitled to any interest or other credit between the date of valuation and the date of distribution.

(b) Subsequent Distributions. In the case of a Participant who, pursuant to Article 3, is entitled to any allocations of contributions to his/her Account for the Plan Year in which he/she leaves employment, the Trustee, at the direction of the Administrator, either shall delay the distribution until such time as all final allocations have been determined and made, or shall make a separate distribution to the Participant (or to his/her Beneficiary in the case of death) of the amount finally allocated to the Participant's Account for the Plan Year. Any separate distribution shall be made in a single payment as soon as practical, as determined by the Administrator and communicated to the Trustee, after the final allocation.

**Section 6.04 In-Service Distributions.** No distribution from the Plan shall be made to a Participant (or any Participant's Beneficiary) prior to the Participant's retirement, death, disability or other termination of employment with the Employer. Provided, however, that if the Employer has so elected in Part 6(vi) of the Adoption Agreement, a Participant may make an in-service election to transfer money from his/her Account to any state retirement system in which he/she participates, and which is a qualified plan under Code Section 401(a), in order to purchase additional service credit under the provisions of the transferee plan and in accordance with applicable state law.



Such transfer shall be made by written request to the Administrator, on a form prescribed and provided by the Administrator. The Administrator shall direct the Trustee to withdraw the amount requested from the Participant's Account and transfer it directly to the transferee plan, in accordance with the Participant's written instructions.

**Section 6.05 Loans to Participants.**

(a) General Rules. To the extent provided in Part 7 of the Adoption Agreement, a Participant may borrow from his/her Account. Application by a Participant to borrow money from his/her Account shall be made by written request to the Administrator, on a form prescribed and provided by the Administrator. Provided that the loan application is properly completed and that the Participant otherwise qualifies for a loan under the provisions of this section, the Administrator shall direct the Trustee to withdraw from the Participant's Account and disburse to the Participant by check the lesser of the amount requested or the amount available under the provisions of this section and Part 7 of the Adoption Agreement, but only upon the following terms and conditions:

(1) the loan shall be evidenced by a promissory note, in a form prescribed by the Administrator, that shall be signed by the Participant;

(2) the loan shall be for a principal amount which, when added to the outstanding balance of any other loan or loans of the Participant from the Plan and from any other tax-qualified retirement plan of the Employer (including plans of other employers required to be aggregated with this Plan pursuant to Code Section 414(b), (c), or (m)) does not exceed the lesser of (A) \$50,000, reduced by the excess (if any) of the highest outstanding balance of the Participant's plan loans during the one-year period ending on the day before the date on which the loan is to be made, over the outstanding balance of plan loans on the date on which such loan is to be made, or (B) 50% of the Participant's nonforfeitable Account balance;

(3) the loan shall bear a reasonable rate of interest, comparable to that being charged by local financial institutions on loans of a similar character on the date of application for the loan;

(4) the loan shall be for a prescribed term of no longer than five years, with no penalty for prepayment;

(5) the loan shall provide for specific terms of repayment, in substantially equal installments of principal and interest, made at least quarterly, which terms the Administrator may request the Employer to implement by

appropriate withholding from the Participant's regular salary or wages to the extent permitted by law;

(6) the loan shall be secured, notwithstanding any other provision of the Plan to the contrary, by a pledge of up to 50% of the Participant's nonforfeitable Account balance as of the date of the loan;

(7) the loan proceeds need not be disbursed to the Participant by the Administrator prior to the expiration of 30 days from the end of the calendar month following the date of receipt by the Administrator of the Participant's loan application; and

(8) the loan shall be subject to the availability of cash in the Fund for making loans, the ability of the Trustee to liquidate prior investments directed by the Participant for his/her Account, and all costs of liquidating such Account to cash for purposes of making the loan.

(b) Other Rules. All loans under the Plan shall be made strictly in accordance with the provisions of this section and any additional rules which may be set forth by the Administrator. Loans shall be available to all Participants on a reasonably equitable basis in a uniform and nondiscriminatory manner, although the Administrator may make distinctions on the basis of credit worthiness of the Participant, the liquidity of the Participant's Account and of the Fund at the time of receipt of the Participant's loan application, and such other factors as the Administrator deems relevant in protecting the interests of all Participants in the Fund.

(c) Treatment of Loans and Repayments. For purposes of the allocation of earnings, gains, losses and expenses of the Fund and the determination of the balance of a Participant's Account on any Accounting Date under Article 4, a loan under this section shall be treated as a nontaxable withdrawal from the Participant's Account, on the date the loan proceeds are disbursed, to the extent of the principal amount borrowed, and each payment on the loan shall be treated as an addition to the Account, on the date received, to the extent such payment constitutes repaid principal. Interest paid by a Participant on any loan shall be credited directly to the Account of that Participant.

(d) Default. In the event of a Participant's default in payment of a loan made in accordance with this section, the Employer shall, upon the direction of the Administrator, to the extent and at the time permitted by law, deduct the amount of loan that is in default (and any unpaid interest due) from the Participant's regular salary or wages (including any bonus or other payments) and pay such deducted amount to the Trustee. In addition, the Administrator may direct the Trustee to take any other action which may be necessary or appropriate to permit the Administrator to enforce collection of the unpaid loan. Upon the occurrence of any event permitting a distribution from the

Plan, any balance of the loan which remains unpaid (including any unpaid interest due) shall be recharacterized as a distribution and reported by the Trustee as taxable income to the Participant. For purposes of this paragraph, a loan shall be deemed to be in default upon the Participant's failure to timely make any scheduled repayment of principal or interest and expiration of any reasonable grace period that may be permitted by the Administrator and allowed by law. The Trustee, at the direction of the Administrator, shall report the amount of any defaulted loan as a taxable distribution to the Participant at the time and to the extent required by law.

(e) Suspension of Repayment Obligations during Military Service. In accordance with Code Section 414(u)(4), a Participant's obligation to repay any loan made under this section shall be suspended for any period during which such Participant is performing service in the uniformed services, whether or not qualified military service, and such suspension shall not be taken into account for purposes of Code Section 72(p), 401(a) or 4975(d)(1). Terms used herein relating to military service are defined in Section 7.05.

**Section 6.06 Distribution to Alternate Payees.**

(a) General Rule. If a qualified domestic relations order ("QDRO") is issued with respect to a Participant, any alternate payee who is designated in the QDRO may elect to receive the portion of the Participant's Account awarded to him/her under the QDRO in an immediate single lump sum payment. If the alternate payee elects such option, payment shall be made as soon as administratively feasible after the Administrator has approved the QDRO, even though the Participant may not be entitled to a concurrent Plan distribution under the provisions of Article 6. If the alternate payee does not elect the immediate payment option, the benefit awarded to him/her under the QDRO shall be paid to the alternate payee when the Participant reaches his/her earliest retirement age or when the Participant otherwise first becomes entitled to a distribution under the terms of the Plan. Notwithstanding the preceding sentence, if the portion of the Participant's Account awarded to the alternate payee has a present value of \$1,000 or less, payment to the alternate payee automatically shall be made in an immediate lump sum payment.

(b) Special Definitions. For purposes of this section, the following terms shall have the meanings indicated:

(1) "qualified domestic relations order" means a domestic relations order which--

(A) creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion

of the Account balance payable with respect to a Participant under the Plan;

(B) clearly specifies--

(i) the name and the last known mailing address (if any) of the Participant and the name and mailing address of each alternate payee covered by the order,

(ii) the amount or percentage of the Participant's Account to be paid by the Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined,

(iii) the number of payments or period to which such order applies, and

(iv) each plan to which such order applies; and

(C) does not require --

(i) the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan,

(ii) the Plan to provide increased benefits (determined based on actuarial value), and

(iii) the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

(2) "domestic relations order" means any judgment, decree or order (including approval of a property settlement agreement) which relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant, and is made pursuant to a state domestic relations law (including a community property law).

(3) "earliest retirement age" means the earlier of --

(A) the date on which the Participant is entitled to a distribution under the Plan, or

(B) the later of --

(i) the date the Participant attains age 50, or

(ii) the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service.

(4) “alternate payee” means any spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the Account balance payable under the Plan with respect to such Participant.

(c) Revised or Post-Mortem Orders. A domestic relations order that otherwise satisfies the requirements for a QDRO specified above will not fail to be a QDRO solely because either (1) the order is issued after, or revises, another domestic relations order or QDRO, or (2) the order is issued after the Participant’s death. A domestic relations order described in this paragraph (c) is subject to the same requirements and protections that apply to QDROs generally.

**ARTICLE 7**

**SPECIAL PROVISIONS**

**Section 7.01 Service Rules.**

(a) General Rule. An Employee generally shall be entitled to service credit with the Employer, determined to the nearest month, from his/her date of hire to his/her date of retirement, death, disability or other termination of employment. For purposes hereof, 12 months of service shall be equal to one Year of Service, and any service less than 12 months shall be ignored.

(b) Break in Service. A Break in Service shall occur when an Employee is absent from employment for any continuous period of 12 months or longer for reasons other than service in the armed forces of the United States or other leave which is specifically approved by the Employer.

(c) Other Service Counted. An Employee's service also shall include any period during which such Employee:

(1) was a leased employee (as defined in Code Section 414(n)(2)) who performed services for the Employer, to the extent provided by Code Section 414(n) and the related Treasury Regulations;

(2) was employed by a predecessor employer of the Employer, the plan of which predecessor is the Plan maintained by the Employer; and

(3) was employed by a predecessor employer of the Employer, even though the Plan is not the plan maintained by the predecessor employer, but only if service with such predecessor employer would be required to be included in the individual's service by any regulations that may be issued under Code Section 414(a)(2).

(d) Effects of Separation from Employment.

(1) Participation.

(A) An Employee who separates from employment, but who returns before incurring a Break in Service, shall not have his/her eligibility for continued participation affected, or if he/she has not satisfied the Plan's eligibility requirements as of his/her date of separation, the determination of when he/she has satisfied such requirements and the date on which he/she is to commence participation shall not be affected.

(B) If an Employee who incurs a Break in Service was not a Participant in the Plan prior to the break, or if his/her participation in the Plan has terminated pursuant to Article 2, participation shall commence or resume, as the case may be, on the date that the Employee is first reemployed following the Break in Service, provided that the Employee then meets the eligibility requirements set forth in Part 3 of the Adoption Agreement; otherwise, participation shall commence or resume, as the case may be, as if the individual were a new Employee.

(2) Years of Service. An Employee shall not lose service credit on account of any Break in Service.

**Section 7.02 Transfers.** If provided in Part 3 of the Adoption Agreement, certain Employees may be excluded from participation in the Plan. However, an Employee who is transferred or changes to covered employment may become a Participant, provided that the Employee meets the other requirements for participation under Part 3 of the Adoption Agreement. Participation shall commence as of the later of the date of transfer or the date specified in Section 2.02 after the Employee meets any other requirements for participation specified in Part 3 of the Adoption Agreement. In no event, however, shall the Employee's Compensation while employed on other than a basis covered by the Plan be used in determining any of his/her allocations under Article 3. In the case of a change or transfer of a Participant to non-covered employment, his/her Account shall be valued and frozen (except for allocation of subsequent earnings, gains, losses and expenses) as of the last day of the Plan Year in which his/her employment status changes, but he/she shall not be entitled to any distribution of his/her Account under Article 6 until his/her date of retirement, disability, death or other termination of employment with the Employer, after which date distribution may be made in accordance with the provisions of the Plan as they otherwise would apply to an Employee or his/her Beneficiary.

**Section 7.03 Limitations on Annual Allocations to Accounts.**

(a) Single Plan. Notwithstanding any provision of the Plan to the contrary and except as provided by Code Section 414(v), if applicable, the total additions made to the Account of any Participant in any limitation year shall not exceed the lesser of:

(1) \$54,000; or

(2) 100 percent of the Participant's compensation for such limitation year;

except that such \$54,000 limitation shall be adjusted automatically after 2017, without the necessity of a specific Plan amendment, whenever the Secretary of the Treasury

increases this dollar limitation to reflect cost-of-living adjustments in accordance with Code Section 415(d) and the related Treasury Regulations, effective for the limitation year ending with or within the calendar year for which the adjustment is made by the Secretary.

(b) Special Definitions. For purposes of this section and without regard to any election of the Employer in the Adoption Agreement, the following terms have the meanings indicated:

(1) "total additions" means, with respect to each limitation year, the sum of:

- (A) Employer contributions;
- (B) Forfeitures (if any), allocated to the Participant's Account;
- (C) The Participant's employee contributions, if any; and

(D) For purposes of applying the applicable dollar limitation in paragraph (a)(1) of this section only, the following amounts shall be treated as annual additions to a defined contribution plan of the Employer -- amounts allocated to an individual medical account, as defined in Code Section 415(1)(2), which is part of any pension or annuity plan maintained by the Employer, and amounts derived from contributions which are attributable to postretirement medical benefits allocated to the separate account of a key employee, as defined in Code Section 419A(d)(3), under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer.

Provided, however, total additions shall not include:

(E) Any restorative payment, which is a payment made to restore losses to the Plan resulting from actions by a fiduciary for which there is reasonable risk of liability for breach of a fiduciary duty under applicable federal or state law, and where Participants who are similarly situated are treated similarly with respect to the payments. Generally, payments are restorative payments only if the payments are made in order to restore some or all the Plan's losses due to an action (or a failure to act) that creates a reasonable risk of liability for such a breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). Such payments include payments to the Plan made pursuant to a court-approved settlement, to restore losses to Plan on account of the breach of fiduciary duty (other than a breach of fiduciary duty arising from failure to remit contributions to the Plan). Payments made to



the Plan to make up for losses due merely to market fluctuations and other payments that are not made on account of a reasonable risk of liability for breach of a fiduciary duty are not restorative payments and generally constitute contributions that are considered total additions;

(F) A direct transfer of a benefit or employee contributions from a qualified plan to this Plan;

(G) Rollover contributions (as described in Code Sections 401(a)(31), 402(c)(1), 403(a)(4), 403(b)(8), 408(d)(3) and 457(e)(16));

(H) Repayments of loans made to the Plan by a Participant; and

(I) Repayments of amounts described in Code Section 411(a)(7)(B) (in accordance with Code Sections 411(a)(7)(C) and 411(a)(3)(D)), as well as Employer restorations of benefits that are required pursuant to such repayments.

(2) "limitation year" means the Plan Year.

(3) "compensation" means, with respect to each limitation year, an Employee's wages as defined in Code Section 3121(a) but without regard to the limitation imposed by Code Section 3121(a)(1). Provided, however, that compensation shall be increased for any year by the following types of compensation paid after a Participant's severance from service with the Employer (or any other entity that is treated as the Employer pursuant to Code Section 414(b), (c), (m) or (o)), but only to the extent such amounts are paid by the later of 2½ months after the Participant's severance from service or by the end of the year that includes the date of such severance from service:

(A) Regular pay after severance of service if the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments; and the payment would have been paid to the Participant prior to a severance from service if the Participant had continued in service with the Employer;

(B) Leave cash-outs if those amounts would have been included in the definition of compensation if they were paid prior to the Participant's severance from service, and the amounts are payment for unused accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued; and

(C) Deferred compensation if it would have been included in the definition of compensation had it been paid prior to the Participant's severance from service, and the compensation is received pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is currently includible in the Participant's gross income.

Notwithstanding the foregoing, compensation *shall not include*:

(D) Payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)) to the extent those 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;

(E) Amounts paid to a Participant who is permanently and totally disabled (as defined in Code Section 22(e)(3));

(F) Amounts earned but not paid during the year solely because of the timing of pay periods and pay dates; and

(G) Any amount for the year in excess of \$270,000 (or such other cost-of-living adjusted amount as is set by the Secretary of Treasury in accordance with Code Section 401(a)(17)(B) for years beginning after 2017); for any period of less than 12 months, the annual limit of this part (G) shall be an amount equal to the limit for the calendar year in which the period begins multiplied by the ratio obtained by dividing the number of full months in the short period by 12.

Any other payment of compensation paid after severance from service that is not described in parts (A) to (C) above is not considered compensation, even if payment is made within the foregoing time period.

(4) "Employee contributions" means after-tax amounts contributed to the Plan by the Participant, if any.

(5) "Employer contributions" means any contributions to the Plan by the Employer pursuant to Sections 3.02 and 3.03, including any pre-tax Employee contributions that are made to the Plan pursuant to Section 3.02 but which are treated as employer pick-up contributions under Code Section 414(h).

(c) Aggregation. In applying the limitations of this section, all defined contribution plans (without regard to whether a plan has been terminated) ever maintained by the Employer (or a predecessor employer) and under which the Participant receives total additions are treated as one defined contribution plan. For purposes of this section, the "Employer" includes not only the Employer that adopts this Plan but also all members of a controlled group or an affiliated service group that includes the Employer (within the meaning of Code Section 414(b), (c), (m) or (o)), except that for purposes hereof the determination shall be made by applying Code Section 415(h), and shall take into account tax-exempt organizations under Treasury Regulation Section 1.414(c)-5, as modified by Treasury Regulation Section 1.415(a)-1(f)(l). A former Employer is a "predecessor employer" with respect to a Participant in a plan maintained by an Employer if the Employer maintains a plan under which the Participant had accrued a benefit while performing services for the former Employer, but only if that benefit is provided under the plan maintained by the Employer. For this purpose, the formerly affiliated plan rules in Treasury Regulation Section 1.415(f)-1(b)(2) apply as if the Employer and predecessor Employer constituted a single employer under the rules described in Treasury Regulation Sections 1.415(a)-1(f)(1) and (2) immediately prior to the cessation of affiliation (and as if they constituted two, unrelated employers under the rules described in Treasury Regulation Sections 1.415(a)-1(f)(1) and (2) immediately after the cessation of affiliation) and cessation of affiliation was the event giving rise to the predecessor employer relationship, such as a transfer of benefits or plan sponsorship. With respect to an employer of a Participant, a former entity that antedates the Employer is a "predecessor employer" with respect to the Participant if, under the facts and circumstances, the employer constitutes a continuation of all or a portion of the trade or business of the former entity. For purposes of aggregating plans for Code Section 415, a "formerly affiliated plan" of the Employer is taken into account for purposes of applying the limitations of this section, but the formerly affiliated plan is treated as if it had terminated immediately prior to the "cessation of affiliation." A "formerly affiliated plan" of the Employer is a plan that, immediately prior to the cessation of affiliation, was actually maintained by one or more of the entities that constitute the Employer (as determined under the employer affiliation rules described in Treasury Regulation Sections 1.415(a)-1(f)(1) and (2)), and immediately after the cessation of affiliation, is not actually maintained by any of the entities that constitute the Employer (as determined under the employer affiliation rules described in Treasury Regulation Sections 1.415(a)-1(f)(1) and (2)). A "cessation of affiliation" means the event that causes an entity no longer to be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Treasury Regulation Sections 1.415(a)-1(f)(1) and (2) (such as the sale of a subsidiary outside a controlled group), or that causes a plan not actually to be maintained by any of the entities that constitutes the Employer under the employer affiliation rules of Treasury Regulation Sections 1.415(a)-1(f)(1) and (2) (such as a transfer of plan sponsorship outside of a controlled group). Two or more defined contribution plans that are not required to be aggregated pursuant to Code Section 415(f) and the related final regulations as of the first day of a limitation year do not fail to satisfy the requirements of Code Section 415 with respect to a Participant for the limitation year merely because they are aggregated later in that limitation year, provided that no total additions are credited to the Participant's Account after the date on which the plans are required to be aggregated.

(d) Employee Leasing. In the event the Employer is provided with services by leased employees (within the meaning of Code Section 414(n) and Section 7.04), then for purposes of this section, the leased employees shall be treated as Participants in the Plan and contributions or benefits provided by the leasing organization which are attributable to services performed for the Employer shall be treated as provided by the Employer as permitted under Code Section 414 and related regulations.

(e) Excess Total Additions. If the total additions are exceeded for any Participant, then the Plan may correct such excess only in accordance with the Employee Plans Compliance Resolution System ("EPCRS") as set forth in Rev. Proc. -2016-51 or any superseding guidance, including, but not limited to, the preamble of the final Treasury Regulations under Code Section 415.

(f) Notice to Participants. The Administrator shall advise affected Participants of any adjustments to their Accounts required by the limitations under this section.

#### **Section 7.04 Leased Employees.**

(a) General Rule. Although any leased employee of the Employer generally shall be excluded from participation in the Plan and shall not be entitled be allocated any contributions under the Plan, the leased employee shall be counted as an Employee for the purposes required by Code Section 414(n).

(b) Exception. If by reason of counting such leased employee as an Employee for purposes required by Code Section 414(n), and after taking into account contributions and benefits provided by the leasing organization as described in this paragraph, the Plan fails to meet the requirements of Code Section 401(a), then the leased employee will be eligible to participate in the Plan as if he/she were an Employee. In such event, Years of Service for purposes of the Plan for the leased employee will be calculated in accordance with the rules set forth in Code Section 414 and related Treasury Regulations. In all events, for purposes of this section, contributions to or benefits provided by any qualified plan maintained by the leasing organization which are attributable to services performed for the Employer shall be treated as provided by the Employer.

(c) Exception to the Exception. Notwithstanding paragraph (b) of this section, any leased employee will not be eligible to participate in the Plan and will be treated under the general rule in paragraph (a) if such employee is covered by a pension plan maintained by the leasing organization that meets the requirements of this paragraph and all leased employees constitute 20 percent or less of the Employer's non-highly compensated work force. A pension plan meets the requirements of this paragraph if it is a money purchase pension plan providing (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, (2) full and immediate vesting and (3)

immediate participation for each employee of the leasing organization (other than employees who perform substantially all of their services for the leasing organization and individuals whose compensation from the leasing organization during the plan year and the three immediately preceding plan years is less than \$1,000 per year).

(d) Recordkeeping Relief. If the Employer does not maintain any top-heavy plans within the meaning of Code Section 416(g) and uses the services of leased employees only for an insignificant percentage of its total workload, then the Employer shall be exempt from the employee leasing recordkeeping requirements in accordance with applicable Treasury Regulations.

(e) Multiple Employers. In the event that the Employer is a member of a group of employers constituting (1) a controlled group of corporations (within the meaning of Code Section 414(b)), (2) trades or businesses, whether or not incorporated, under common control (within the meaning of Code Section 414(c)), (3) an affiliated service group (as defined in Code Section 414(m)), or (4) any other group of entities required to be aggregated as prescribed by regulations under Code Section 414(o), then the rules of this section shall be applied by treating all leased employees of such other employers as leased employees of the Employer.

(f) Special Definitions. For purposes of this section, the following terms have the meanings indicated:

(1) "compensation" means the compensation of the leased employee from the leasing organization for the entire year, as described in Code Section 415(d)(3) and the related regulations, except that such term shall include amounts excluded from gross income under Code Section 402(e)(3) or 402(h)(1)(B), amounts which could have been received in cash but for an election under a Code Section 125 cafeteria plan and amounts contributed to a Code Section 403(b) annuity contract pursuant to a salary reduction agreement within the meaning of Code Section 3121(a)(5)(D).

(2) "leased employee" means any person (other than an Employee) who has performed services for the Employer (or for the Employer and related entities determined in accordance with Code Section 414(n)(6)(A)) on a substantially full time basis for a period of at least one year pursuant to an agreement between the Employer and a leasing organization and such services are performed under the primary direction or control of the Employer.

(3) "leasing organization" means a person or other entity, other than the Employer, providing leased employees by agreement with the Employer.

(4) “non-highly compensated work force” means the aggregate number of individuals who are not highly compensated employees of the Employer (determined in accordance with Code Section 414(q)) and who either are (A) employees of the Employer (without regard to paragraph (a) of this section) having performed services for the Employer (or for the Employer and related entities determined in accordance with Code Section 414(n)(6)(A)) on a substantially full time basis for a period of at least one year or (B) leased employees.

**Section 7.05 Impact of Qualified Military Service.**

(a) In General. The provisions of this section shall supersede any contrary provisions of the Plan. With respect to Participants who leave employment with the Employer for qualified military service, the Plan shall comply with –

(1) The minimum requirements applicable to defined contribution retirement plans prescribed by:

(A) The Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”), effective on and after January 1, 1994, as set forth in paragraph (b) of this section; and

(B) The Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART Act”), including related guidance contained in IRS Notice 2010-15, generally effective January 1, 2007, as set forth in paragraph (c) of this section; and

(2) The permissive provisions of USERRA and the HEART Act that are described in paragraph (d) of this section.

(b) Mandatory USERRA Provisions.

(1) No Break in Service. For purposes of Section 7.01, a Participant who incurs a Break in Service because of a period of qualified military service but who has reemployment rights under USERRA, and who returns to employment with the Employer within such time as required by those rights, shall be treated for purposes of the Plan as not having incurred a Break in Service by reason of such Participant’s period of qualified military service.

(2) Service for Vesting. Each period of qualified military service served by a Participant, upon the Participant’s reemployment by the Employer pursuant to USERRA, shall be counted in the determination of the Participant’s Years of

Service with the Employer for the purpose of determining the Participant's nonforfeitable right to the balance of his/her Account under the Plan.

(3) Treatment of Certain Contributions. If any contribution is made by the Employer with respect to a Participant and if such contribution is required by reason of such Participant's rights under USERRA resulting from qualified military service, then:

(A) Such contribution shall not be subject to any otherwise applicable limitations contained in Code Section 404(a) or 415 and shall not be taken into account in applying such limitations to other contributions or benefits under the Plan or any other plan with respect to the year in which the contribution is made, but instead such contribution shall be subject to the foregoing limitations with respect to the year to which the contribution relates (in accordance with rules prescribed by the Secretary of Treasury); and

(B) The Plan shall not be treated as failing to meet the requirements of Code Section 401(a)(26) or 410(b) by reason of the making of (or the right to make) such contribution.

(4) Certain Retroactive Adjustments Not Required. Notwithstanding part (3) of this paragraph, no provision of USERRA shall be construed as requiring either any crediting of earnings to a Participant's Account with respect to any contribution before such contribution is made, or any allocation of a forfeiture with respect to the period of qualified military service.

(5) Benefits for Survivors. In the case of a Participant who dies while performing qualified military service as defined in this section, the survivors of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death.

(c) Mandatory HEART Act Provisions.

(1) Death during Qualified Military Service. A Participant who is on leave from employment for qualified military service and who has reemployment rights under USERRA, but who dies during qualified military service, shall be considered as having returned to employment the day prior to his/her date of death for purposes of determining the nonforfeitable rights in his/her Account, and the Participant's entire Account balance will be considered fully vested, even if the Participant had not previously earned sufficient Years of Service under the Plan to become fully vested.

(2) Deemed Severance from Employment. A Participant's period of uniformed service that exceeds 30 days will be deemed to be a severance from service, thereby permitting a Plan distribution of his/her Account attributable to Employer contributions that otherwise is contingent on an actual severance event.

(d) Permissive Provisions. Differential pay shall be paid to a Participant who is on leave performing services in the uniformed service as provided by the employment policies of the Employer. Differential pay paid by the Employer to Participants who are on leave for qualified military service shall be treated as "compensation" for all purposes under the Plan.

(e) Definitions. For purposes of this section, the following terms shall have the meanings indicated:

(1) "compensation" means compensation, as specifically defined for each separate purpose under the Plan but increased by the amount of differential pay paid to the Participant by the Employer.

(2) "differential pay" means the difference between (A) the compensation that a Participant would have received during a given period if he/she were not in qualified military service, determined on the basis of the rate of pay he/she would have received from the Employer but for his/her absence during the period of qualified military service, or if the compensation the Participant would have received during such period is not reasonably certain, the Participant's average compensation from the Employer during the 12-month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service), and (B) the amount the individual actually receives from the government as military pay during services in the uniformed services for a period of more than 30 days.

(3) "reemployment rights under USERRA" means the right of an individual, who is on leave from employment with the Employer for the purpose of service in the uniformed services, to be reemployed by the Employer following completion of such service, as guaranteed by USERRA.

(4) "qualified military service" means service in the uniformed services by an individual if the individual has reemployment rights under USERRA.

(5) "service in the uniformed services" means the performance of duty on a voluntary or involuntary basis in the uniformed services, including active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, a period for which an individual is absent from his



position of employment for the purpose of an examination to determine the individual's fitness to perform any such duty, and a period for which an individual is absent from employment for the purpose of performing funeral honors duty as authorized by USERRA.

(6) "uniformed services" means the U.S. Armed Services, the Army National Guard or the Air National Guard, the commissioned corps of the Public Health Service and any other category designated by the United States President in time of war or national emergency.

**Section 7.06 Marriage.** For purposes of the Plan, the "spouse" of a Participant means the individual to whom the Participant has been and is lawfully married in a state that recognizes the marriage, even if the law of the state in which the Participant and spouse currently are domiciled does not recognize the validity of the marriage due to the fact that the Participant and spouse are of the same sex.

## ARTICLE 8

### PROVISIONS RELATING TO FUNDING, PLAN ADMINISTRATION AND FIDUCIARIES

**Section 8.01 Establishment and Maintenance of Fund.** Upon the adoption of the Plan by the Employer, there shall be established a Fund, in the form of a trust fund with the Trustee. All contributions shall be paid to the Fund. The Fund shall be invested in such investments as are permissible under applicable law. Except as required under the Code, the benefits of the Plan shall be only such as can be provided by the assets of the Fund, and there shall be no liability or obligation on the part of the Employer, other than as provided in the Adoption Agreement, to make any contributions or payments to establish or maintain the Plan, whether in the event of termination of the Plan or otherwise. No liability for the payment of benefits under the Plan shall be imposed on the Employer or on the officers or employees of the Employer.

**Section 8.02 General Assignment of Responsibilities.** Except as provided more specifically by other provisions of the BENCOR Plan, the following shall be the assigned responsibilities of each party indicated:

(a) **BENCOR.** BENCOR is the sponsor of the BENCOR Plan and, as such, is responsible for maintaining and updating this Basic Plan Document 01 and the Adoption Agreement to comply with the provisions of applicable law specified in Section 1.03 and for keeping current its Pre-approved Plan Opinion Letter from the Internal Revenue Service. It shall be the responsibility of BENCOR to assist the Employer in implementation of the Plan and respond to Employer inquiries concerning general operation of the Plan. BENCOR shall select the Administrator, the Trustee and the Investment Provider, and may change any such selection from time to time by providing notice to the Employer.

(b) **Investment Provider.** The Investment Provider, which shall be selected by BENCOR, is responsible for the management and investment of that portion of the Fund assigned to it through use of various investment accounts and products offered by the Investment Provider and selected by the Employer, or in the case of Participant directed Accounts, by Participants.

(c) **Trustee.** The Trustee, which shall be selected by BENCOR, shall receive all contributions made under the Plan and deposit those contributions in the Fund. The Trustee shall invest the principal and earnings of the Fund among a money market or similar fund established and maintained by it and various investment products offered and managed by the Investment Provider and selected by the Employer, or in the case of Participant directed Accounts, by Participants. The Trustee shall prepare and render an accounting of the Fund as of the last day of each Plan Year and may render such interim accountings as appropriate. The Trustee shall not be required to render accounts to

individual Participants but only to the Administrator, which may submit such reports of the Fund to the Employer and to Participants from time to time. The Trustee also shall process and make all distributions to Participants and Beneficiaries in accordance with proper instructions from the Administrator and the Employer and shall pay expenses of the Fund and of the Plan and any applicable taxes from assets of the Fund, pursuant to established procedures, unless the expenses or taxes are paid directly by the Employer by specific prearrangement.

(d) Administrator. The Administrator, which shall be selected by BENCOR, shall assist the Employer in completion of the Adoption Agreement and, upon the Employer's request, shall obtain for the Employer a determination from the Internal Revenue Service on the tax-qualified status of the Plan, if applicable. The Administrator shall be responsible for the preparation of periodic accountings with respect to the Plan, including the allocation of contributions to the Fund and earnings on Fund investments, and for the maintenance of individual Account records for each Participant. Pursuant to that responsibility, the Administrator shall render a financial report of the Fund to the Employer at least annually and shall provide to the Employer individual statements of account for each Participant as of the close of each Plan Year or more frequently as required by law. In consultation with the Employer, the Administrator also shall provide direction to the Trustee for payment of all Plan benefits. The Administrator shall complete and file annual reports for the Plan with the Internal Revenue Service, if required by law, and shall report for tax purposes all distributions from the Plan to appropriate state, federal and local taxing authorities, and to Participants and Beneficiaries, if required by applicable law.

(e) Employer. The Employer shall sign the Adoption Agreement and such other documents and forms as are necessary or appropriate to implement the Plan and may seek any additional approval of the Plan's tax-qualified status from the Internal Revenue Service, if desired, beyond that allowing the Employer reliance on BENCOR's pre-approval. The Employer shall make all determinations of Employees who are eligible for participation in the Plan under the eligibility requirements selected by the Employer in the Adoption Agreement and as specified by the Plan and shall be responsible for communicating from time to time the names and other relevant information with respect to such eligible Employees to the Administrator. The Employer shall be responsible for remitting to the Trustee on a timely basis all contributions due under the Plan.

**Section 8.03 Resignation or Removal of Administrator, Trustee or Investment Provider**. The provisions of this section shall be subject to any overriding contractual requirements by or among the parties. The Administrator, the Trustee or the Investment Provider may resign by delivering a written resignation to BENCOR; such resignation shall take effect on the date provided therein, but not before the sixtieth day after a successor shall have been selected by BENCOR and shall have accepted its appointment, unless BENCOR waives such sixty-day period. The Administrator, the Trustee or Investment

Provider may be removed by BENCOR at any time, upon written notice to the party being removed; such notice of removal shall be effective on the date specified therein, but not before the sixtieth day after delivery to the removed party, unless such notice period is waived by the removed party.

**Section 8.04 Expenses.** The reasonable expenses relating to the Plan (including such compensation for the Plan's service providers as may be agreed to in writing from time to time by the Employer) shall be paid by and deducted from the assets of the Plan.

**Section 8.05 Special Limitations.** Notwithstanding other provisions of the BENCOR Plan, the following provisions shall govern the relationship between the Investment Provider and the Trustee and Administrator, Employees, Participants and Beneficiaries:

(a) The Investment Provider shall not be deemed to be a party to the Plan for any purpose other than as expressly provided by the terms hereof, nor shall the Investment Provider be responsible for the Plan's validity.

(b) The Investment Provider shall not be considered a fiduciary with respect to the Plan.

(c) The Investment Provider shall not be required to question any action of the Employer or Administrator or, where applicable, the Trustee; nor shall the Investment Provider be responsible to see that any such action is authorized by the terms of the Plan.

(d) The Investment Provider may rely on any instrument executed by the Employer, Administrator, Trustee, Employee, Participant or Beneficiary as conclusive evidence of any of the matters mentioned in the Plan with respect to which they may act, and the Investment Provider shall be fully protected in taking, permitting or omitting any action on the faith thereof and shall incur no liability or responsibility for so doing.

(e) The Investment Provider shall not be required to take any action under the Plan concerning any investment, if such action would be contrary to the terms of such investment, any state or federal law, or the rules of the NASD or the applicable securities exchange.

(f) Until notice of any amendment of the Plan, termination of the Plan, or change in any appointment has been received by the Investment Provider at its principal office, the Investment Provider shall be fully protected in assuming that the Plan has not been amended or terminated and in dealing with any party according to the latest information received by the Investment Provider at its principal office.

**Section 8.06 Claims Procedure.**

(a) Initial Claims. The Employer shall make all determinations as to the right of any person to receive a distribution and as to other matters affecting benefits. Each Employee, Participant, Beneficiary or other person (collectively referred to as "claimant") shall have the right to submit a claim with respect to any benefit sought under the Plan, or with respect to the claimant's eligibility, vesting or other factor affecting benefits, either personally or through a representative duly authorized in writing. All claims shall be submitted in writing to the Employer and shall be accompanied by such information and documentation as the Employer determines is required to make a ruling on the claim. Upon receipt of a claim, the Employer shall consider the claim and shall render a decision within a reasonable period of time. A failure of the Employer to render a decision within a reasonable period of time shall be deemed to be a denial of the claim.

(b) Limitation on Claims Procedure. Any claim under this claims procedure must be submitted within twelve months from the earlier of (1) the date on which the claimant learned of facts sufficient to enable him/her to formulate such claim, or (2) the date on which the claimant reasonably should have been expected to learn of facts sufficient to enable him/her to formulate such claim.

(c) Review of Denied Claims. A claimant whose claim for benefits has been wholly or partially denied by the Employer may request, within 90 days following the date of such denial, a review of such denial. The request for review must be in writing and must be delivered to the Employer within the specified 90-day period. The request should set forth the reasons why the claimant believes the denial of his/her claim is incorrect. The claimant shall be entitled to submit such issues or comments, in writing or otherwise, as he/she shall consider relevant to a determination of his/her claim and may include a request for a hearing in person before the Employer. Prior to submitting his/her request, the claimant shall be entitled to review such documents as the Employer shall agree are pertinent to his/her claim. The claimant may, at all stages of review, be represented by counsel, legal or otherwise, of his/her choice, provided that the fees and expenses of such counsel shall be borne by the claimant. All requests for review shall be promptly resolved. The Employer's decision with respect to any such review shall be set forth in writing and shall be mailed to the claimant within a reasonable period of time following receipt by the Employer of the claimant's request. If no decision or review is rendered within a reasonable period of time, the claimant's appeal shall be deemed denied and the Employer's original denial of the claim affirmed.

(d) Finality of Decisions. The decision of the Employer upon review of any claim under paragraph (c) above shall be binding upon the claimant, his/her heirs and assigns, and all other persons claiming by, through or under him.

**Section 8.07 Special Ruling.** In order to resolve problems concerning the Plan and to apply the Plan in unusual factual circumstances, the Administrator, in addition to being empowered to make rules of general application, also may, at the request of the Employer, make special rulings. Such special rulings shall be in writing on a form to be developed by the Administrator. In making its rulings, the Administrator may consult with legal, accounting, actuarial, investment and other counsel or advisers. Once made, special rulings shall be applied uniformly, except that the Administrator shall not be bound by such rulings in future cases unless the factual situation of a case is identical to that involved in the special ruling. Special rulings shall be made in accordance with all applicable law and in accordance with the Plan. It is not intended that the special ruling procedure will be a frequently used device, but that it should be followed only in extraordinary situations. The Administrator always shall have the final decision as to whether resort is made to this special ruling feature.

**Section 8.08 Reliance.** The Employer, Administrator, Trustee, Investment Provider and BENCOR each may rely upon any direction, information or action of the other as being proper under the Plan and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that the Employer, Administrator, Trustee, Investment Provider and BENCOR each shall be responsible for the proper exercise of its own respective powers, duties, responsibilities and obligations under the Plan and shall not be responsible for any act or failure to act of any other, and none of them guarantees the Plan assets in any manner against investment loss or depreciation of asset value.

**Section 8.09 Employment of Advisers.** The Employer, Administrator, Trustee, Investment Provider and BENCOR shall have the authority to employ such legal, accounting, actuarial, and financial counsel and advisers, as they shall deem necessary in connection with the performance of their duties under the Plan, and to act in accordance with the advice of such counsel and advisers. Except as otherwise provided in the Plan, the fees and expenses of such counsel and advisers shall be paid by the respective party who retained the counsel or adviser, except that, upon approval of the Employer, such fees and expenses may be paid out of Plan assets as the Employer shall deem appropriate.

**ARTICLE 9**

**AMENDMENT AND TERMINATION**

**Section 9.01 Amendment of the Plan.**

(a) Right To Amend. Both the Employer and BENCOR reserve the right to amend the Plan. Amendments by the Employer shall be limited to changes in selections made in the Adoption Agreement and shall be effected by execution of a new Adoption Agreement, except the Employer also may make amendments by adoption of sample or model amendments (including interim or discretionary amendments related to changes in qualification requirements) that by law will not cause the Plan to be considered identical to the pre-approved plan. Amendments may be made by BENCOR in either the BENCOR Plan or in the Adoption Agreement terms, provided that: (1) no such amendment shall alter or amend any of the elections or specifications set forth by the Employer in the Adoption Agreement except as provided by paragraph (b) below; and (2) any amendment made by BENCOR, except as provided by paragraph (b) below, shall not be deemed adopted or be binding upon the Employer until approved in writing by the Employer. BENCOR shall seek approval of amendments adopted by it from the Internal Revenue Service, if necessary, to maintain the approved status of the BENCOR Plan.

(b) Amendments Required by Law.

(1) BENCOR will amend the BENCOR Plan and/or the Adoption Agreement on behalf of the Employer for any changes required by the Code, Treasury Regulations, revenue rulings, other statements published by the Internal Revenue Service, including model, sample or other required good faith amendments (but only if their adoption will not cause the Plan to be individually designed), and for correction of prior approved plans. These amendments will be applied to all employers that have adopted the BENCOR Plan.

(2) BENCOR will no longer have the authority to amend the Plan on behalf of the Employer as of either: (A) the date the Service requires the Employer to file Form 5300 as an individually designed plan as a result of an Employer amendment to the Plan to incorporate a type of plan or provision not allowable in the IRS Pre-approved Plan program, as described in Rev. Proc. 2017-41, or (B) as of the date the Plan otherwise is considered to be an individually designed plan due to the nature and extent of the amendments. If the Employer is required to obtain a determination letter for any reason in order to maintain reliance on the advisory letter, BENCOR's authority to amend the Plan on behalf of the Employer is conditioned on the Plan receiving a favorable determination letter.

(3) BENCOR will maintain, or have maintained on its behalf, a record of the employers that have adopted the BENCOR Plan and will make reasonable and diligent efforts to ensure that employers have received and are aware of all Plan amendments and that such employers adopt new documents when necessary. This paragraph (b) supersedes other provisions of the Plan to the extent those provisions are inconsistent with this paragraph.

(c) Operation of Amendments. Except as may be specifically provided otherwise in the Plan, or in any amendment to the Plan, each amendment to the Plan shall operate prospectively only from the effective date of the amendment, and the rights and obligations of an Employee, Participant, or Beneficiary of a Participant, who retires, becomes disabled, dies or otherwise terminates employment with the Employer prior to the effective date of any amendment, shall be determined without regard to such amendment, on the basis of the Plan terms in effect on the date of retirement, disability, death, or other termination of employment.

(d) Prohibition against Reversion of Assets. Except as provided in the Code and applicable regulations, no amendment shall cause any part of the Fund to be used for, or diverted to, any purpose other than the exclusive benefit of Participants and their Beneficiaries.

#### **Section 9.02 Termination of the Plan.**

(a) Termination. Although it is intended that the Plan shall be permanent, the Employer reserves and shall have the right at any time to terminate or partially terminate the Plan, by delivering to BENCOR written notice of such termination, but only upon the condition that action is taken as shall render it impossible, except as specifically provided in Article 3, for any part of the Plan assets to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries. If the Plan is terminated, the Employer shall direct the Trustee to distribute the assets remaining in the Fund to Participants and their Beneficiaries as soon as administratively feasible. In the event of the dissolution, merger, consolidation or reorganization of the Employer, the Plan shall terminate, and the Plan assets shall be liquidated unless the Plan is continued by a successor to the Employer in accordance with Section 9.03(b).

(b) Termination and Transfer to New Plan. If the Employer notifies BENCOR in writing (1) that it has established another plan providing comparable benefits to this Plan, (2) that such other plan meets the requirements of Code Section 401(a) that are applicable to governmental plans, and (3) that the Employer intends to discontinue contributions under this Plan due to the liabilities created under the new plan, then, upon further written direction from the Employer, the Fund shall be liquidated and the proceeds transferred to such newly created plan. Subsequently, this Plan shall cease to



have any effect with respect to Participants employed by the Employer and their Beneficiaries, and the rights of the parties shall be determined under the new plan.

(c) Rights upon Termination. If the Plan should be terminated or partially terminated, if the Employer completely discontinues contributions, or if a receiver of the Employer is appointed, or if the Plan should be wholly or partially terminated for any other reason, the Accounts of all Participants as then appearing upon the records of the Administrator (other than Accounts of former Employees who have terminated employment and who have incurred a Break in Service), or in the case of partial termination, the Accounts of affected Participants, shall become fully vested to the extent not already vested in accordance with the regular Plan terms, the amounts carried in said Accounts shall be revalued and adjusted as previously provided in the Plan, and said Accounts (after payment of expenses properly chargeable to the Fund and allocated among the Accounts) shall be distributed as soon as administratively feasible to affected Participants and Beneficiaries or transferred to a new plan as provided in paragraph (b) above. Whether a partial termination of the Plan has occurred under any circumstances shall be determined by the Administrator using guidance provided by Rev. Rul. 2007-43.

(d) Manner of Distribution. To the extent that no discrimination in value results, any distribution or transfer after termination of the Plan may be made, in whole or in part, in cash or in nontransferable annuity contracts. All non-cash distributions and transfers shall be valued at current fair market value.

#### **Section 9.03 Predecessor and Successor Employers.**

(a) Predecessor Employer. Employment with a predecessor employer shall be considered service with the Employer under this Plan to the extent required by the Code. Provided, however, that where such employment with a predecessor employer is not required by the Code to be considered service with the Employer, the Employer, in its discretion, nevertheless, may grant credit for such service under such uniform and non-discriminatory rules as may be established from time to time by the Employer.

(b) Successor Employer. In the event of any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Plan to, another plan of deferred compensation maintained or to be established for the benefit of all or some of the Participants of this Plan, the assets of the Plan applicable to such Participants shall be transferred to the other plan only if: (1) each Participant would (if either this Plan or the other plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he/she would have been entitled to receive immediately before the merger, consolidation, or transfer (if this Plan had been terminated); (2) resolutions of the governing body of the Employer under this Plan, and of the governing body of any new or successor employer of the affected Participants, shall authorize such transfer of assets; and, in the case of the new or

successor employer of the affected Participants, its resolutions shall include an assumption of liabilities with respect to such Participants' inclusion in the new employer's plan; (3) such other plan is qualified under Code Sections 401(a) and 501(a); and (4) the change in sponsorship of the Plan is in connection with a transfer of business assets or operations of the Employer to the new sponsor.

**Section 9.04 Notice.** The Employer and affected Participants shall be given notice by the Administrator of any amendments to, any merger, consolidation, division or termination of the Plan or any transfer of Plan assets to another plan.

## ARTICLE 10

### MISCELLANEOUS PROVISIONS

**Section 10.01 Payments for the Benefit of Payee.** In the event that the Employer finds that any person to whom a benefit is payable under the terms of the Plan is unable to care for his/her affairs because of illness or accident, is otherwise mentally or physically incompetent, or is unable to give a valid receipt, the Employer, upon receipt of a durable power of attorney that complies with applicable state law or letters of authority of a guardian or conservator appointed by a court of competent jurisdiction, may direct the Trustee to make the payments becoming due to such person to another individual for such person's benefit, without responsibility on the part of the Employer or the Trustee to follow the application of such payment. Any such payment shall be a payment for the account of such person and shall operate as a complete discharge of all parties from any liability under the Plan.

**Section 10.02 Employer's Rights.** While the Employer believes in the benefits, policies and procedures described in the Plan, the language used in the Plan is not intended to create, nor is it to be construed to constitute, a contract of employment between the Employer and any of its Employees. Subject to any collective bargaining agreement, the Employer retains all its rights to discipline or discharge Employees or to exercise its rights as to incidents and tenure of employment. Employees retain the right to terminate their employment at any time and for any reason, and the Employer retains a similar right.

**Section 10.03 Addresses and Mailing of Notices and Checks.** Each recipient of benefits from the Plan shall be responsible for furnishing the Employer with his/her address, and the Employer in turn shall communicate such information to the Administrator. Any notices required or permitted to be given under the Plan shall be deemed given if directed to such address and mailed by regular United States mail. If any check mailed by regular United States mail to such address is returned, mailing of checks will be suspended until a correct address is furnished by the intended recipient.

**Section 10.04 Action by Employer.** Unless otherwise provided in the Plan, whenever the Employer under the terms of the Plan is permitted or required to do or perform any act, such act shall be done by the authority of the Employer's governing body, or by such employee of the Employer who may be duly authorized by the Employer's governing body.

**Section 10.05 Construction.**

(a) Gender; Singular and Plural Words. Wherever any words are used in the Plan in the masculine gender, they shall be construed as though they also were used in the feminine gender in all cases where they would so apply, and wherever any words are used in the Plan in the singular form, they shall be construed as though they also were used in the plural form in all cases where they would so apply.

(b) Headings. Headings of articles, sections and paragraphs of this instrument are inserted for convenience of reference. They constitute no part of the Plan and are not to be considered in the construction of the Plan.

(c) Savings Clause. If any provisions of the Plan shall be for any reason invalid or unenforceable, the remaining provisions nevertheless shall be carried into effect.

## **ARTICLE 11**

### **DEFINITIONS**

**Section 11.01 “Account”** means the interest of a Participant in the Plan’s assets as determined as of each Accounting Date and as reflected in the records maintained by the Plan. Where appropriate, a Participant’s Account also means the subaccounts that may be established to identify and track contributions of a specific character, which may be mere bookkeeping entries or individually or collectively segregated funds, as determined by the Administrator and the Trustee.

**Section 11.02 “Accounting Date”** means the last day of each Plan Year and any other date on which the Plan assets are valued and allocations to Accounts are made pursuant to Article 4.

**Section 11.03 “Administrator”** means the organization specifically designated from time to time by BENCOR to carry out the administrative functions specified in the Plan.

**Section 11.04 “Adoption Agreement”** means the agreement executed by the Employer for purposes of adoption of the BENCOR Plan and election of alternative provisions offered by the adoption agreement.

**Section 11.05 “BENCOR”** means BENCOR, Inc.

**Section 11.06 “Beneficiary”** means the beneficiary or beneficiaries of the Participant under the Plan as designated pursuant to Section 5.03(c).

**Section 11.07 “Break in Service”** means a Break in Service as described under Section 7.01(b).

**Section 11.08 “Code”** means the Internal Revenue Code of 1986, as amended.

**Section 11.09 “Compensation”** means the amount calculated for each Participant in accordance with Part 2(b) of the Adoption Agreement, except that compensation of any Participant for any Plan Year shall be disregarded for purposes specified in Treasury Regulations issued under Code Section 401(a)(17) to the extent it exceeds the cost-of-living adjusted dollar amount determined for the year in accordance with Section 7.03(b)(3)(G). The cost-of-living adjusted dollar amount in effect for any calendar year applies to annual Compensation for the Plan Year that begins with or within such calendar year.

**Section 11.10 “Effective Date”** means the date that the terms of this Plan first become effective with respect to the Employer, or the subsequent effective date of the Plan’s amendment and restatement, as set forth in Part 1 of the Adoption Agreement.

**Section 11.11 “Employee”** means any common-law employee of the Employer.

**Section 11.12 “Employer”** means the governmental entity, which is a state government or a political subdivision or any agency or instrumentality of either of the foregoing, and which has adopted the Plan in accordance with the Adoption Agreement.

**Section 11.13 “Fund”** means the trust fund established pursuant to Article 8 for the purpose of holding and investing contributions made under the Plan, and out of which distributions are made pursuant to Article 6, and subject to the trust agreement and/or any other required documents and forms, including a custodial account or contract described in Code Section 401(f) and Treasury Regulation 1.401(f)-1 and treated under each as a qualified trust.

**Section 11.14 “Group Annuity Contract”** means any group annuity contract held by the Trustee and in which contributions under the Plan may be invested for the benefit of Participants.

**Section 11.15 “Highly Compensated Employee”** means any employee who for the preceding year had annual compensation (as defined in Section 7.03(b)(3)) from the Employer in excess of \$120,000 (as adjusted after 2017 by the Secretary of Treasury). A Non-Highly Compensated Employee means any employee who is not a Highly Compensated Employee.

**Section 11.16 “Investment Provider”** means the entity or entities selected by BENCOR and providing the investment products in which contributions under the Plan may be invested for the benefit of Participants.

**Section 11.17 “Normal Retirement Age”** means the age and, if applicable, at least the number of years of participation, as set forth in Part 2(e) of the Adoption Agreement.

**Section 11.18 “Participant”** means an Employee who has met the eligibility requirements specified in Part 3 of the Adoption Agreement, who has commenced participation in the Plan in accordance with Article 2, and whose participation has not terminated under the other applicable provisions of the Plan.

**Section 11.19 “Plan”** means the retirement plan of the Employer as described in this instrument, the Adoption Agreement, and any subsequent amendments.

**Section 11.20 “Plan Year”** means the annual period defined in Part 2(a) of the Adoption Agreement.

**Section 11.21 “Trust Agreement”** means the separate written agreement, declaration and/or other forms and documents under which the Fund is maintained as executed by BENCOR and the Trustee. By execution of the Adoption Agreement, the Employer agrees to the terms of the Trust Agreement, and the Trustee shall be fully protected in taking, permitting or omitting any action in accordance with the terms of the Trust Agreement and shall incur no liability or responsibility for carrying out such actions as directed by the Employer or otherwise executing its responsibilities in accordance with the terms of the Trust Agreement. In the event of any conflict between the terms of the Plan and the Trust Agreement, the terms of the Plan shall control.

**Section 11.22 “Trustee”** means the party duly selected and appointed from time to time by BENCOR and currently serving as trustee under the Trust Agreement, including a person (such as a custodian) meeting the requirements of, holding the assets of the Plan pursuant to, and treated as the trustee under, Code Section 401(f) and Treasury Regulation 1.401(f)-1.

**Section 11.23 “Year of Service”** means a Year of Service as described in Section 7.01.

Dated: August 17, 2021

BENCOR, INC.

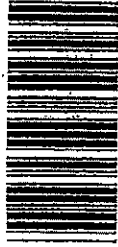
By: 

Hugh B. Bishop, President

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(09/08/2021)

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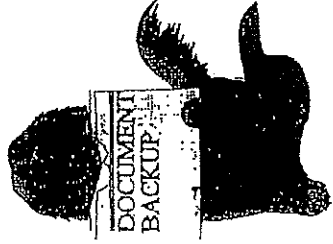
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**BENCOR  
NATIONAL GOVERNMENT  
EMPLOYEES RETIREMENT PLAN™**

**Adoption Agreement  
001**

**SEP 17 2024**

**R2024 1225**

This Adoption Agreement is executed by and between the government employer named below ("Employer") and BENCOR, Inc. ("BENCOR"), in accordance with the provisions of the BENCOR National Government Employees Retirement Plan™ ("BENCOR Plan"). This Adoption Agreement may be used only with the BENCOR Plan, which is IRS Pre-Approved Bencor Basic Plan Document 01. Failure to fill out this Adoption Agreement carefully and completely may result in the Plan not qualifying under Internal Revenue Code Section 401(a). The Employer hereby adopts and agrees to be bound by all the terms of the BENCOR Plan and provides the following information and makes the following elections under the BENCOR Plan:

**1. EMPLOYER AND PLAN INFORMATION.**

- (a) Employer Name: Palm Beach County Board of County Commissioners  
 Type of Entity:  State  County  Municipality  Township  Police/Fire  
 College, University or Community College  K-12 School District  
 Other (specify): \_\_\_\_\_
- (b) Employer Address: 301 North Olive Avenue  
West Palm Beach, FL 33401
- (c) Employer Telephone Number: (561) 616-6873
- (d) Employer Fiscal Year Ends on: 09/30
- (e) Plan Name: Palm Beach County 401(a) Special Pay Plan ("Plan")
- (f) Plan Number (001, 002, etc.): 001
- (g) Original Effective Date of Plan Adoption: 1/1/24  
*(Not earlier than first day of Plan Year within which the original Plan is adopted)*
- (h) If an Amendment and Restatement, Effective Date of such Amendment and Restatement: \_\_\_\_\_  
*(Not earlier than first day of Plan Year within which the amendment and restatement is adopted)*

**THIS PLAN MAY BE ADOPTED ONLY BY A STATE GOVERNMENT  
OR A POLITICAL SUBDIVISION THEREOF OR AN AGENCY OR  
INSTRUMENTALITY OF EITHER OF THE FOREGOING.**

2. **PLAN DEFINITIONS.**

(a) **Plan Year.** The Plan Year is the 12-month period:

commencing each: 1/1

and ending the following: 12/31  
*(enter date 12 months subsequent to commencement of Plan Year)*

except that if the initial Effective Date is a date other than the first day of the Plan Year specified above, the first Plan Year, other than for purposes of the limitation year under Plan Section 7.03, is the short period beginning on the Effective Date and ending on the immediately following Plan Year ending date.

(b) **Compensation.** For purposes under the Plan, including the allocation of all contributions, Compensation means (*check one*):

***INCLUSIONS***

- (i) W-2 wages for the calendar year ending with or within the Plan Year
- (ii) Wages actually paid during the Plan Year that are reportable as wages on Form W-2 (even though reported in two different taxable years of the recipient)
- (iii) The basic annual rate of compensation in effect at the beginning of each Plan Year

***EXCLUSIONS***

Compensation means all compensation, as defined above, *except* for amounts in excess of the annual limit described in Plan Section 11.09, and also excluding (*check only those items that are excluded, if any*):

- (iv) Overtime pay
- (v) Bonuses
- (vi) Amounts earned prior to the date of commencement of participation in the Plan
- (vii) Single sum amounts received on account of death or separation from service under a bona fide vacation, compensatory time or sick pay plan or under severance pay plans

SIGNATURE PAGE

(Revised 02/04/22)

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida has made and executed this Contract on behalf of the COUNTY and BENCOR, INC. has hereunto set its hand the day and year above written.

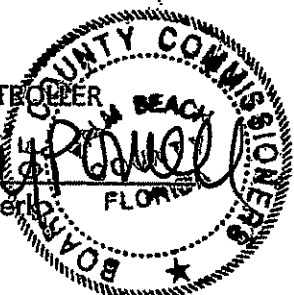
ATTEST:

R2024 1225

Attest:

JOSEPH ABRUZZO  
CLERK AND COMPTROLLER

By:   
Deputy Clerk



SEP 17 2024

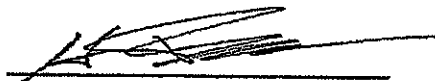
PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS:

By:   
Maria Sachs, Mayor

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY

By:   
County Attorney

BENCOR:  
US BENCOR MidAmerica  
Company Name

  
Signature

APPROVED AS TO TERMS AND CONDITIONS

Wayne  
By: Condry O.   
Department Director

Typed Name: Hugh Bishop

Title: President

(corp. seal)

BENCOR, INC. HEREBY AUTHORIZES USE OF THE BENCOR PLAN BY THE ABOVE-NAMED EMPLOYER AS REPRESENTED BY THIS ADOPTION AGREEMENT AND THE ACCOMPANYING PLAN DOCUMENT AND TRUST (OR CUSTODIAL) AGREEMENT, EACH OF WHICH IS NUMBERED AND REGISTERED WITH BENCOR, INC. ANY USE OF THESE NUMBERED DOCUMENTS BY ANY OTHER ENTITY IS EXPRESSLY PROHIBITED BY THE COPYRIGHT LAWS OF THE UNITED STATES.

{BENCOR/CSOBY/L1}  
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(08/16/2021)

**BENCOR, INC.**  
BENCOR Administrative Services  
P.O. Box 1429  
Brentwood, TN 37024-1429  
Plan Sponsors: 844-249-4520 Participant Service Center:  
866-296-9712 Fax: 888-500-7111

- (viii) Any compensation that is in excess of the FICA contribution base described in Code Section 3121(a)(1) that is in effect at the beginning of the Plan Year
- (ix) Compensation provided in any form other than cash

**POST YEAR-END PAYMENTS**

Compensation (*not excluded above*) shall include (*check one*):

- only amounts for the year in which actually paid, or
- amounts paid both during the year and within the immediately subsequent year, but only if attributable to that previous year and paid within 2½ months after such year end.

**CERTAIN DEFERRED AND OTHER COMPENSATION**

Compensation (*check one*):

- shall
- shall not

include any amount deferred and not otherwise currently counted in the Employee's gross income pursuant to a grandfathered government cash or deferred plan under Code Section 401(k), an eligible deferred compensation plan under Code Section 457(b), a tax-sheltered annuity plan under Code Section 403(b), a cafeteria plan under Code Section 125 or elective amounts not included in the Participant's gross income by reason of Code Section 132(f)(4).

- (c) Plan Administration. The Bencor Plan shall be administered by a third-party Administrator, who shall be appointed from time to time by BENCOR. The Administrator shall have responsibility for all functions specifically described herein, in the BENCOR Plan and its Trust (or Custodial) Agreement. Other day-to-day administrative functions and decisions shall be handled by (*check one, and provide additional information, if applicable*):

- (i) A Committee consisting of 3 (*number*) persons identified in the chart below; individuals may be identified by specific name or title. Place an asterisk [\*] in the column after the name or title of each person who is authorized to act for and on behalf of the Committee in communicating directions.

Name and/or Title	*	Address	Telephone Number
Assistant County Administrator (HR)	*	301 North Olive Ave., West Palm Beach, FL 33401	(561)355-3838
Director Human Resources	*	301 North Olive Ave., West Palm Beach, FL 33401	(561)616-6888
Director Finance and Budget	*	301 North Olive Ave., West Palm Beach, FL 33401	(561)355-2395

- (ii) The following person:

Name and/or Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

- (iii) Other (specify):

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email: \_\_\_\_\_

If an employee, give title: \_\_\_\_\_

Unless BENCOR is notified otherwise in writing by one or more of the persons with authority designated above, directions regarding account investments may be accepted only from the Administrator.

- (d) Agent for Service of Process. The Agent for Service of Process is (check one and provide additional information, if applicable):

- (i) Person(s) specified in (c) above

- (ii) Other (specify):

Name: Palm Beach County Attorney's Office

Address: 301 N. Olive Ave., West Palm Beach, FL 33401

If an employee, give title: \_\_\_\_\_

(e) Normal Retirement Age. Normal Retirement Age is (*check one*):

- (i) The normal retirement age specified by the retirement system of the state, city, county or other jurisdiction generally applicable to employees of the Employer
- (ii) Age \_\_\_\_\_ or, if later, completion of \_\_\_\_\_ (*not more than 10*) years of participation in the Plan
- (iii) Not applicable; the Plan does not permit in-service distributions prior to age 62.

*Effective for Plan Years beginning on or after January 1, 2015 (or any later date permitted by IRS Notice 2012-29), a Normal Retirement Age of less than age 62 must satisfy Treasury Regulation 1.401(a)-1(b)(2), except for a group of employees substantially all of whom are qualified public safety employees, for whom normal retirement age may be age 50 or later.*

**See Article 11 of the BENCOR Plan for other important definitions.**

**3. ELIGIBILITY PROVISIONS.**

(a) Eligible Classes of Employees.

- (i) For purposes of contributions under Part 4(a), all (*check each that applies*)
- Part-Time,  Seasonal and  Temporary Employees shall be eligible to participate in the Plan for any given Plan Year, except (*check applicable exclusions*) --
- (A) Employees who currently are covered by and actively participating in (*check each applicable category*):
- a government retirement system
  - any retirement system or plan sponsored by the Employer (*other than this Plan*)
  - a tax deferred annuity under Code Section 403(b) at the Employer
  - an eligible deferred compensation plan of the Employer under Code Section 457(b)

*Any exclusions selected in (A) above do not apply to retirees receiving benefits from such plans or to persons entitled only to deferred vested benefits who are not currently participating in such plans.*

- (B) Highly Compensated Employees, as defined by Plan Section 11.15
- (C) Employees who have not reached at least age \_\_\_\_\_ by the end of the Plan Year (Maximum age 55)
- (D) Employees who have completed fewer than \_\_\_\_\_ years of service (as defined by applicable state law) with the Employer by the end of the Plan Year (Maximum 10 years)
- (E) Employees who have retired under the applicable state retirement system and are receiving benefits from that system but who have returned to work
- (F) Employees who work less than full-time in a non-professional capacity who also are students at the school, college, university or affiliated organization that employs them, as determined under the standards of Rev. Proc. 2005-11.

(ii) For purposes of contributions under Part 4(b), all Employees who, on or after October 19, 2024, except those whose employment terminates on account of death, shall be eligible to participate in the Plan who are are not (check one of the foregoing and then check all that apply below):\*

- |   |  |
|---|--|
| <input type="checkbox"/> Instructional staff as defined by state law              | <input type="checkbox"/> Cafeteria/food service workers  |
| <input type="checkbox"/> Educational support employees as defined by state law    | <input type="checkbox"/> Janitorial/custodial staff  |
| <input type="checkbox"/> Technical employees                                      | <input type="checkbox"/> Health care employees   |
| <input checked="" type="checkbox"/> Full-time administrators                      | <input type="checkbox"/> Secretaries/clerks  |
| <input checked="" type="checkbox"/> Permanent employees                           | <input type="checkbox"/> Hourly employees  |
| <input type="checkbox"/> Superintendents/presidents                               | <input type="checkbox"/> Drivers/transportation employees  |
| <input type="checkbox"/> Supervisory employees                                    | <input type="checkbox"/> Support employees (non-union)   |
| <input type="checkbox"/> Confidential employees                                   | <input type="checkbox"/> Support employees (civil service)   |
| <input type="checkbox"/> Public school administrators                             | <input checked="" type="checkbox"/> Executive and/or professional support staff                    |
| <input type="checkbox"/> Group program employees (specify program name):<br>_____ | <input checked="" type="checkbox"/> All full-time employees  |
| <input type="checkbox"/> School resource/police officers                          | <input type="checkbox"/> Part-time, seasonal and temporary employees                               |
|   | <input type="checkbox"/> Non-Administrative, Supervisory, Consultative and Psychological employees |

- Non-union classified employees
- Non-bargaining unit employees
- Bargaining unit employees who are members of (specify union(s)):  
\_\_\_\_\_
- Employees who have completed fewer than \_\_\_\_\_ years of service (as defined by state law) with the Employer by the end of the Plan Year (Maximum 10 years)

- Employees who are under the age of \_\_\_\_\_ by the end of the Plan Year (Maximum age 55)
- Other classification similar to ones listed in this item, not related to age or years of service and not naming specific individuals (specify):  
Permanent part-time employees (that have accumulated sick and vacation leave balances)  
\_\_\_\_\_  
\_\_\_\_\_

\*provided that any such eligible Employees who are members of a bargaining unit will not be eligible unless such bargaining unit is specified

- (b) Waiver of Participation. Individuals shall not be permitted to waive the right to participate in the Plan.

4. **CONTRIBUTIONS.**

In accordance with Article 3 of the BENCOR Plan, the option(s) chosen in this section must result in contributions being made for the exclusive benefit of Participants and Beneficiaries and be of a substantial and recurring nature as required by Treasury Regulations Sections 1.401-1(a)(3) and 1.401-1(b)(2).

- (a) **For every eligible employee selected in Part 3(a)(i) above, the following types of Employer Basic Contributions are provided under the Plan (check each applicable type and fill in other information, as applicable):**

- (i) Employer pick-up contributions under Code Section 414(h)(2), made on an employee salary reduction basis by each eligible Participant, in the amount of (insert percentage greater than 0%) \_\_\_\_\_ % of each eligible Participant's Compensation
- (ii) Employer fixed contributions in the amount of (insert percentage greater than 0%) \_\_\_\_\_ % of each eligible Participant's Compensation
- (iii) Employer discretionary contributions in amounts determined annually by written action of the Employer prior to the close of the Plan Year, allocated to each Participant's Account in proportion to his or her Compensation for the year

**Use Attachment A if contribution types or amounts vary by eligible class of employee.**



(b) For every eligible employee selected in Part 3(ii) above, the following types of Employer Special Pay Contributions are provided under the Plan for which an Employee does not have the option of receiving a current cash payment in lieu of the contribution specified (check each applicable contribution type and fill in other information, as applicable):

(i) Employer contributions in the amount of 100 % of a Participant's accumulated and unused sick leave pursuant to then-existing County policy of not less than (check one and insert any minimum dollar amount or time period that must be contributed):

MINIMUM  \$ 2,500  \_\_\_\_\_ days,

but not more than (check one and insert any maximum dollar amount or time period for contribution to the Plan):

MAXIMUM  \$ \_\_\_\_\_  \_\_\_\_\_ days.

(ii) Employer contributions in the amount of 100 % of a Participant's accumulated and unused vacation leave of not less than (insert any dollar amount or time period that must be contributed):

MINIMUM  \$ 2,500  \_\_\_\_\_ days,

but not more than (check one and insert any maximum dollar amount or time period for contribution to the Plan):

MAXIMUM  \$ \_\_\_\_\_  \_\_\_\_\_ days.

If both Part 4(b)(i) and 4(b)(ii) are selected, for purposes of meeting any minimum contribution requirement above, a Participant's sick and vacation leave shall be combined and the total of the two must be greater than or equal to \$2,500.

**Use Attachment A if contribution types or amounts vary by eligible class of employee.**

*If local laws or the Employer's employment policies refer to accumulated sick and/or vacation leave by some other name (e.g., "annual leave," "personal paid time off" or "terminal pay"), insert applicable terminology below. Note that any such leave must accrue over the employee's employment history and be available for use by the employee at his or her option for sickness, vacation or other time off work, without imposition of other conditions such as training or other duties or severance.*

Accumulated sick leave is called: Eligible sick leave pursuant to existing employer policy

Accumulated vacation leave is called: Eligible vacation leave pursuant to existing employer policy

For purposes above, the Employer contributions shall be credited to each eligible Participant's Account (*check one or more as applicable*):

for each Plan Year

for the Plan Year of the Participant's separation from service

for the Plan Year(s) during which the Participant is enrolled in a Deferred Retirement Option Program authorized by applicable state or local law

For the \_\_\_\_\_ (*maximum of 5*) Plan Year(s) preceding the year of the Participant's contracted retirement or other fixed termination of employment

for each Plan Year as of the end of which the Participant has unused leave time

Any dollar amount of eligible accumulated leave shall be based upon the product of the Participant's (*check one*):

hours  days  weeks

of eligible accumulated leave, and his/her (*check one*):

current rate of pay

rate(s) of pay in effect when the leave was earned

rate of pay as prescribed by applicable statute or written employment policy for each eligible Participant

(c) Rollover contributions to this Plan by employees from another eligible retirement plan (*check one*):

are permitted

are not permitted

***See Plan Section 7.03 for applicable Internal Revenue Code limitations on annual additions.***

5. **INVESTMENT OF PLAN ASSETS.** Plan assets shall be invested at the direction of (*check one in each category*):

**Employer Basic Contributions specified in Part 4(a):**

(i) The Employer

(ii) Participants (*self-directed investment of individual Accounts by Participants*)

- (iii) Not applicable (*these contributions are not permitted above*).

**Employer Special Pay Contributions specified in Part 4(b):**

- (i) The Employer
- (ii) Participants (*self-directed investment of individual Accounts by Participants*)
- (iii) Not applicable (*these contributions are not permitted above*)

**Employee Rollover Contributions:**

- (i) The Employer
- (ii) Participants (*self-directed investment of individual Accounts by Participants*)
- (iii) Not applicable (*these contributions are not permitted above*)

6. **DISTRIBUTIONS.** A Participant's Account shall be distributed pursuant to Article 6 of the Plan document. The following options apply under this Plan (*check as applicable*):

**REQUIRED**

- (i) **Lump Sum Payment** - Payable as soon as administratively feasible after the Participant's separation from service (*This is the normal form of payment.*)
- (ii) **Direct Rollover** - Payable in whole or in part directly to another eligible retirement plan as described in Plan Section 6.02(f).

**OPTIONAL**

- (iii) **Installment Payments** - Payable on future dates elected by the Participant
- (iv) **Deferred Lump Sum Payment** - Payable on a future date elected by the Participant
- (v) **Annuity Contract** - Payments at such time and in such form as selected by the Participant under any group annuity contract funding the Plan or individual non-transferrable annuity purchased for the Participant's Account
- (vi) **In-Service Distributions** - Transfers to a state retirement system in which the Participant also participates to purchase additional service credit under that system

7. **LOANS.** Subject to the procedures and limitations set forth in Plan Section 6.05, a Participant may borrow from his/her (*check all that apply*):
- (i) Employer Basic Contribution Account
  - (ii) Employer Special Pay Contribution Account
  - (iii) Rollover Contribution Account
  - (iv) Not Applicable (loans are not permitted under the Plan)
8. **AMENDMENT INFORMATION.** The terms of this Adoption Agreement may be amended from time to time by a written amendment executed by the Employer and BENCOR. BENCOR may amend the Adoption Agreement and/or the BENCOR Plan if the amendment is one that is required by law to maintain the qualified status of the Plan under Code Section 401(a) or to facilitate administration. If the Employer rejects an amendment that is required by law or that facilitates administration within any time frame specified by the amendment, the Employer's Plan will cease to be considered an IRS approved pre-approved plan and will become an individually designed plan. BENCOR will inform the Employer of any amendments that are made to the Plan or of the discontinuance or abandonment of the BENCOR Plan. The elections or specifications set forth in this Adoption Agreement may be amended from time to time by the Employer by execution of a new Adoption Agreement or other written amendment accepted by BENCOR, which shall be effective as provided therein or on such later date as the new agreement or amendment is accepted by BENCOR. No amendment to the Plan shall deprive any Beneficiary, Participant or former Participant of any benefits to which he/she may be entitled thereunder, unless such amendment is required for the Plan to meet those requirements of Code Section 401(a) that apply to governmental plans.
9. **DESIGNATION OF TRUSTEE AND SECURITIES ACT OF 1933.** The Employer designates the Trustee (or Custodian), as named from time to time by BENCOR, to accept, hold and manage contributions made under the Plan pursuant to the terms of the Trust (or Custodial) Agreement, a copy of which has been delivered to the Employer, and in accordance directions of the Administrator of the Plan. The Employer shall be notified by BENCOR of any change in the Trustee (or Custodian) or amendment to the Trust (or Custodial) Agreement. Operation of the fund will be governed by the terms of the Trust (or Custodial) Agreement as in effect from time to time. In the case of an investment option or vehicle held under the Trust (or Custodial) Agreement that is subject to the Securities Act of 1933, and provided the participants' interest in the Plan is exempt from the requirements of such Act, the participants or their beneficiaries shall not, except upon their written, telephonic or electronic request to the Administrator or by written instruction of the Employer to the Administrator, be provided with copies of any prospectuses, financial statements and reports, or of any other materials relating to such investment option or vehicle (including, without limitation, materials provided to the Plan relating to the exercise of voting, tender or similar rights that are incidental to the holding of an ownership interest in such investment option or vehicle).

10. **EMPLOYER SIGNATURE.** The Employer acknowledges that it has counseled with its own selected legal and tax advisers concerning its authority to adopt the Plan and with respect to the legal, tax and financial consequences of the Plan for the Employer and its eligible employees. The Employer understands that it may rely upon approval of the BENCOR Plan by the Internal Revenue Service as a pre-approved plan to the extent permitted by Revenue Procedures 2016-37 and 2017-41, only if the Employer's plan is identical to the pre-approved plan, and if this Adoption Agreement is completed by selecting from the available choices and without any substantive textual changes, amendments, deletions or modifications to the Adoption Agreement or the BENCOR Plan, and as long as all other requirements of Revenue Procedures 2016-37 and 2017-41 for such reliance have been satisfied. To obtain reliance with respect to initial qualification of the Plan as adopted by the Employer *with any substantive textual changes*, the Employer, with the assistance of the Administrator, may apply to the Internal Revenue Service for its own determination letter to obtain reliance on qualification. The person signing below on behalf of the Employer represents that he/she has the requisite authority to act for the Employer in the adoption of this Plan and designation of the Trustee (or Custodian); and BENCOR, the Trustee (or Custodian) and the Administrator are entitled to rely on that authority, and further each one shall be fully protected in taking, permitting or omitting any action with respect to the Plan on the faith of that authority and all subsequent actions and directions of the Employer, and no one of them shall incur any liability for carrying out the actions and directions of the Employer, provided that the actions or directions are consistent with the terms of this Plan and are not in violation of the applicable law.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

**ATTACHMENT A  
TO THE  
BENCOR  
NATIONAL GOVERNMENT  
EMPLOYEES RETIREMENT PLAN™  
ADOPTION AGREEMENT**

*Specify the group from Part 3 and the applicable percentages or amounts from Part 4.*

<b>ELIGIBLE EMPLOYEE CLASS</b>				
<b>EMPLOYER BASIC CONTRIBUTIONS</b>				
4(a)(i) Employer Pick-up Contributions <i>(specify percent greater than 0%)</i>				
4(a)(ii) Employer Fixed Contributions <i>(specify percent greater than 0%)</i>				
4(a)(iii) Employer Discretionary Contributions				
<b>EMPLOYER SPECIAL PAY CONTRIBUTIONS</b>				
4(b)(i) Employer Sick Leave Contributions MIN/MAX (if any)				
4(b)(ii) Employer Vacation Leave Contributions MIN/MAX (if any)				
<b>ROLLOVER</b>				
4(c) Rollover Contributions				

CONTRACT EXHIBIT C

NONGOVERNMENTAL ENTITY HUMAN TRAFFICKING AFFIDAVIT  
Section 787.06(13), Florida Statutes

THIS AFFIDAVIT MUST BE SIGNED AND NOTARIZED

I, the undersigned, am an officer or representative of BENCOR, Inc.  
(Consultant) and attest that Consultant does not use coercion for labor or services as defined in  
section 787.06, Florida Statutes.

Under penalty of perjury, I hereby declare and affirm that the above stated facts are true and  
correct.

  
(signature of officer or representative)

Hugh Bishop, Executive Chairman  
(printed name and title of officer or representative)


State of Florida, County of Palm Beach

Sworn to and subscribed before me by means of  physical presence or  online notarization this,  
13<sup>th</sup> day of September, by Hugh Bishop

Personally known  OR produced identification .

Type of identification produced \_\_\_\_\_

Carole J. Dubosky  
NOTARY PUBLIC  
My Commission Expires: 3/19/2026  
State of Florida at large

 CAROLE J. DUBOSKY  
Notary Public  
State of Florida  
Comm# HH234281  
Expires 3/19/2026

(Notary Seal)

**APPENDIX TO THE  
PALM BEACH COUNTY 401(a) SPECIAL PAY PLAN (“PLAN”)  
FOR  
APPLICATION FOR EARLY WITHDRAWAL OFFSET PROVISION PAYMENT**

All Employer contributions to the 401(a) Special Pay Plan are exempt from Social Security (6.2%) and Medicare (1.45%) taxes. Therefore, employees whose taxable wages for the year of separation from service are less than that year’s Social Security wage base (\$168,600 for 2024) enjoy tax savings of 7.65%; employees whose taxable wages for the year of separation from service are greater than that year’s Social Security wage base enjoy tax savings of 1.45%.

In recognition of certain employees incurring an additional 10% early withdrawal tax (“early withdrawal penalty”), Palm Beach County Board of County Commissioners (“Employer”) wishes to mitigate the effect of such early withdrawal penalty via this Early Withdrawal Offset Provision by making a payment to such Former Employees for the difference between 10% of the contribution amount and the amount of tax savings as described in the previous paragraph. This generally results in a payment of up to 2.35% (10% penalty minus 7.65% previous savings on Social Security and Medicare taxes). However, individuals who have met their FICA salary limit before separating from employment would receive an 8.55% (10% penalty minus 1.45% savings) payment for amounts over the FICA limit. Such payment will be issued as a “vendor payment” and reported on form 1099-M.

To be eligible for the Early Withdrawal Offset Provision payment, the Former Employee:

- Will not have reached at least age 55 by December 31 of the year of separation from service; OR
- In the case of a public safety employee:
  - will not have reached at least age 50 by December 31 of the year of separation from service; OR
  - will have less than 25 years of service as of the date of separation from service.

To qualify to receive the Early Withdrawal Offset Provision payment, the Former Employee must:

- Within 60 days of their separation from service, receive a taxable cash distribution from the 401(a) Special Pay Plan account; AND
- Within ten (10) days of receiving such distribution, submit application to the employer’s Human Resources Department for the Early Withdrawal Offset Provision payment.

As soon as administratively feasible after receipt in good order of the Former Employee’s application for the Early Withdrawal Offset Provision payment and W-9 with current address, the Employer will make payment to the Former Employee.



**APPENDIX TO THE  
PALM BEACH COUNTY 401(a) SPECIAL PAY PLAN ("PLAN")  
FOR  
APPLICATION FOR EARLY WITHDRAWAL OFFSET PROVISION PAYMENT**

\_\_\_\_\_  
Today's Date

\_\_\_\_\_  
Employee Identification Number

\_\_\_\_\_  
Former Employee Last Name (Print)    Former Employee First Name (Print)

\_\_\_\_\_  
Date of Termination

I have received a distribution from my PBC 401(a) Special Pay Plan account. \_\_\_\_\_ (initial here)

I understand that I must have requested the distribution within sixty (60) days of separation from employment in order to be eligible for the Early Withdrawal Offset Provision payment (EWOPP). I received a distribution from my PBC 401(a) Special Pay Plan account on the following date: \_\_\_\_\_ (initial here)

I am requesting the Early Withdrawal Offset Provision payment (EWOPP) and I attest that I have submitted this application to my former employer's HR department within ten (10) days of receiving a distribution from my PBC 401(a) Special Pay Plan account. \_\_\_\_\_ (initial here)

I have attached a signed W-9 with my current address for mailing of the Early Withdrawal Offset Provision payment (EWOPP). \_\_\_\_\_ (initial here)

By signing, I attest that the above is true and accurate. Former Employee's Signature: \_\_\_\_\_

\*Once completed, email this document to PBC Human Resources at [HR-401aWithdrawal@pbc.gov](mailto:HR-401aWithdrawal@pbc.gov) for processing.\*

**Section 1: For Human Resources' Authorization**

Separation from Employment Date: \_\_\_\_\_

Date of EWOPP Request: \_\_\_\_\_

1. Did the former employee request the 401(a) Special Pay Plan distribution within 60 days from the date of termination? YES or NO  
(If yes, proceed. If no, stop here. Employee is not eligible for offset provision.)
  
2. Is the former employee required to pay an early withdrawal penalty due to age or years of service? YES or NO  
(If yes, proceed. If no, stop here. Employee is not eligible for offset provision.)
  
3. Did the former employee complete this EWOPP application within ten (10) days of the vendor releasing the distribution to the employer's Human Resources Department for the Early Withdrawal Offset? YES or NO  
(If yes, proceed. If no, stop here. Employee is not eligible for offset provision.)

Human Resources authorizes the Early Withdrawal Offset Provision payment to the former employee.

Budget Line Item: \_\_\_\_\_ (Enter F/D/U from Former Employee's separation from employment Personnel Action Form.)

Total Amount of Offset Provision: \$ \_\_\_\_\_

\*Attach Former Employee's W-9 and copy of vendor's distribution report to this EWOPP request. Email both documents to the Clerk and Comptroller at [BCC-GCC@mypalmbeachclerk.com](mailto:BCC-GCC@mypalmbeachclerk.com) \*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title