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Addendum # 1 457b Plan Recordkeeping and Administration

Date of Addendum: 12/15/23

NOTICE TO ALL BIDDERS AND PLANHOLDERS

The Proposal Documents for the above-referenced Project are modified as set forth in this Addendum. The original Proposal Documents and any previously issued addenda remain in full force and effect, except as modified by this Addendum, which is hereby made part of the Proposal Documents. Vendors will take this Addendum into consideration when preparing and submitting a Proposal and shall acknowledge receipt of this Addendum in the space provided in the Proposal Documents.

PROPOSAL SUBMITTAL DEADLINE

The Proposal submittal time has been extended to Thursday, January 25, 2024 at 2:30pm.

1.0 – ATTACHMENTS

Item	Description
1.1	Current County plan documents including two adoption agreements
1.2	Worcester County Deferred Compensation Plan Retirement Plan Health Review – 9/30/2023

2.0 – QUESTIONS AND ANSWERS

The following questions and answers are provided as a matter of information to clarify issues raised about the Proposal Documents.

Item	Questions and Answers
2.1	Q. In order to respond to the RFP, we need to determine if our recordkeeping capabilities match the needs of your plan. As standard protocol, our plan compliance team is requesting if you can share the plan document(s) for your 457(b) plan. A. Please see attached.
2.2	Q. Please provide the current fund line-up, including asset allocation, CUSIPS, tickers, etc. A. Please see attached.

END OF ADDENDUM

**Basic Plan Document For Governmental
457 Deferred Compensation Plan and Trust**

BASIC PLAN DOCUMENT FOR GOVERNMENTAL 457 DEFERRED COMPENSATION PLAN AND TRUST

The Employer named on an Adoption Agreement for this 457 Deferred Compensation Plan and Trust, by executing the Adoption Agreement, establishes a 457 Plan intended to conform to and qualify under Code §457 of the Internal Revenue Code of 1986, for a Governmental Entity described in Code §457(e)(1)(A). If the Employer adopts this Plan as a restated Plan in substitution for, and in amendment of, an existing plan, the provisions of this Plan, as a restated Plan, apply solely to an Employee who severs employment with the Employer on or after the restated Effective Date of the Employer's Plan. If an Employee severs employment with the Employer prior to the restated Effective Date, that Employee is entitled to benefits under the Plan as the Plan existed on the date of the Employee's severance from employment.

This Basic Plan Document establishes the provisions of the Plan, and upon execution of the Adoption Agreement by the trustee, also includes an agreement establishing a Trust under the provisions of Article VIII below, which is intended to be qualified under Code §457(g) to hold the assets of the Plan. With the consent of SDI, Plan assets may also (or instead) be held by one or more different trustees under a separate trust agreement or in the form of one or more annuity contracts issued by a duly qualified insurance company, provided that any such separate trust or annuity contract also satisfies the requirements of Code §§ 401(f) and 457(g), and provided finally that in the event of a conflict between this Plan (other than Article VIII) and such separate trust or annuity contract, the provisions of this Plan shall control.

ARTICLE I – DEFINITIONS

- 1.01 **“Account”** means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including all Deferred Compensation contributed for the Participant, the earnings or loss of the Fund (net of Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account shall be maintained for each Beneficiary. The Account includes any account established under Articles III and VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).
- 1.02 **“Beneficiary”** means the designated person who is entitled to receive benefits under the Plan after the death of a Participant.
- 1.03 **“Code”** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- 1.04 **“Compensation”** means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer compensation under Article II. The Plan Administrator will take into account only Compensation actually paid for the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306.
- 1.05 **“Deferred Compensation”** means the total amount of all contributions made to the Plan on behalf of the Participant for a Plan Year, including Elective Deferrals and, if permitted, Matching Contributions and Employer Contributions.
- 1.06 **“Effective Date”** of this Plan is the date specified in the Employer's Adoption Agreement. However, the Plan applies to the applicable Plan provision any delayed effective date permitted by the Code, by Treasury regulation, or by other guidance published in the Internal Revenue Bulletin.
- 1.07 **“Elective Deferrals”** are salary reduction contributions and cash or deferred contributions the Employer contributes to the Trust on behalf of an eligible Employee, irrespective of whether, in the case of cash or deferred contributions, the contribution is at the election of the Employee.

- 1.08 **“Employee”** means each natural person, whether appointed or elected, who is employed and designated by the Employer as a common law employee, excluding any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan. The Plan excludes leased employees (Code §414(n)).
- 1.09 **“Employer”** means each State governmental entity which adopts this Plan by executing and Adoption Agreement.
- 1.10 **“Includible Compensation”** means an Employee’s actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer Compensation under Article II).
- 1.11 **“Independent Contractor”** means any individual who performs service for the Employer and who the Employer does not treat as an Employee or a leased employee. If the Employer provides contributions for any Independent Contractors under the Plan, references to Employee in the Plan will include Independent Contractors.
- 1.12 **“Normal Retirement Age”** means any age designated by the Participant: (a) on or after the earlier of age 65 or the age at which the Participant has the right to retire and receive, under any basic defined benefit or money purchase pension plan of the Employer, immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, and (b) not later than age 70 ½. Any Plan Participant who is a qualified police or firefighter as described in Code §415(b)(2)(H)(ii)(I) may designate a normal retirement age between age 40 and age 70 ½.
- 1.13 **“Participant”** means an individual who is currently or who has previously received contributions under the Plan and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as a common law Employee or, where specified by the Employer, as an Independent Contractor, may receive contributions under the Plan.
- 1.14 **“Plan”** means the 457 Deferred Compensation Plan established or continued by the Employer in the form of an Adoption Agreement and this Plan and Trust Agreement. The Employer will designate the name of the Plan in its Adoption Agreement. The Plan maintained by each adopting Employer is a separate Plan, independent from the plan of any other employer adopting this or a similar 457 Plan. All section references within the Plan are Plan section references unless the context clearly indicates otherwise.
- 1.15 **“Plan Administrator”** is the Employer unless the Employer designates another person to hold the position of Plan Administrator. The Employer may alternatively designate another person or organization to perform duties assigned to the Plan Administrator under this Agreement.
- 1.16 **“Plan Year”** means the 12 month fiscal year of the Plan, which is the calendar year unless otherwise specified in the Employer’s Adoption Agreement.
- 1.17 **“Salary Reduction Agreement”** means an enrollment form or other written agreement between the Employee and the Employer, by which the Employer reduces the Employee’s Compensation for Compensation not available as of the date of the election and contributes the amount as an Elective Deferral to the Employee’s Account.
- 1.18 **“SDI”** means Security Distributors, Inc., which has provided this sample plan document and which receives contributions made under the plan for the purchase of trust account or annuity contract investment products it distributes and makes available under the Plan. SDI is an affiliate of Security Benefit Corporation.
- 1.19 **“Service”** means any period of time the Employee is in the employ of the Employer. In the case of an independent contractor, Service means any period of time the independent contractor performs services for the Employer on an independent contractor basis. A common law employee terminates Service (other than by death) when he/she has a Severance from Employment or has retired. An independent contractor terminates Service (other than by death) when his contract(s) with the Employer, under which he/she performs services, expires, unless the Employer anticipates a renewal of the contractual relationship. The Employer anticipates renewal if it intends to contract for the services provided under the expired contract and neither the Employer nor the independent contractor has eliminated the independent contractor as a potential provider of such services under the new contract. Furthermore, the Employer anticipates renewal if the Employer intends to contract with the independent contractor under a new contract conditioned on the Employer’s need for the services provided under the expired contract or the Employer’s availability of funds. Notwithstanding the preceding provisions of this Section 1.19, the Plan Administrator will consider an independent contractor terminated from Service on the date twelve months after his

contract for services expires, provided the independent contractor has not performed services for the Employer as an independent contractor nor as a common law employee within such twelve-month period.

- 1.20 **“Severance from Employment”** means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Plan Administrator (and taking into account guidance issued under the Code).
- 1.21 **“State”** means a State (treating the District of Columbia as a State as provided under §7701(a)(10)), a political subdivision of a State, and any agency or instrumentality of a State.
- 1.22 **“Trust”** means the Trust created under Article VIII of this Plan. The Trust created and established under the adopting Employer’s Plan is a separate Trust, independent of the trust of any other Employer adopting this 457 Deferred Compensation Plan. Where the context of a specific provision of this Plan requires (other than Article VIII), any separate trust, custodial agreement, or annuity contract shall be considered the Trust for that provision.
- 1.23 **“Trust Agreement”** means a written agreement (or declaration) made by and between the Employer and the Trustee under which the Trust Fund is maintained, including the provisions of Article VIII below.
- 1.24 **“Trustee”** means UMB Bank, n.a., or such other person or persons who as Trustee execute the Employer’s Adoption Agreement, or any successor in office who in writing accepts the position of Trustee. Where the context of a specific provision of this Plan requires (other than Article VIII), any trustee under a separate trust agreement, custodian under a custodial agreement, or insurance company that issues annuity contracts shall be considered the Trustee.
- 1.25 **“Trust Fund”** means the trust fund created under and subject to the Trust Agreement.
- 1.26 **“Valuation Date”** means the last day of the Plan Year and such other times as the assets of the Plan may be valued. The Plan Administrator will allocate Employer contributions and forfeitures for a particular Participant as of the Valuation Date next following the date of remittance to the Trust, at least once each Plan Year on the last Valuation Date of that Plan Year.

ARTICLE II – PARTICIPATION IN PLAN

- 2.01 **ELIGIBILITY FOR DEFERRAL CONTRIBUTIONS.** Unless otherwise provided in an Adoption Agreement, each Employee becomes eligible to participate in the Plan for the purpose of making Elective Deferrals immediately upon the later of the Effective Date of this Plan or upon the date he/she becomes an Employee.
- 2.02 **ELECTION REQUIRED FOR PARTICIPATION.** An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf) and filing a Salary Reduction Agreement with the Plan Administrator. The Salary Reduction Agreement form shall be provided by the Plan Administrator and shall require the Employee to agree to be bound by all the terms and conditions of the Plan. The Plan Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The Salary Reduction Agreement (or a separate form obtained at that time) shall also include designation of investment funds and a designation of Beneficiary. Any such election shall remain in effect until a new election is filed.
- 2.03 **COMMENCEMENT OF PARTICIPATION.** An Employee shall become a Participant as soon as administratively practicable following the date the Employee files a participation election pursuant to Section 2.02. Such election shall become effective no earlier than the calendar month following the month in which the election is made. A new Employee may defer compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.
- 2.04 **ELIGIBILITY FOR MATCHING AND NON-ELECTIVE CONTRIBUTIONS.** If Matching Contributions or Non-Elective Contributions may be made to the Plan, as elected in the Adoption Agreement, the Employer shall determine, in its discretion, which Employees shall be eligible to receive such contributions. This determination may be made by classification, by establishing service and/or age requirements consistent with the requirements of the Code, if any, under the terms of individual employment agreements or collective bargaining agreements, or by the Employer individually selecting employees as eligible to receive allocations of Matching Contributions or Non-Elective Contributions. Eligibility conditions may be attached to the Adoption Agreement as an addendum thereto.
- 2.05 **CONTRIBUTIONS MADE PROMPTLY.** Elective Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant’s

Account. For this purpose, Elective Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

- 2.06 **AMENDMENT TO SALARY REDUCTION AGREEMENT.** Subject to other provisions of the Plan, a Participant may at any time revise his or her Salary Reduction Agreement, including a change of the amount of his or her Elective Deferrals, his or her investment direction and his or her designated Beneficiary. Unless the election specifies a later effective date, a change in the amount of the Elective Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Plan Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Plan Administrator.
- 2.07 **LEAVE OF ABSENCE.** Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.
- 2.08 **DISABILITY.** A disabled Participant may elect Elective Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

ARTICLE III – CONTRIBUTIONS/LIMITATIONS ON CONTRIBUTIONS

- 3.01 **CONTRIBUTION FORMULAS.** The Employer will contribute to the Plan on behalf of each Participant the amount determined by application of the contribution formula(s) elected by the Employer in its Adoption Agreement. The formulas may provide for the following types of contributions:

Deferral Contributions. If Deferral Contributions are elected, the Employer will contribute for each Participant the amount, if any, by which the Participant has elected to reduce his/her Compensation for the Plan Year under his/her Salary Reduction Agreement on file with the Plan Administrator. A Participant may make an election to defer Compensation for a month only if the Participant makes an agreement to defer before the beginning of such month.

Employer Matching Contributions. If Matching Contributions are elected, the Employer will contribute for each Participant it determines to be eligible for Matching Contributions the amounts determined under the formula specified in the Adoption Agreement. Matching Contributions shall be fully vested when made and allocated to a Participant’s Account.

Employer Non-Elective Contributions. If Employer Non-Elective Contributions are elected, the Employer shall contribute to the Trust such an amount or amounts as it determines, in its sole discretion, to be allocated to those Employees it determines to be eligible for such contributions. If no contribution allocation formula is specified in the Adoption Agreement, Non-Elective Contributions shall be allocated in accordance with an allocation schedule determined in its sole discretion by the Employer. Non-elective Contributions shall be fully vested when made and allocated to a Participant’s Account.

- 3.02 **BASIC ANNUAL CONTRIBUTION LIMITATION.** The maximum amount of a Participant’s Deferred Compensation under the Plan for any calendar year shall not exceed the lesser of (i) the Applicable Dollar Amount or (ii) the Participant’s Includible Compensation for the calendar year. The Applicable Dollar Amount is the amount established under section 457(e)(15) of the Code applicable as set forth below:

<i>For the following years:</i>	<i>The Applicable Dollar Amount is:</i>
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006 or thereafter	\$15,000 Adjusted for cost-of-living after 2006 to the extent provided under section 415(d) of the Code.

3.03 AGE 50 CATCH-UP DEFERRED COMPENSATION CONTRIBUTIONS. A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Deferred Compensation, up to the maximum age 50 catch-up Deferred Compensation for the year. The maximum dollar amount of the age 50 catch-up Deferred Compensation for a year is as follows:

<i>For the following years:</i>	<i>The maximum age 50 catch-up dollar amount is:</i>
2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006 or thereafter	\$5,000, adjusted for cost-of-living after 2006 to the extent provided under the Code.

3.04 SPECIAL SECTION 457 CATCH-UP LIMITATION. If the applicable year is one of a Participant's last 3 calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.04 exceeds the amount computed under Sections 3.02 and 3.03, then the Deferred Compensation limit under this Article III shall be the lesser of:

- (a) An amount equal to 2 times the Section 3.02 Applicable Dollar Amount for such year; or
- (b) The sum of:
 - (1) An amount equal to (A) the aggregate Section 3.02 limit for the current year plus each prior calendar year beginning after December 31, 2001 during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
 - (2) An amount equal to (A) the aggregate limit referred to in section 457(b)(2) of the Code for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Employee (determined without regard to Sections 3.03 and 3.04), minus (B) the aggregate contributions to Pre-2002 Coordination Plans for such years.

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

3.05 SPECIAL RULES. For purposes of this Article III, the following rules shall apply:

- (a) If the Participant is or has been a participant in one or more other eligible plans within the meaning of section 457(b) of the Code, then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Article III. For this purpose, the Plan Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Plan Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) In applying Section 3.04, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.02 or any other plan ceiling required by section 457(b) of the Code.
- (c) For purposes of Section 3.04(b)(2)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code section 457(b) plan, or a salary reduction or elective contribution under any Code section 401(k) qualified cash or deferred arrangement, Code section 402(h)(1)(B) simplified employee pension (SARSEP), Code section 403(b) annuity contract, and Code section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in section 501(c)(18) of the Code, including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.04(b)(2)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in section 457(b)(2) of the Code for that year.

(d) For purposes of Sections 3.02, 3.03 and 3.04, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent Excess Deferrals under the plan are distributed, as described in Section 3.06. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an Excess Deferral for those prior years.

3.06 CORRECTION OF EXCESS DEFERRALS. If the Deferred Compensation on behalf of a Participant for any calendar year exceeds the limitations described above, or the Deferred Compensation on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under section 457(b) of the Code for which the Participant provides information that is accepted by the Plan Administrator, then the Deferred Compensation, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant.

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

3.08 ELIGIBLE ROLLOVER CONTRIBUTIONS TO THE PLAN.

(a) A Participant who is an Employee and who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Plan Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code.

(b) For purposes of Section 3.08(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (c) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under section 457(b) of the Code. In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is an eligible governmental plan under section 457(b) of the Code.

ARTICLE IV – TIME AND METHOD OF PAYMENT OF BENEFITS

4.01 DISTRIBUTIONS AT RETIREMENT OR OTHER SEVERANCE FROM EMPLOYMENT. Upon retirement or other Severance from Employment (other than due to death), a Participant is entitled to receive a distribution of his or her Account under any form of distribution permitted under Section 4.03 commencing at the date elected under Section 4.02. If a Participant does not elect otherwise, the distribution shall be paid as soon as practicable following Normal Retirement Age or, if later, following retirement or other Severance from Employment and payment shall be made in monthly installments of the minimum annual payments described in paragraph (b) of Section 4.03.

4.02 ELECTION OF BENEFIT COMMENCEMENT DATE. A Participant may elect to commence distribution of benefits at any time after retirement or other Severance from Employment by an election filed before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than the date described in Section 4.08.

- 4.03 FORMS OF DISTRIBUTION.** In an election to commence benefits under Section 4.02, a Participant entitled to a distribution of benefits under this Article may elect to receive payment in any of the following forms of distribution:
- (a) a lump sum payment of the total Account or
 - (b) annual installment payments through the year of the Participant's death, the amount payable each year at least equal to a fraction of the Account equal to one divided by the distribution period set forth in the Uniform Lifetime Table at section 1.401(a)(9)-9, A-2, of the Income Tax Regulations for the Participant's age on the Participant's birthday for that year. If the Participant's age is less than age 70, the distribution period is at least 27.4 plus the number of years that the Participant's age is less than age 70. At the Participant's election, this annual payment can be made in monthly, quarterly, semi-annual or annual installments. The Account for this calculation (other than the final installment payment) is the balance of the Account as of the end of the year prior to the year for which the distribution is being calculated. Payments shall commence on the date elected under Section 4.02. For any year, the Participant can elect distribution of a greater amount (not to exceed the amount of the remaining Account) in lieu of the amount calculated using this formula.
- 4.04 DEATH BENEFIT DISTRIBUTIONS.** Commencing in the calendar year following the calendar year of the Participant's death, the Participant's Account shall be paid to the Beneficiary in a lump sum.
- Alternatively, if the Beneficiary with respect to the Participant's Account is a natural person, at the Beneficiary's election, distribution can be made in annual installments (calculated in a manner that is similar to installments under Section 4.03) with the distribution period determined under this paragraph. If the Beneficiary is the Participant's surviving spouse, the distribution period is equal to the Beneficiary's life expectancy using the single life table in section 1.401(a)(9)-9, A-1, of the Income Tax Regulations for the spouse's age on the spouse's birthday for that year. If the Beneficiary is not the Participant's surviving spouse, the distribution period is the Beneficiary's life expectancy determined in the year following the year of the Participant's death using the single life table in section 1.401(a)(9)-9, A-1, of the Income Tax Regulations for the Beneficiary's age on the Beneficiary's birthday for that year, reduced by one for each year that has elapsed after that year. For any year, a Beneficiary can elect distribution of a greater amount (not to exceed the amount of the remaining Account) in lieu of the amount calculated using this formula.
- 4.05 ACCOUNTS OF \$5,000 OR LESS.** Notwithstanding Sections 4.02, 4.03 and 4.04, if the balance of a Participant's Account is not in excess of \$5,000 (or the dollar limit under section 411(a)(11) of the Code, if greater) on the date that payments commence under Section 4.03 or on the date of the Participant's death, then payment shall be made to the Participant (or to the Beneficiary if the Participant is deceased) in a lump sum equal to all the Participant's Account as soon as practicable following the Participant's retirement, death, or other Severance from Employment. Effective March 28, 2005, however, no mandatory distribution shall be made to or for the benefit of a Participant (or Beneficiary) whose account balance is greater than \$1,000 unless the Participant (or Beneficiary) either elects to have such distribution paid directly to an Eligible Retirement Plan in a direct rollover or elects to receive the distribution directly in accordance with the Plan.
- 4.06 AMOUNT OF ACCOUNT.** Except as provided in Section 4.03, the amount of any payment under this Article IV shall be based on the balance of the Account on the preceding Valuation Date.
- 4.07 REVOCATION OF PRIOR ELECTION.** Any election made under this Article IV may be revoked at any time.
- 4.08 LATEST DISTRIBUTION DATE.** In no event shall any distribution under this Article IV begin later than the later of (a) April 1 of the year following the calendar year in which the Participant attains age 70½ or (b) April 1 of the year following the year in which the Participant retires or otherwise has a Severance from Employment. If distributions commence in the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which the Severance from Employment occurs, the distribution on the date that distribution commences must be equal to the annual installment payment for the year that the Participant has a Severance from Employment determined under paragraph (b) of Section 4.03 and an amount equal to the annual installment payment for the year after Severance from Employment determined under paragraph (b) of Section 4.03 must also be paid before the end of the calendar year of commencement.
- 4.09 IN-SERVICE DISTRIBUTIONS FROM ROLLOVER ACCOUNT.** If a Participant has a separate account attributable to rollover contributions to the plan, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

4.10 UNFORESEEABLE EMERGENCY DISTRIBUTION.

- (a) Distribution. If the Participant has an unforeseeable emergency before retirement or other Severance from Employment, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum amount determined by the Plan Administrator to be permitted to be distributed under this Section 4.10.
- (b) Unforeseeable emergency defined. An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from: an illness or accident of the Participant, the Participant's spouse, or the Participant's dependent (as defined in section 152(a)); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's spouse or dependent (as defined in section 152(a) of the Code); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 4.10, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.
- (c) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the plan.
- (d) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

4.11 **MANDATORY DISTRIBUTIONS FOR CERTAIN ACCOUNTS OF \$5,000 OR LESS.** At the direction of the Plan Administrator, a Participant's total Account shall be paid in a lump sum as soon as practical following the direction if (a) the total Account does not exceed \$5,000 (or the dollar limit under section 411(a)(11) of the Code, if greater), (b) the Participant has not previously received a distribution of the total amount payable to the Participant under this Section 5.11 and (c) no Deferred Compensation has been contributed for the Participant during the two-year period ending immediately before the date of the distribution. Effective March 28, 2005, however, no mandatory distribution shall be made to or for the benefit of a Participant whose account balance is greater than \$1,000 unless the Participant (or Beneficiary) either elects to have such distribution paid directly to an Eligible Retirement Plan in a direct rollover or elects to receive the distribution directly in accordance with the Plan.

4.12 ROLLOVER DISTRIBUTIONS.

- (a) A Participant or the surviving spouse of a Participant (or a Participant's former spouse who is the alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Plan Administrator, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover.
- (b) For purposes of this Section 4.12, an eligible rollover distribution means any distribution of all or any portion of a Participant's Account, except that an eligible rollover distribution does not include (a) any installment payment under Section 4.03 for a period of 10 years or more (b) any distribution made under Section 4.10 as a result of an unforeseeable emergency, or (c) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

ARTICLE V – PLAN ADMINISTRATOR - DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS

- 5.01 **PLAN ADMINISTRATOR.** The Employer is the Plan Administrator unless the Employer designates another person to hold the position of Plan Administrator. Alternatively, the Plan Administrator may designate one or more persons or organizations to perform some of the duties of the Plan Administrator. The Plan Administrator may be a Participant in the Plan. The Plan Administrator may appoint a Committee to assist in carrying out his responsibilities and duties. The Plan Administrator and the members of the Committee will serve without compensation for services, but the Employer will pay all expenses of the Plan Administrator and Committee.
- 5.02 **TERM.** The Plan Administrator will serve until his successor is appointed.
- 5.03 **POWERS.** In case of a vacancy in the position of the Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.
- 5.04 **GENERAL.** The Plan Administrator will have the following powers and duties:
- (a) To select a Committee to assist the Plan Administrator;
 - (b) To select a Secretary for the Committee, who need not be a member of the Committee;
 - (c) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Account;
 - (d) To adopt rules of procedure and regulations necessary for the proper and efficient administration of the Plan provided the rules are not inconsistent with the terms of this Prototype Plan;
 - (e) To construe and enforce the terms of the Plan and the rules and regulations it adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
 - (f) To direct the distribution of a Participant's Account;
 - (g) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
 - (h) To furnish the Employer with information which the Employer may require for tax or other purposes;
 - (i) To establish a policy in making distributions for unforeseeable emergencies;
 - (j) To engage the services of any person to invest any Account under this Plan and to direct such person to make payment to a Participant of his Account;
 - (k) To comply with the reporting and disclosure rules, if any, applicable to the Plan; and
 - (l) To establish, in its sole discretion, a policy (see Section 5.04(A)) which the Trustee must observe in making loans, if any, to Participants and Beneficiaries.

The Plan Administrator must exercise all of its powers, duties and discretion under the Plan in a uniform and nondiscriminatory manner. The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

- 5.05 **PLAN LOANS.** A Participant who is an Employee may apply for and receive a loan from his or her Account as provided in this Section 5.05. The Plan Administrator will establish procedures for the extension of Plan Loans, which shall incorporate the following limitations and restrictions:
- (a) Any such loan may not be for an amount less than the minimum amount specified by the Administrator. If not specified by the Administrator, the minimum loan amount shall be \$1,000.
 - (b) No loan to a Participant hereunder may exceed the lesser of:
 - (1) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period), or
 - (2) one half of the value of the Participant's vested Account (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 5.05, any loan from any other plan maintained by a participating employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan under this Section 5.05 to exceed the amount that would otherwise be permitted in the absence of this paragraph.

(c) The terms of the loan shall:

- (1) require level amortization with payments not less frequently than quarterly throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the borrower is on a bona fide unpaid leave of absence for a period not to exceed one year for leaves other than a qualified military leave within the meaning of section 414(u) of the Code or for the duration of a leave which is due to qualified military service;
- (2) require that the loan be repaid within five years unless the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant; and
- (3) except as otherwise provided in a separate loan policy or annuity contract, provide for interest at a rate equal to one percentage point above the prime rate as published in a nationally recognized newspaper designated by the Plan Administrator that publishes the prime rate daily on the first business day of the month in which the loan is approved by the Administrator.

(d) Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's interest in the Plan invested in such loan.

(e) In the event that a Participant fails to make a loan payment under this Section 4 by the end of the calendar quarter after the calendar quarter in which payment was due, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable, (ii) the Plan Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance from Employment. In addition, the Plan Administrator may take any legal action it considers necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account of the Participant.

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

(g) The Participant shall be required, as a condition to receiving a loan, to enter into an irrevocable agreement authorizing the Employer to make payroll deductions from his or her Compensation as long as the Participant is an Employee and to transfer such payroll deduction amounts to the Trustee in payment of such loan plus interest. Alternatively, the Employer may require the Participant to authorize loan payments by electronic fund transfers (EFTs), or make other arrangements for the automated payment of loan installments when due. A Participant may prepay the entire outstanding balance of his loan at any time, but may not make a partial prepayment.

5.06 AUTHORIZED REPRESENTATIVE. The Plan Administrator may authorize any one of the members of the Committee, if any, or the Committee's Secretary, to sign on its behalf any notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

5.07 INDIVIDUAL ACCOUNTS. The Plan Administrator will maintain a separate Account in the name of each Participant to reflect the value of the Participant's Deferred Compensation under the Plan. The Plan Administrator will maintain records of its activities.

5.08 VALUE OF PARTICIPANT'S ACCOUNT. The value of each Participant's Account will consist of his accumulated Deferred Compensation, as adjusted for earnings (or losses) pursuant to this Section 5.08, including any transfers accepted by the Plan pursuant to Section 7.04. All Participant Accounts shall be treated for contribution and income allocation purposes as segregated investment Accounts. A segregated investment Account receives all income it earns and bears all expense or loss it incurs. The Plan Administrator will adopt procedures for determining income or loss of a segregated investment Account in a manner which reasonably reflects investment directions occurring after the last Valuation Date.

- 5.09 **ACCOUNT CHARGED** The Plan Administrator will charge all distributions made to a Participant or to his Beneficiary, or transferred under Section 7.04 from his Account, against the Account of the Participant when made.
- 5.10 **PARTICIPANT DIRECTION OF INVESTMENT.** Subject to the consent of the Plan Administrator, a Participant will have the right to direct the investment or re-investment of the assets comprising the Participant's Account. The Plan Administrator will account separately for the Participant-directed Accounts in segregated investment Accounts. The Participant's right to direct investment does not give the Participant any vested interest or secured or preferred position with respect to assets over which he/she has investment responsibility. If a Participant fails to exercise the right to direct investment of his Accounts, the Accounts shall be invested (along with any suspense accounts in the Plan) in a "safe" investment fund designated by the Employer.
- 5.11 **LIABILITY.** The Employer will not be liable to pay benefits to a Participant under Article IV in excess of the value of the Participant's Account and neither the Employer nor the Plan Administrator will be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

ARTICLE VI – PARTICIPANT ADMINISTRATIVE PROVISIONS

6.01 **BENEFICIARY DESIGNATION.** A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Trustee will pay the Participant's Account (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the form and method of payment of his/her Account. The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form effectively revokes all designations filed prior to that date by the same Participant. A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his/her spouse as his/her Beneficiary under the Plan unless the decree or a QDRO provides otherwise. The foregoing revocation provision applies only with respect to a Participant whose divorce or legal separation becomes effective on or following the date the Employer executes this Plan.

6.02 **NO BENEFICIARY DESIGNATION.** If a Participant fails to name a Beneficiary in accordance with Section 6.01, or if the Beneficiary named by a participant predeceases him, then the Plan Administrator will pay the Participant's remaining Account in accordance with Article IV in the following order of priority, to:

- (a) The Participant's surviving spouse; or
- (b) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Account, the Trustee will pay the remaining Account to the Beneficiary's estate unless: (1) the Participant's Beneficiary designation provides otherwise; (2) or the Beneficiary has properly designated a beneficiary. A Beneficiary only may designate a beneficiary for the Participant's Account remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. The Plan Administrator will direct the Trustee as to the method and to whom the Trustee will make payment under this Section 6.02.

6.03 **MODIFICATION OF SALARY REDUCTION AGREEMENT.** A Participant may modify his/her Salary Reduction Agreement to change the amount of Deferred Compensation not yet earned (including the reduction of future salary reductions to zero) by executing a new Salary Reduction Agreement. Any amendment will become effective no earlier than the beginning of the calendar month commencing after the date he/she executes the new Salary Reduction Agreement. Upon filing a new Salary Reduction Agreement, it will revoke all Salary Reduction Agreements filed prior to that date. The Employer or Plan Administrator may restrict the Participant's right to modify his Salary Reduction Agreement in any taxable year.

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

6.05 **ADDRESS FOR NOTIFICATION.** Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his post office address and any change of post office address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his last post office address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

ARTICLE VII – AMENDMENT, TERMINATION, TRANSFERS

7.01 **AMENDMENT BY EMPLOYER.** The Employer has the right at any time and from time to time:

- (a) To amend this Plan and Trust Agreement in any manner it deems necessary or advisable in order to continue the status of this Plan as a Code §457 Plan; and
- (b) To amend this Plan and Trust Agreement in any other manner.

The Employer must make all amendments in writing. Each amendment must state the date to which it is either retroactively or prospectively effective. The Employer also may not make any amendment which affects the rights, duties or responsibilities of the Trustee or the Plan Administrator without the written consent of the affected Trustee or the Plan Administrator.

7.02 **AMENDMENT BY SDI.** SDI may amend this Plan at any time by written instrument to continue the qualification of this Plan as a 457 Deferred Compensation Plan, or to facilitate the administrative operation of the Plan. Upon such amendment, SDI shall promptly notify the Employer of the Amendment in writing.

7.03 **TERMINATION.** The Employer has the right, at any time, to terminate this Plan. Upon termination of the Plan, the provisions of the Plan (other than provisions permitting continued deferrals) remain operative until distribution of all Accounts.

7.04 **PLAN-TO-PLAN TRANSFERS TO THE PLAN.** At the direction of the Employer, the Plan Administrator may permit a class of Participants who are participants in another eligible governmental plan under section 457(b) of the Code to transfer assets to the Plan as provided in this Section 7.04. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan. The Plan Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Plan Administrator. The Plan Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with section 457(e)(10) of the Code and section 1.457-10(b) of the Income Tax Regulations and to confirm that the other plan is an eligible governmental plan as defined in section 1.457-2(f) of the Income Tax Regulations. The amount so transferred shall be credited to the Participant's Account and shall be held, accounted for, administered and otherwise treated in the same manner as Deferred Compensation contributed for the Participant under the Plan, except that the transferred amount shall not be considered Deferred Compensation under the Plan in determining the maximum deferral under Article III.

7.05 **PLAN-TO-PLAN TRANSFERS FROM THE PLAN.**

- (a) At the direction of the Employer, the Plan Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account transferred to another eligible governmental plan within the meaning of section 457(b) of the Code and section 1.457-2(f) of the Income Tax Regulations. A transfer is permitted under this Section 7.05(a) for a Participant only if the Participant has had a Severance from Employment with the Employer and is an employee of the entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section 7.05(a) only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) Upon the transfer of assets under this Section 7.05, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Plan Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 7.05 (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.05, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to section 1.457-10(b) of the Income Tax Regulations.

7.06 **PERMISSIVE SERVICE CREDIT TRANSFERS.**

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account transferred to the defined benefit governmental plan. A transfer under this Section 7.06(a) may be made before the Participant has had a Severance from Employment.

- (b) A transfer may be made under Section 7.06(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

ARTICLE VIII – TRUST PROVISIONS FOR GOVERNMENTAL 457 PLAN

- 8.01 **ACCEPTANCE; OTHER TRUSTS OR ANNUITIES.** Upon execution of the Adoption Agreement, the Trustee accepts the Trust created under this Plan and Trust and agrees to perform the duties and obligations imposed by this agreement for assets held hereunder. The Employer may also establish with the consent of SDI other trusts or custodial accounts to hold assets for the Plan or enter into one or more annuity contracts to provide benefits under the Plan, provided that such other trusts, custody accounts or annuity contracts satisfy the applicable requirements of Code §§ 401(f) and 457(g). The Employer may specify rules for the division of contributions or transfer of Plan assets between trusts, custodial accounts and contracts it authorizes under this Plan. The responsibilities of the other trustees, custodians or insurers shall not be governed by this Article VIII, but shall be governed by the other agreements, and the Trustee hereunder shall have no responsibility therefore. Any other trustee, custodian or insurer shall have no responsibility for the actions of the Trustee hereunder.
- 8.02 **RECEIPT OF CONTRIBUTIONS.** The Trustee is accountable to the Employer for the funds contributed to it by the Employer or the Plan Administrator, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan.
- 8.03 **FULL INVESTMENT POWERS.** The Trustee has full discretion and authority with regard to the investment of the Trust, except with respect to a Trust asset under Participant direction of investment, in accordance with Section 8.10. The Trustee is authorized and empowered, but not by way of limitation, with the following powers, rights and duties:
- (a) To invest any part or all of the Trust in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U. S. Treasury bills, U. S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, as a prudent man would do under like circumstances. Any investment made or retained by the Trustee in good faith will be proper but must be of a kind constituting a diversification considered by law suitable for trust investments;
 - (b) To retain in cash so much of the Trust as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust in a bank account at reasonable interest;
 - (c) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a State, in any type of deposit of the Trustee (or a bank related to the Trustee within the meaning of Code §414(b)) at a reasonable rate of interest, or the Trustee may invest in a common trust fund as described in Code §584, or in a collective investment fund, the provisions of which the Trust incorporates by this reference, which the Trustee (or its affiliate, as defined in Code §1504) or any other bank maintains exclusively for the collective investment of money contributed by the bank (or its affiliate) or by any other trustee in its capacity as trustee or custodian of an eligible employee benefit plan, which common trust fund or collective investment fund further conforms to the rules of the Comptroller of the Currency;
 - (d) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustee will decide;
 - (e) To credit and distribute the Trust as directed by the Plan Administrator of the Plan. The Plan Administrator may direct the Trustee to distribute to the Plan Administrator or directly to a Participant or to a Beneficiary under the Plan. The Trustee will not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee will be accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator;
 - (f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

- (g) To compromise, contest, arbitrate or abandon claims and demands, in its discretion;
- (h) To have with respect to the Trust all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, and to exercise or sell stock subscriptions or conversion rights;
- (i) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interest in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;
- (j) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship;
- (k) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;
- (l) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until final adjudication is made by a court of competent jurisdiction;
- (m) To file all tax returns required of the Trustee;
- (n) To furnish to the Employer and the Plan Administrator an periodic statement of account showing the condition of the Trust and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts will be conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts; and
- (o) To begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustee will not be obliged or required to do so unless indemnified to its satisfaction.

8.04 **RECORDS AND STATEMENTS.** The records of the Trustee pertaining to the Trust will be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee will furnish the Plan Administrator with whatever information relating to the Trust the Plan Administrator considers necessary.

8.05 **FEES AND EXPENSES FROM FUND.** The Trustee will receive reasonable annual compensation in accordance with its fee schedule as published from time to time. The Trustee will pay all fees and expenses reasonably incurred by it in its administration of the Trust unless the Employer pays the fees and expenses.

8.06 **PROFESSIONAL AGENTS.** The Trustee may employ and pay from the Trust reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected. The Trustee has employed SDI and it's affiliate, Security Financial Resources, Inc., as agents hereunder to perform certain non-discretionary services for the Trust and the Trustee.

8.07 **DISTRIBUTION OF CASH OR PROPERTY.** The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

8.08 **REVOCATION.** The Employer may revoke this Trust at any time by giving the Trustee 30 days' written notice in advance.

8.09 **VALUATION OF TRUST.** The Trustee will value the Trust as of the last day of each Plan Year to determine the fair market value of the Trust assets, and the Trustee will value the Trust on such other date(s) as directed by the Plan Administrator.

8.10 **PARTICIPANT DIRECTION OF INVESTMENT.** Participants in the Plan may direct the investment of all their Accounts in the Trust. The Trustee agrees to accept investment direction delivered to SDI in any manner SDI will accept from time to time under rules it may establish.

- 8.11 **PARTIES TO LITIGATION.** Only the Trustee will be a necessary party to any court proceeding involving the Trustee or the Trust. Any final judgment entered in any proceeding will be conclusive upon the Trustee. If the Trustee undertakes or defends any litigation arising in connection with Trust, the Employer agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If the Employer does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.
- 8.12 **THIRD PARTY.** No person dealing with the Trustee will be obliged to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Trust. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and will not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Trust will be conclusive in favor of any person relying on the certificate.
- 8.13 **SUCCESSOR TRUSTEE.** Any corporation which succeeds to the trust business of the Trustee, or results from any merger or consolidation to which the Trustee is a party, or is the transferee of substantially all the Trustee's assets, will be the successor to the Trustee under this Trust. The successor Trustee will possess all rights, duties and powers under this Trust as if the successor Trustee were the original Trustee. Neither the Trustee nor the successor Trustee need provide notice to any interested person of any transaction resulting in a successor Trustee. The successor Trustee need not file or execute any additional instrument or perform any additional act to become successor Trustee.
- 8.14 **RESIGNATION AND REMOVAL OF TRUSTEE.** The Employer or SDI may remove any acting Trustee of this Trust upon 60 days' written notice and appoint a successor Trustee. The Trustee may resign upon providing 60 days' written notice to the Employer and SDI.
- 8.15 **INTERPRETATION OF TRUST PROVISIONS.** The Trustee will decide all matters of construction, interpretation and application of this Article VIII and the decision of the Trustee will control, be binding and conclusive.
- 8.16 **INVALIDITY OF ANY TRUST PROVISION.** If any clause or provision of this Article VIII proves to be or is adjudged to be invalid or void for any reason, such void or invalid clause or provision will not affect any of the other provisions of this Article VIII and the balance of the Trust provisions will remain operative.
- 8.17 **VOTING OF SECURITIES.** On behalf of the Trustee, SDI shall vote proxies for any securities held in the Trust which are not voted by the Trustee in any manner which SDI determines, in its discretion. Although SDI may solicit voting instructions from the Participants, SDI may issue or refuse to issue proxies as it deems appropriate, even if instructions are received from the Participants, without such determination considered to be a fiduciary act or conducted in a fiduciary capacity. SDI may further vote proxies as "present" at any meeting of shareholders for the purpose of establishing a quorum, and to register such shares as voted, while abstaining or directing abstention on all or any issues on which shares may be voted at such meeting.
- 8.18 **TRUST FUND—EXCLUSIVE BENEFIT RULE.** All amounts of Deferred Compensation, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan and the Trust Agreement. The Trust Fund (and any other trust or annuity contract established under the Plan) shall be established pursuant to a written agreement that constitutes a valid trust (or annuity contract). The Trustee shall ensure that all investments, amounts, property, and rights held under the Trust Fund are held for the exclusive benefit of Participants and their Beneficiaries. The Trust Fund shall be held in trust pursuant to the Trust Agreement for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. It shall be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

ARTICLE IX – MISCELLANEOUS

- 9.01 **NON-ASSIGNABILITY.** Except as provided in Section 9.02 and 9.03, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

- 9.02 **DOMESTIC RELATION ORDERS.** Notwithstanding Section 9.01, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State (“domestic relations order”), then the amount of the Participant’s Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.
- 9.03 **IRS LEVY.** Notwithstanding Section 9.01, the Plan Administrator may pay from a Participant’s or Beneficiary’s Account the amount that the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.
- 9.04 **MISTAKEN CONTRIBUTIONS.** If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.
- 9.05 **PAYMENTS TO MINORS AND INCOMPETENTS.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Plan Administrator, benefits will be paid to such person as the Plan Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.
- 9.06 **PROCEDURE WHEN DISTRIBUTEE CANNOT BE LOCATED.** The Plan Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant’s Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on Employer’s or the Plan Administrator’s records, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Plan Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trust Fund shall continue to hold the benefits due such person.
- 9.07 **EFFECT ON OTHER PLANS.** This Plan does not affect benefits under any other retirement, pension, or benefit plan or system established for the benefit of the Employer’s Employees, and participation under this Plan does not affect benefits receivable under any such plan or system, except to the extent provided in such plan or system.
- 9.08 **WORD USAGE.** Words used in the masculine will apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural will be read as the singular and the singular as the plural.
- 9.09 **STATE LAW.** The laws of the state of the Employer’s principal place of business will determine all questions arising with respect to the provisions of this Prototype Plan, except to the extent Federal law supersedes State law.
- 9.10 **EMPLOYMENT NOT GUARANTEED.** Nothing contained in this Plan, or any modification or amendment to the Plan, or in the creation of any Account, or the payment of any benefit, gives any Employee, Employee-Participant or any Beneficiary any right to continue employment, any legal or equitable right against the Employer, or Employee of the Employer, or its agents, or against the Plan Administrator, except as expressly provided by the Plan.
- 9.11 **NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER.** All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code.



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**ADOPTION AGREEMENT FOR
ELIGIBLE GOVERNMENTAL 457 PLAN**

The undersigned Employer, by executing this Adoption Agreement, establishes an Eligible 457 Plan ("Plan"). The Employer, subject to the Employer's Adoption Agreement elections, adopts fully the Plan provisions. This Adoption Agreement, the basic plan document and any attached Appendices, amendments, or agreements permitted or referenced therein, constitute the Employer's entire plan document. *All "Election" references within this Adoption Agreement or the basic plan document are Adoption Agreement Elections. All "Article" or "Section" references are basic plan document references. Numbers in parentheses which follow election numbers are basic plan document references.* Where an Adoption Agreement election calls for the Employer to supply text, the Employer may lengthen any space or line, or create additional tiers. When Employer-supplied text uses terms substantially similar to existing printed options, all clarifications and caveats applicable to the printed options apply to the Employer-supplied text unless the context requires otherwise. The Employer makes the following elections granted under the corresponding provisions of the basic plan document.

1. **EMPLOYER (1.11).**

Name: Worcester County Government

Address: 1 West Market Street #1301
Street

Snow Hill City Maryland State 21863 Zip

Telephone: 410-632-0090

Taxpayer Identification Number (TIN): 52-6001064

2. **PLAN NAME.**

Name: Worcester County Deferred Compensation Plan

3. **PLAN YEAR (1.25).** Plan Year means the 12 consecutive month period (except for a short Plan Year) ending every (Choose one of a. or b. and choose c. if applicable): [Note: Complete any applicable blanks under Election c. with a specific date, e.g., "June 30" OR "the last day of February" OR "the first Tuesday in January." In the case of a Short Plan Year or a Short Limitation Year, include the year, e.g., "May 1, 2013."]

a. **December 31.**

b. **Plan Year:** ending: _____.

c. **Short Plan Year:** commencing: _____ and ending: _____.

4. **EFFECTIVE DATE (1.08).** The Employer's adoption of the Plan is a (Choose one of a. or b. Complete c. if new plan OR complete c. and d. if an amendment and restatement. Choose e. if applicable):

a. **New Plan.**

b. **Restated Plan.** The Plan is a substitution and amendment of an existing 457 plan.

Initial Effective Date of Plan

c. February 1, 2008 (enter month day, year; hereinafter called the "Effective Date" unless 4d is entered below)

Restatement Effective Date (If this is an amendment and restatement, enter effective date of the restatement.)

d. January 1, 2016 (enter month day, year)

Special Effective Dates: (optional)

e. **Describe:** _____

5. **CONTRIBUTION TYPES.** (If this is a frozen Plan (i.e., all contributions have ceased), choose a. only):

Frozen Plan

a. **Contributions cease.** All Contributions have ceased or will cease (Plan is frozen).

1. Effective date of freeze: _____ [Note: Effective date is optional unless this is the amendment or restatement to freeze the Plan.]

Contributions. The Employer and/or Participants, in accordance with the Plan terms, make the following Contribution Types to the Plan (Choose one or more of b. through d. if applicable):

- b. **Pre-Tax Elective Deferrals.** The dollar or percentage amount by which each Participant has elected to reduce his/her Compensation, as provided in the Participant's Salary Reduction Agreement (Choose one or more as applicable):

And will Matching Contributions be made with respect to Elective Deferrals?

1. **Yes.** See Question 16.
2. **No.**

And will **Roth Elective Deferrals** be made?

3. **Yes.** [Note: The Employer may not limit Deferrals to Roth Deferrals only.]
4. **No.**

- c. **Nonelective Contributions.** See Question 17.

- d. **Rollover Contributions.** See Question 30.

6. **EXCLUDED EMPLOYEE (1.10).** The following Employees are Excluded Employees and are not eligible to participate in the Plan (Choose one of a. or b.):

- a. **No exclusions.** All Employees are eligible to participate.
- b. **Exclusions.** The following Employees are Excluded Employees (Choose one or more of 1. through 4.):
 1. **Part-time Employees.** The Plan defines part-time Employees as Employees who normally work less than _____ hours per week.
 2. **Hourly-paid Employees.**
 3. **Leased Employees.** The Plan excludes Leased Employees.
 4. **Specify:** _____

7. **INDEPENDENT CONTRACTOR (1.16).** The Plan (Choose one of a., b. or c.):

- a. **Participate.** Permits Independent Contractors to participate in the Plan.
- b. **Not Participate.** Does not permit Independent Contractors to participate in the Plan.
- c. **Specified Independent Contractors.** Permits the following specified Independent Contractors to participate: _____

[Note: If the Employer elects to permit any or all Independent Contractors to participate in the Plan, the term Employee as used in the Plan includes such participating Independent Contractors.]

8. **COMPENSATION (1.05).** Subject to the following elections, Compensation for purposes of allocation of Deferral Contributions means:

Base Definition (Choose one of a., b. or c.):

- a. Wages, tips and other compensation on Form W-2.
- b. Code §3401(a) wages (wages for withholding purposes).
- c. 415 safe harbor compensation.

[Note: The Plan provides that the base definition of Compensation includes amounts that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2), & 457. Compensation for an Independent Contractor means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies below.]

Modifications to Compensation definition. The Employer elects to modify the Compensation definition as follows (Choose one of d. or e.):

- d. **No modifications.** The Plan makes no modifications to the definition.
- e. **Modifications** (Choose one or more of 1. through 5.):
 1. **Fringe benefits.** The Plan excludes all reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits.
 2. **Elective Contributions. [1.05(E)]** The Plan excludes a Participant's Elective Contributions.
 3. **Bonuses.** The Plan excludes bonuses.

4. **Overtime.** The Plan excludes overtime.

5. **Specify:** _____

Compensation taken into account. For the Plan Year in which an Employee first becomes a Participant, the Plan Administrator will determine the allocation of matching and nonelective contributions by taking into account (*Choose one of f. or g.*):

f. **Plan Year.** The Employee's Compensation for the entire Plan Year.

g. **Compensation while a Participant.** The Employee's Compensation only for the portion of the Plan Year in which the Employee actually is a Participant.

9. **POST-SEVERANCE COMPENSATION (1.05(F)).** Compensation includes the following types of Post-Severance Compensation paid within any applicable time period as may be required (*Choose one of a. or b.*):

a. **None.** The Plan does not take into account Post-Severance Compensation as to any Contribution Type except as required under the basic plan document.

b. **Adjustments.** The following Compensation adjustments apply (*Choose one or more*):

1. **Regular Pay.** Post-Severance Compensation will include Regular Pay and it will apply to all Contribution Types.

2. **Leave-Cashouts.** Post-Severance Compensation will include Regular Pay and Leave Cashouts and it will apply to all Contribution Types.

3. **Nonqualified Deferred Compensation.** Post-Severance Compensation will include Deferred Compensation and it will apply to all Contribution Types.

4. **Salary Continuation for Disabled Participants.** Post-Severance Compensation will include Salary Continuation for Disabled Participants and it will apply to all Contribution Types.

5. **Differential Wage Payments.** Post-Severance Compensation will include Differential Wage Payments (military continuation payments) and it will apply to all Contribution Types.

6. **Describe alternative Post-Severance Compensation definition, limit by Contribution Type, or limit by Participant group:** _____

10. **NORMAL RETIREMENT AGE (1.20).** A Participant attains Normal Retirement Age under the Plan (*Choose one of a. or b.*):

a. **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. [*Note: The age may not exceed age 70 1/2. The age may not be less than age 65, or, if earlier, the age at which a Participant may retire and receive benefits under the Employer's pension plan, if any.*]

b. **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age 65 and may not be later than age 70. [*Note: The age may not exceed age 70 1/2.*]

Special Provisions for Police or Fire Department Employees (*Choose c. and/or d. as applicable*):

c. **Police department employees.** [Plan Section 3.05(B)(3)] (*Choose 1. or 2.*):

1. **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. [*Note: The age may not exceed age 70 1/2 and may not be less than age 40.*]

2. **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ (no earlier than age 40) and may not be later than age _____. [*Note: The age may not exceed age 70 1/2.*]

d. **Fire department employees.** [Plan Section 3.05(B)(3)] (*Choose 1. or 2.*):

1. **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. [*Note: The age may not exceed age 70 1/2 and may not be less than age 40.*]

2. **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ (no earlier than age 40) and may not be later than age _____. [*Note: The age may not exceed age 70 1/2.*]

11. **ELIGIBILITY CONDITIONS (2.01).** (*Choose one of a. or b.*):

a. **No eligibility conditions.** The Employee is eligible to participate in the Plan as of his/her first day of employment with the employer.

b. **Eligibility conditions.** To become a Participant in the Plan, an Eligible Employee must satisfy the following eligibility conditions (*Choose one or more of 1., 2. or 3.*):

1. **Age.** Attainment of age _____.

2. **Service.** Service requirement (*Choose one of a. or b.*):
- a. **Year of Service.** One year of Continuous Service.
- b. **Months of Service.** _____ month(s) of Continuous Service.
3. **Specify:** _____

12. **PLAN ENTRY DATE (1.24).** "Plan Entry Date" means the Effective Date and (*Choose one of a. through d.*):

- a. **Monthly.** The first day of the month coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions.
- b. **Annual.** The first day of the Plan Year coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions.
- c. **Date of hire.** The Employee's employment commencement date with the Employer.
- d. **Specify:** _____

13. **SALARY REDUCTION CONTRIBUTIONS (1.30).** A Participant's Salary Reduction Contributions under Election 5b. are subject to the following limitation(s) in addition to those imposed by the Code (*Choose one of a. or b.*):

- a. **No limitations.**
- b. **Limitations.** (*Choose one or more of 1., 2. or 3.*):
1. **Maximum deferral amount.** A Participant's Salary Reductions may not exceed: _____ (*specify dollar amount or percentage of Compensation*).
2. **Minimum deferral amount.** A Participant's Salary Reductions may not be less than: _____ (*specify dollar amount or percentage of Compensation*).
3. **Specify:** _____

[*Note: Any limitation the Employer elects in b.1. through b.3. will apply on a payroll basis unless the Employer otherwise specifies in b.3.*]

Special NRA Catch-Up Contributions (3.05). The Plan (*Choose one of c. or d.*):

- c. **Permits.** Participants may make NRA catch-up contributions.
- AND, Special NRA Catch-Up Contributions (*Choose one of 1. or 2.*):**
1. will be taken into account in applying any matching contribution under the Plan.
2. will not be taken into account in applying any matching contribution under the Plan.
- d. **Does not permit.** Participants may not make NRA catch-up contributions.

Age 50 Catch-Up Contributions (3.06). The Plan (*Choose one of e. or f.*):

- e. **Permits.** Participants may make age 50 catch-up contributions.
- f. **Does not permit.** Participants may not make age 50 catch-up contributions.

14. **SICK, VACATION AND BACK PAY (3.02(A)).** The Plan (*Choose one of a. or b.*):

- a. **Permits.** Participants may make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.
- b. **Does Not Permit.** Participants may not make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

15. **AUTOMATIC ENROLLMENT (3.02(B)).** Does the Plan provide for automatic enrollment (*Choose one of the following*) [*Note: if Eligible Automatic Contribution Arrangement (EACA), select 15c and complete AMENDMENT FOR ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA)*]:

- a. **Does not apply.** Does not apply the Plan's automatic enrollment provisions.
- b. **Applies.** Applies the Plan's automatic enrollment provisions. The Employer as a Pre-Tax Elective Deferral will withhold _____% from each Participant's Compensation unless the Participant elects a different percentage (including zero) under his/her Salary Reduction Agreement. The automatic election will apply to (*Choose one of 1. through 3.*):
1. **All Participants.** All Participants who as of _____ are not making Pre-Tax Elective Deferrals at least equal to the automatic amount.
2. **New Participants.** Each Employee whose Plan Entry Date is on or following: _____

3. **Describe Application of Automatic Deferrals:** _____.

c. **EACA.** The Plan will provide an Eligible Automatic Contribution Arrangement (EACA). Complete amendment.

16. **MATCHING CONTRIBUTIONS (3.03).** The Employer Matching Contributions is (*Choose one or more of a. through d.*):

a. **Fixed formula.** An amount equal to _____ of each Participant's Salary Reduction Contributions.

b. **Discretionary formula.** An amount (or additional amount) equal to a matching percentage the Employer from time to time may deem advisable of each Participant's Salary Reduction Contributions.

c. **Tiered formula.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's Salary Reduction Contributions, determined as follows:

NOTE: Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____ %
Next _____	_____ %
Next _____	_____ %
Next _____	_____ %

d. **Specify:** _____.

Time Period for Matching Contributions. The Employer will determine its Matching Contribution based on Salary Reduction Contributions made during each (*Choose one of e. through h.*):

e. **Plan Year.**

f. **Plan Year quarter.**

g. **Payroll period.**

h. **Specify:** _____.

Salary Reduction Contributions Taken into Account. In determining a Participant's Salary Reduction Contributions taken into account for the above-specified time period under the Matching Contribution formula, the following limitations apply (*Choose one of i. through l.*):

i. **All Salary Reduction Contributions.** The Plan Administrator will take into account all Salary Reduction Contributions.

j. **Specific limitation.** The Plan Administrator will disregard Salary Reduction Contributions exceeding _____% of the Participant's Compensation.

k. **Discretionary.** The Plan Administrator will take into account the Salary Reduction Contributions as a percentage of the Participant's Compensation as the Employer determines.

l. **Specify:** _____.

Allocation Conditions. To receive an allocation of Matching Contributions, a Participant must satisfy the following allocation condition(s) (*Choose one of m. or n.*):

m. **No allocation conditions.**

n. **Conditions.** The following allocation conditions apply to Matching Contributions (*Choose one or more of 1. through 4.*):

1. **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: _____.

2. **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.

3. **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.

4. **Specify:** _____.

17. **NONELECTIVE CONTRIBUTIONS (1.19)**. The Nonelective Contributions under Election 5c. are made as follows: (*Choose one*):
- a. **Discretionary - Pro-Rata.** An amount the Employer in its sole discretion may determine.
 - b. **Fixed - Pro Rata.** _____% of Compensation.
 - c. **Other.** A Nonelective Contribution may be made as follows:

Allocation Conditions. (3.08). To receive an allocation of Nonelective Contributions, a Participant must satisfy the following allocation condition(s) (*Choose one of d. or e.*):

- d. **No allocation conditions.**
- e. **Conditions.** The following allocation conditions apply to Nonelective Contributions (*Choose one or more of 1. through 4.*):
 - 1. **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: _____.
 - 2. **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
 - 3. **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
 - 4. **Specify:** _____

18. **TIME AND METHOD OF PAYMENT OF ACCOUNT (4.02)**. The Plan will distribute to a Participant who incurs a Severance from Employment his/her Vested Account as follows:

Timing. The Plan, in the absence of a permissible Participant election to commence payment later, will pay the Participant's Account (*Choose one of a. through e.*):

- a. **Specified Date.** _____ days after the Participant's Severance from Employment.
- b. **Immediate.** As soon as administratively practicable following the Participant's Severance from Employment.
- c. **Designated Plan Year.** As soon as administratively practicable in the _____ Plan Year beginning after the Participant's Severance from Employment.
- d. **Normal Retirement Age.** As soon as administratively practicable after the close of the Plan Year in which the Participant attains Normal Retirement Age.
- e. **Specify:** _____

Method. The Plan, in the absence of a permissible Participant election, will distribute the Participant's Account under one of the following method(s) of distribution (*Choose one or more of f. through j. as applicable*):

- f. **Lump sum.** A single payment.
- g. **Installments.** Multiple payments made as follows: _____
- h. **Installments for required minimum distributions only.** Annual payments, as necessary under Plan Section 4.03.
- i. **Annuity distribution option(s):** _____
- j. **Specify:** _____

Participant Election. [Plan Sections 4.02(A) and (B)] The Plan (*Choose one of k., l. or m.*):

- k. **Permits.** Permits a Participant, with Plan Administrator approval of the election, to elect to postpone distribution beyond the time the Employer has elected in a. through e. and also to elect the method of distribution (including a method not described in f. through j. above).
- l. **Does not permit.** Does not permit a Participant to elect the timing and method of Account distribution.
- m. **Specify:** _____

Mandatory Distributions. Notwithstanding any other distribution election, following Severance from Employment (*Choose n. or o.*):

- n. **No Mandatory Distributions.** The Plan will not make a Mandatory Distribution.
- o. **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$5,000 (unless a different amount selected below) as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.
 - 1. **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$ 1000 as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

Exclusion of rollovers in determination of \$5,000 threshold. In determining the \$5,000 threshold (or other dollar threshold above), rollover contributions will be:

- p. included.
 q. excluded.

19. **BENEFICIARY DISTRIBUTION ELECTIONS.** Distributions following a Participant's death will be made as follows (*Choose one of a. through d.*):

- a. **Immediate.** As soon as practical following the Participant's death.
 b. **Next Calendar Year.** At such time as the Beneficiary may elect, but in any event on or before the last day of the calendar year which next follows the calendar year of the Participant's death.
 c. **As Beneficiary elects.** At such time as the Beneficiary may elect, consistent with Section 4.03.
 d. **Describe:** _____

[Note: The Employer under Election 19d. may describe an alternative distribution timing or afford the Beneficiary an election which is narrower than that permitted under Election 19c., or include special provisions related to certain beneficiaries, (e.g., a surviving spouse). However, any election under Election 19d. must require distribution to commence no later than the Section 4.03 required date.]

20. **DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT (4.05).** A Participant prior to Severance from Employment may elect to receive a distribution of his/her Vested Account under the following distribution options (*Choose one of a. or b.*):

- a. **None.** A Participant may not receive a distribution prior to Severance from Employment.
 b. **Distributions.** Prior to Severance from Employment are permitted as follows (*Choose one or more of 1. through 4.*):
 1. **Unforeseeable emergency.** A Participant may elect a distribution from his/her Account in accordance with Plan Section 4.05(A).
 2. **De minimis exception.** [Plan Section 4.05(B)] If the Participant: (i) has an Account that does not exceed \$5,000; (ii) has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (iii) has not received a prior Plan distribution under this de minimis exception, then (*Choose one of a., b. or c.*):
 a. **Participant election.** The Participant may elect to receive all or any portion of his/her Account.
 b. **Mandatory distribution.** The Plan Administrator will distribute the Participant's entire Account.
 c. **Hybrid.** The Plan Administrator will distribute a Participant's Account that does not exceed \$_____ and the Participant may elect to receive all or any portion of his/her Account that exceeds \$_____ but that does not exceed \$5,000.
 3. **Age 70 1/2.** A Participant who attains age 70 1/2 prior to Severance from Employment may elect distribution of any or all of his/her Account.
 4. **Specify:** _____

[Note: An Employer need not permit any in-service distributions. Any election must comply with the distribution restrictions of Code Section 457(d).]

21. **QDRO (4.06).** The QDRO provisions (*Choose one of a., b. or c.*):

- a. **Apply.**
 b. **Do not apply.**
 c. **Specify:** _____

22. **ALLOCATION OF EARNINGS (5.07(B)).** The Plan allocates Earnings using the following method (*Choose one or more of a. through f.*):

- a. **Daily.** See Section 5.07(B)(4)(a).
 b. **Balance forward.** See Section 5.07(B)(4)(b).
 c. **Balance forward with adjustment.** See Section 5.07(B)(4)(c). Allocate pursuant to the balance forward method, except treat as part of the relevant Account at the beginning of the Valuation Period _____% of the contributions made during the following Valuation Period: _____.
 d. **Weighted average.** See Section 5.07(B)(4)(d). If not a monthly weighting period, the weighting period is _____.
 e. **Directed Account method.** See Section 5.07(B)(4)(e).

f. Describe Earnings allocation method: _____

[Note: The Employer under Election 22f. may describe Earnings allocation methods from the elections available under Election 22 and/or a combination thereof as to any: (i) Participant group (e.g., Daily applies to Division A Employees OR to Employees hired after "x" date. Balance forward applies to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., Daily applies as to Discretionary Nonelective Contribution Accounts. Participant-Directed Account applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., Balance forward applies to investments placed with vendor A and Participant-Directed Account applies to investments placed with vendor B OR Daily applies to Participant-Directed Accounts and balance forward applies to pooled Accounts).]

23. HEART ACT PROVISIONS (1.31(C)(3)/3.13). The Employer elects to (Choose one of a. or b. and c. or d.):

Continued Benefit Accruals.

- a. **Not apply the benefit accrual provisions of Section 3.13.**
- b. **Apply the benefit accrual provisions of Section 3.13.**

Distributions for deemed severance of employment (1.31(C)(3))

- c. The Plan does NOT permit distributions for deemed severance of employment
- d. The Plan permits distributions for deemed severance of employment

24. VESTING/SUBSTANTIAL RISK OF FORFEITURE (5.11). A Participant's Deferral Contributions are [Note: If a Participant incurs a Severance from Employment before the specified events or conditions, the Plan will forfeit the Participant's non-vested Account. Caution: if a Deferral is subject to vesting schedule or other substantial risk of forfeiture, it does not count as a deferral for purposes of the annual deferral limit until the year it is fully vested.] (Choose all that apply of a. through d.):

- a. **100% Vested/No Risk of Forfeiture.** Immediately Vested without regard to additional Service and no Substantial Risk of Forfeiture. The following contributions are 100% Vested:
 - 1. **All Contributions.** (skip to 25.)
 - 2. **Only the following contributions.** (select all that apply):
 - a. **Salary Reduction Contributions.**
 - b. **Nonelective Contributions.**
 - c. **Matching Contributions.**
- b. **Forfeiture under Vesting Schedule.** Vested according to the following:

Contributions affected. The following contributions are subject to the vesting schedule (Choose one or more of 1., 2. or 3.):

- 1. **Salary Reduction Contributions.**
- 2. **Nonelective Contributions.**
- 3. **Matching Contributions.**
- 4. **Vesting Schedule.**

Years of Service	Vested Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

For vesting purposes, a "Year of Service" means:

5. _____

[Note: It is extremely rare to apply a vesting schedule to Salary Reduction Contributions.]

- c. **Substantial Risk of Forfeiture.** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows:

Contributions affected. The following contributions are subject to the substantial risk of forfeiture under c. (Choose one or more of 1., 2. or 3.):

- 1. **Salary Reduction Contributions.**
- 2. **Nonelective Contributions.**

3. **Matching Contributions.**

Risk Provisions: Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows (*Choose one of 4. or 5.*):

4. The Participant must remain employed by the Employer until _____, unless earlier Severance from Employment occurs on account of death or disability, as the Plan Administrator shall establish.

5. **Specify:** _____.

Additional Provisions (*Choose d. if applicable*)

d. **Specify:** _____.

FORFEITURE ALLOCATION. [Plan Sections 5.11(A) and 5.14] The Plan Administrator will allocate any Plan forfeitures (*Choose one of the following*):

e. **Additional Contributions.** As the following contribution type (*Choose one of 1. or 2.*):

1. **Nonelective.** As an additional Nonelective Contribution.

2. **Matching.** As an additional Matching Contribution.

f. **Reduce Fixed Contributions.** To reduce the following fixed contribution (*Choose one of 1. or 2.*):

1. **Nonelective.** To reduce the Employer's fixed Nonelective Contribution.

2. **Matching.** To reduce the Employer's fixed Matching Contribution.

g. **Specify:** _____.

25. **TRUST PROVISIONS.** The following provisions apply to Article VIII of the Plan (*Choose as applicable; leave blank if not applicable*):

a. **Modifications.** The Employer modifies the Article VIII Trust provisions as follows: _____. The remaining Article VIII provisions apply.

b. **Substitution.** The Employer replaces the Trust with the Trust Agreement attached to the Plan.

26. **CUSTODIAL ACCOUNT/ANNUITY CONTRACT (8.16).** The Employer will hold all or part of the Deferred Compensation in one or more custodial accounts or annuity contracts which satisfy the requirements of Code §457(g) (*Choose a. or b., c. if applicable*):

a. **Custodial account(s).**

b. **Annuity contract(s).**

c. **Specify:** _____.

[*Note: The Employer under c. may wish to identify the custodial accounts or annuity contracts or to designate a portion of the Deferred Compensation to be held in such vehicles versus held in the Trust.*]

27. **VALUATION.** In addition to the last day of the Plan Year, the Trustee (or Plan Administrator as applicable) must value the Trust Fund (or Accounts) on the following Valuation Date(s) (*Choose one of a. or b.*):

a. **No additional Valuation Dates.**

b. **Additional Valuation Dates.** (*Choose one or more of 1., 2. or 3.*):

1. **Daily Valuation Dates.** Each business day of the Plan Year on which Plan assets for which there is an established market are valued and the Trustee is conducting business.

2. **Last day of a specified period.** The last day of each _____ of the Plan Year.

3. **Specified Valuation Dates:** _____.

[*Note: The Employer under Election 26b.3. may describe Valuation Dates from the elections available under Election 26b. and/or a combination thereof as to any: (i) Participant group (e.g., No additional Valuation Dates apply to Division A Employees OR to Employees hired after "x" date. Daily Valuation Dates apply to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., No additional Valuation Dates apply as to Discretionary Nonelective Contribution Accounts. The last day of each Plan Year quarter applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., No additional Valuation Dates apply to investments placed with vendor A and Daily Valuation Dates apply to investments placed with vendor B OR Daily Valuation Dates apply to Participant-Directed Accounts and no additional Valuation Dates apply to pooled Accounts).]*

28. TRUSTEE (Select all that apply; leave blank if not applicable.):

- a. Individual Trustee(s) who serve as Trustee(s) over assets not subject to control by a corporate Trustee. (Add additional Trustees as necessary.)

Name(s)	Title(s)
_____	_____
_____	_____
_____	_____
_____	_____

Address and Telephone number (Choose one of 1. or 2.):

1. Use Employer address and telephone number.
 2. Use address and telephone number below:

Address: _____
Street

City State Zip

Telephone: _____

- b. Corporate Trustee

Name: UMB Bank, n.a. c/o Security Benefit

Address: 30 Dan Road Suite 55976
Street

Canton Massachusetts 02021-2809
City State Zip

Telephone: (800) 747-3942

AND, the Corporate Trustee shall serve as:

- c. a Directed (nondiscretionary) Trustee over all Plan assets except for the following:

- d. a Discretionary Trustee over all Plan assets except for the following:

29. PLAN LOANS (5.02(A)). The Plan permits or does not permit Participant Loans (Choose one of a. or b.):

- a. **Does not permit.**
 b. **Permitted pursuant to the Loan Policy.**

30. ROLLOVER CONTRIBUTIONS (3.09). The Plan permits Rollover Contributions subject to approval by the Plan Administrator and as further described below:

Who may roll over (Choose one of a. or b.):

- a. **Participants only.**
 b. **Eligible Employees or Participants.**

Sources/Types. The Plan will accept a Rollover Contribution (Choose one of c. or d.):

- c. **All.** From any Eligible Retirement Plan and as to all Contribution Types eligible to be rolled into this Plan.
 d. **Limited.** Only from the following types of Eligible Retirement Plans and/or as to the following Contribution Types:

Distribution of Rollover Contributions (Choose one of e., f. or g.):

- e. **Distribution without restrictions.** May elect distribution of his/her Rollover Contributions Account in accordance with Plan Section 4.05(C) at any time.
- f. **No distribution.** May not elect to receive distribution of his/her Rollover Contributions Account until the Plan has a distributable event under Plan Section 4.01.
- g. **Specify:** _____

This Plan is executed on the date(s) specified below:

Use of Adoption Agreement. Failure to complete properly the elections in this Adoption Agreement may result in disqualification of the Employer's Plan. The Employer only may use this Adoption Agreement only in conjunction with the corresponding basic plan document.

EMPLOYER: Worcester County Deferred Compensation Plan

By: *Madeline Bunting*

3/15/16
DATE SIGNED

UMB Bank, p.a. c/o Security Benefit
Kevin M. Watt
TRUSTEE

12/21/15
DATE SIGNED

**WORCESTER COUNTY DEFERRED
COMPENSATION PLAN**

PARTICIPANT LOAN POLICY

Worcester County Deferred Compensation Plan permits loans to be made to Participants, their beneficiaries, and alternate payees pursuant to a written loan policy. All references to Participants in this loan policy include Participants who are active employees.

The Plan Administrator is authorized to administer the Participant loan policy. A Participant must apply to the Plan Administrator for a loan in the manner set forth by the Plan Administrator.

1. **LOAN APPLICATION/BORROWER QUALIFICATION.** Any Participant may apply for a loan from the Plan. A Participant must apply for each loan with an application which specifies the amount of the loan desired, the requested duration for the loan and the source of security for the loan.

All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant applies for the loan.

2. **LOAN LIMITATIONS.** The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan. With regard to any loan made pursuant to this loan policy, the following rule(s) and limitation(s) will apply, in addition to such other requirements set forth in the Plan:

- No loan in an amount less than \$1,000 will be granted to any Participant.
- A Participant can have One loan(s) currently outstanding from the Plan.
- Loan refinancing is not permitted.
- Loans will be permitted for any reasonable purpose.

3. **EVIDENCE AND TERMS OF LOAN.** The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, together with a commercially reasonable rate of interest.

Any loan granted or renewed under this policy will bear an interest rate equal to 2% above the prime rate.

The loan must provide at least quarterly payments under a level amortization schedule. If the Participant is currently employed by the Employer, the Plan Administrator will require the Participant receiving a loan from the Plan to enter into either a payroll deduction or an ACH agreement to repay the loan.

The Plan Administrator will fix the term for repayment of any loan, however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as a principal residence. The term for a home loan will be 15 years.

All loans will be considered a directed investment from the account(s) of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the account(s) of such Participant.

A loan, if not otherwise due and payable, is due and payable on the date of the Participant's termination of employment with the Employer unless the Participant is a "party in interest" as described above.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

Participants should note the law treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five year period or, if sooner, at the time the loan is in default. If a Participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

4. **SECURITY FOR LOAN.** The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan (account balance) to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than the Participant's vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Plan Administrator will require that such security be provided before the loan will be granted.

Participant Loan Policy

5. **FORM OF PLEDGE.** The pledge and assignment of a Participant's account balances will be in the form prescribed by the Plan Administrator.
6. **LEAVE OF ABSENCE/SUSPENSION OF PAYMENT.** The Plan Administrator will suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.
7. **PAYMENTS AFTER LEAVE OF ABSENCE.** When payments resume following a payment suspension in connection with a leave of absence authorized above, the Participant will select one of the following methods to repay the loan, plus accumulated interest:
- The Participant will increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
 - The Participant will pay a balloon payment of the remaining unpaid principal and interest, at the conclusion of the term of the loan as determined in the promissory note.
 - The Participant may extend the maturity of the loan and re-amortize the payments over the remaining term of the loan. In no event will the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. In the case of a non-military leave of absence, the revised term of the loan will not exceed the maximum term permitted under item 3 above. In the case of a military leave of absence, the revised term of the loan will not exceed the maximum term permitted under item 3 above, augmented by the time the Participant was actually in United States military service.
8. **DEFAULT.** The Plan Administrator will treat a loan as in default if:
- any scheduled payment is missed (no grace period)
 - any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment

Upon default, the Participant will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment plus interest or, if distribution is available under the Plan, request distribution of the note. If the loan remains in default, the Plan Administrator will offset the Participant's vested account balances by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

9. **FEES.** If you apply for a loan, you will be charged for Plan expenses associated with the loan. The application fee (including processing and document preparation) is \$50.00. The annual maintenance fee is \$50.00. All fees are subject to change.

Adopted this 15th day of March, 2016. This loan policy may be amended from time to time.



Signature of Plan Administrator
Worcester County Deferred Compensation Plan 457

**ADOPTION AGREEMENT FOR
ELIGIBLE GOVERNMENTAL 457 PLAN**

The undersigned Employer, by executing this Adoption Agreement, establishes an Eligible 457 Plan ("Plan"). The Employer, subject to the Employer's Adoption Agreement elections, adopts fully the Plan provisions. This Adoption Agreement, the basic plan document and any attached Appendices, amendments, or agreements permitted or referenced therein, constitute the Employer's entire plan document. All "Election" references within this Adoption Agreement or the basic plan document are Adoption Agreement Elections. All "Article" or "Section" references are basic plan document references. Numbers in parentheses which follow election numbers are basic plan document references. Where an Adoption Agreement election calls for the Employer to supply text, the Employer may lengthen any space or line, or create additional tiers. When Employer-supplied text uses terms substantially similar to existing printed options, all clarifications and caveats applicable to the printed options apply to the Employer-supplied text unless the context requires otherwise. The Employer makes the following elections granted under the corresponding provisions of the basic plan document.

1. **EMPLOYER (1.11).**

Name: Worcester County Government

Address: 1 West Market Street #1301 Street

Snow Hill City Maryland State 21863 Zip

Telephone: 410-632-0090

Taxpayer Identification Number (TIN): 52-6001064

2. **PLAN NAME.**

Name: Worcester County Deferred Compensation Plan

3. **PLAN YEAR (1.25).** Plan Year means the 12 consecutive month period (except for a short Plan Year) ending every (Choose one of a. or b. and choose c. if applicable): [Note: Complete any applicable blanks under Election c. with a specific date, e.g., "June 30" OR "the last day of February" OR "the first Tuesday in January." In the case of a Short Plan Year or a Short Limitation Year, include the year, e.g., "May 1, 2013."]]

- a. **December 31.**
- b. **Plan Year:** ending: _____.
- c. **Short Plan Year:** commencing: _____ and ending: _____.

4. **EFFECTIVE DATE (1.08).** The Employer's adoption of the Plan is a (Choose one of a. or b. Complete c. if new plan OR complete c. and d. if an amendment and restatement. Choose e. if applicable):

- a. **New Plan.**
- b. **Restated Plan.** The Plan is a substitution and amendment of an existing 457 plan.

Initial Effective Date of Plan

- c. February 1, 2008 (enter month day, year; hereinafter called the "Effective Date" unless 4d is entered below)

Restatement Effective Date (If this is an amendment and restatement, enter effective date of the restatement.)

- d. September 1, 2022 (enter month day, year)

Special Effective Dates: (optional)

- e. **Describe:** _____

5. **CONTRIBUTION TYPES.** (If this is a frozen Plan (i.e., all contributions have ceased), choose a. only):

Frozen Plan

- a. **Contributions cease.** All Contributions have ceased or will cease (Plan is frozen).
1. **Effective date of freeze:** _____ [Note: Effective date is optional unless this is the amendment or restatement to freeze the Plan.]

Contributions. The Employer and/or Participants, in accordance with the Plan terms, make the following Contribution Types to the Plan (Choose one or more of b. through d. if applicable):

- b. **Pre-Tax Elective Deferrals.** The dollar or percentage amount by which each Participant has elected to reduce his/her Compensation, as provided in the Participant's Salary Reduction Agreement (Choose one or more as applicable).

And will Matching Contributions be made with respect to Elective Deferrals?

1. **Yes.** See Question 16.

2. **No.**

And will **Roth Elective Deferrals** be made?

3. **Yes.** [Note: The Employer may not limit Deferrals to Roth Deferrals only.]

4. **No.**

- c. **Nonelective Contributions.** See Question 17.

- d. **Rollover Contributions.** See Question 30.

6. **EXCLUDED EMPLOYEES (1.10).** The following Employees are Excluded Employees and are not eligible to participate in the Plan (Choose one of a. or b.):

- a. **No exclusions.** All Employees are eligible to participate.

- b. **Exclusions.** The following Employees are Excluded Employees (Choose one or more of 1. through 4.):

1. **Part-time Employees.** The Plan defines part-time Employees as Employees who normally work less than _____ hours per week.

2. **Hourly-paid Employees.**

3. **Leased Employees.** The Plan excludes Leased Employees.

4. **Specify:** _____

7. **INDEPENDENT CONTRACTOR (1.16).** The Plan (Choose one of a., b. or c.):

- a. **Participate.** Permits Independent Contractors to participate in the Plan.

- b. **Not Participate.** Does not permit Independent Contractors to participate in the Plan.

- c. **Specified Independent Contractors.** Permits the following specified Independent Contractors to participate:

[Note: If the Employer elects to permit any or all Independent Contractors to participate in the Plan, the term Employee as used in the Plan includes such participating Independent Contractors.]

8. **COMPENSATION (1.05).** Subject to the following elections, Compensation for purposes of allocation of Deferral Contributions means:

Base Definition (Choose one of a., b., c. or d.):

- a. Wages, tips and other compensation on Form W-2.

- b. Code §3401(a) wages (wages for withholding purposes).

- c. 415 safe harbor compensation.

- d. Alternative (general) 415 Compensation.

[Note: The Plan provides that the base definition of Compensation includes amounts that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2), & 457. Compensation for an Independent Contractor means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies below.]

Modifications to Compensation definition. The Employer elects to modify the Compensation definition as follows (Choose one of e. or f.):

- e. **No modifications.** The Plan makes no modifications to the definition.

- f. **Modifications** (Choose one or more of 1. through 5.):

1. **Fringe benefits.** The Plan excludes all reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits.

2. **Elective Contributions.** [1.05(E)] The Plan excludes a Participant's Elective Contributions.

3. **Bonuses.** The Plan excludes bonuses.
4. **Overtime.** The Plan excludes overtime.
5. **Specify:** _____

Compensation taken into account. For the Plan Year in which an Employee first becomes a Participant, the Plan Administrator will determine the allocation of matching and nonelective contributions by taking into account (Choose one of g. or h.):

- g. **Plan Year.** The Employee's Compensation for the entire Plan Year. (N/A if no matching or nonelective contributions)
- h. **Compensation while a Participant.** The Employee's Compensation only for the portion of the Plan Year in which the Employee actually is a Participant. (N/A if no matching or nonelective contributions)
9. **POST-SEVERANCE COMPENSATION (1.05(F)).** Compensation includes the following types of Post-Severance Compensation paid within any applicable time period as may be required (Choose one of a. or b.):
- a. **None.** The Plan does not take into account Post-Severance Compensation as to any Contribution Type except as required under the basic plan document.
- b. **Adjustments.** The following Compensation adjustments apply (Choose one or more):
1. **Regular Pay.** Post-Severance Compensation will include Regular Pay and it will apply to all Contribution Types.
 2. **Leave-Cashouts.** Post-Severance Compensation will include Leave Cashouts and it will apply to all Contribution Types.
 3. **Nonqualified Deferred Compensation.** Post-Severance Compensation will include Deferred Compensation and it will apply to all Contribution Types.
 4. **Salary Continuation for Disabled Participants.** Post-Severance Compensation will include Salary Continuation for Disabled Participants and it will apply to all Contribution Types.
 5. **Differential Wage Payments.** Post-Severance Compensation will include Differential Wage Payments (military continuation payments) and it will apply to all Contribution Types.
 6. **Describe alternative Post-Severance Compensation definition, limit by Contribution Type, or limit by Participant group:** _____

10. **NORMAL RETIREMENT AGE (1.20).** A Participant attains Normal Retirement Age under the Plan (Choose one of a. or b.):

- a. **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. [Note: The age may not exceed age 70 1/2. The age may not be less than age 65, or, if earlier, the age at which a Participant may retire and receive benefits under the Employer's pension plan, if any.]
- b. **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age 65 and may not be later than age 70. [Note: The age may not exceed age 70 1/2.]

Special Provisions for Police or Fire Department Employees (Choose c. and/or d. as applicable):

- c. **Police department employees.** [Plan Section 3.05(B)(3)] (Choose 1. or 2.):
1. **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. [Note: The age may not exceed age 70 1/2 and may not be less than age 40.]
 2. **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ (no earlier than age 40) and may not be later than age _____. [Note: The age may not exceed age 70 1/2.]
- d. **Fire department employees.** [Plan Section 3.05(B)(3)] (Choose 1. or 2.):
1. **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age _____. [Note: The age may not exceed age 70 1/2 and may not be less than age 40.]
 2. **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age _____ (no earlier than age 40) and may not be later than age _____. [Note: The age may not exceed age 70 1/2.]

11. **ELIGIBILITY CONDITIONS (2.01).** (Choose one of a. or b.):

- a. **No eligibility conditions.** The Employee is eligible to participate in the Plan as of his/her first day of employment with the employer.
- b. **Eligibility conditions.** To become a Participant in the Plan, an Eligible Employee must satisfy the following eligibility conditions (Choose one or more of 1., 2. or 3.):
1. **Age.** Attainment of age _____.

2. **Service.** Service requirement (*Choose one of a. or b.*):
- a. **Year of Service.** One year of Continuous Service.
- b. **Months of Service.** _____ month(s) of Continuous Service.
3. **Specify:** _____
12. **PLAN ENTRY DATE (1.24).** "Plan Entry Date" means the Effective Date and (*Choose one of a. through d.*):
- a. **Monthly.** The first day of the month coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions, if any.
- b. **Annual.** The first day of the Plan Year coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions, if any.
- c. **Date of hire.** The Employee's employment commencement date with the Employer.
- d. **Specify:** _____
13. **SALARY REDUCTION CONTRIBUTIONS (1.30).** A Participant's Salary Reduction Contributions under Election 5b. are subject to the following limitation(s) in addition to those imposed by the Code (*Choose one of a. or b.*):
- a. **No limitations.**
- b. **Limitations.** (*Choose one or more of 1., 2. or 3.*):
1. **Maximum deferral amount.** A Participant's Salary Reductions may not exceed: _____ (*specify dollar amount or percentage of Compensation*).
2. **Minimum deferral amount.** A Participant's Salary Reductions may not be less than: _____ (*specify dollar amount or percentage of Compensation*).
3. **Specify:** _____
- [*Note: Any limitation the Employer elects in b.1. through b.3. will apply on a payroll basis unless the Employer otherwise specifies in b.3.*]
- Special NRA Catch-Up Contributions (3.05).** The Plan (*Choose one of c. or d.*):
- c. **Permits.** Participants may make NRA catch-up contributions.
AND, Special NRA Catch-Up Contributions (*Choose one of 1. or 2.*): (*N/A if no matching contributions*)
1. will be taken into account in applying any matching contribution under the Plan.
2. will not be taken into account in applying any matching contribution under the Plan.
- d. **Does not permit.** Participants may not make NRA catch-up contributions.
- Age 50 Catch-Up Contributions (3.06).** The Plan (*Choose one of e. or f.*):
- e. **Permits.** Participants may make age 50 catch-up contributions.
AND, Age 50 Catch-Up Contributions (*Choose one of 1. or 2.*): (*N/A if no matching contributions*)
1. will be taken into account in applying any matching contribution under the Plan.
2. will not be taken into account in applying any matching contribution under the Plan.
- f. **Does not permit.** Participants may not make age 50 catch-up contributions.
14. **SICK, VACATION AND BACK PAY (3.02(A)).** The Plan (*Choose one of a. or b.*):
- a. **Permits.** Participants may make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.
- b. **Does Not Permit.** Participants may not make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.
15. **AUTOMATIC ENROLLMENT (3.02(B)).** Does the Plan provide for automatic enrollment (*Choose one of the following*) [*Note: if Eligible Automatic Contribution Arrangement (EACA), select 15c and complete Questions 31 & 32*):
- a. **Does not apply.** Does not apply the Plan's automatic enrollment provisions.

b. **Applies.** Applies the Plan's automatic enrollment provisions. The Employer as a Pre-Tax Elective Deferral will withhold _____% from each Participant's Compensation unless the Participant elects a different percentage (including zero) under his/her Salary Reduction Agreement. The automatic election will apply to *(Choose one of 1. through 3.)*:

1. **All Participants.** All Participants who as of _____ are not making Pre-Tax Elective Deferrals at least equal to the automatic amount.

2. **New Participants.** Each Employee whose Plan Entry Date is on or following: _____.

3. **Describe Application of Automatic Deferrals:** _____.

c. **EACA.** The Plan will provide an Eligible Automatic Contribution Arrangement (EACA). Complete Questions 31 & 32.

16. **MATCHING CONTRIBUTIONS (3.03).** The Employer Matching Contributions under Election 5.b.1. are made as follows *(Choose one or more of a. through d.)*:

a. **Fixed formula.** An amount equal to _____ of each Participant's Salary Reduction Contributions.

b. **Discretionary formula.** An amount (or additional amount) equal to a matching percentage the Employer from time to time may deem advisable of each Participant's Salary Reduction Contributions.

c. **Tiered formula.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's Salary Reduction Contributions, determined as follows:

NOTE: Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____ %
Next _____	_____ %
Next _____	_____ %
Next _____	_____ %

d. **Specify:** _____.

Time Period for Matching Contributions. The Employer will determine its Matching Contribution based on Salary Reduction Contributions made during each *(Choose one of e. through h.)*:

e. **Plan Year.**

f. **Plan Year quarter.**

g. **Payroll period.**

h. **Specify:** _____.

Salary Reduction Contributions Taken into Account. In determining a Participant's Salary Reduction Contributions taken into account for the above-specified time period under the Matching Contribution formula, the following limitations apply *(Choose one of i. through l.)*:

i. **All Salary Reduction Contributions.** The Plan Administrator will take into account all Salary Reduction Contributions.

j. **Specific limitation.** The Plan Administrator will disregard Salary Reduction Contributions exceeding _____% of the Participant's Compensation.

k. **Discretionary.** The Plan Administrator will take into account the Salary Reduction Contributions as a percentage of the Participant's Compensation as the Employer determines.

l. **Specify:** _____.

Allocation Conditions. To receive an allocation of Matching Contributions, a Participant must satisfy the following allocation condition(s) *(Choose one of m. or n.)*:

m. **No allocation conditions.**

n. **Conditions.** The following allocation conditions apply to Matching Contributions *(Choose one or more of 1. through 4.)*:

1. **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: _____.

Eligible 457 Plan

2. **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
3. **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
4. **Specify:** _____
17. **NONELECTIVE CONTRIBUTIONS (1.19).** The Nonelective Contributions under Election 5.c. are made as follows: *(Choose one):*
- a. **Discretionary - Pro-Rata.** An amount the Employer in its sole discretion may determine.
- b. **Fixed - Pro Rata.** _____% of Compensation.
- c. **Other.** A Nonelective Contribution may be made as follows:

Allocation Conditions. (3.08). To receive an allocation of Nonelective Contributions, a Participant must satisfy the following allocation condition(s) *(Choose one of d. or e.):*

- d. **No allocation conditions.**
- e. **Conditions.** The following allocation conditions apply to Nonelective Contributions *(Choose one or more of 1. through 4.):*
1. **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: _____.
2. **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
3. **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of death, disability or attainment of Normal Retirement Age in the current Plan Year or in a prior Plan Year.
4. **Specify:** _____

18. **TIME AND METHOD OF PAYMENT OF ACCOUNT (4.02).** The Plan will distribute to a Participant who incurs a Severance from Employment his/her Vested Account as follows:

Timing. The Plan, in the absence of a permissible Participant election to commence payment later, will pay the Participant's Account *(Choose one of a. through e.):*

- a. **Specified Date.** _____ days after the Participant's Severance from Employment.
- b. **Immediate.** As soon as administratively practicable following the Participant's Severance from Employment.
- c. **Designated Plan Year.** As soon as administratively practicable in the _____ Plan Year beginning after the Participant's Severance from Employment.
- d. **Normal Retirement Age.** As soon as administratively practicable after the close of the Plan Year in which the Participant attains Normal Retirement Age.
- e. **Specify:** _____

Method. The Plan, in the absence of a permissible Participant election, will distribute the Participant's Account under one of the following method(s) of distribution *(Choose one or more of f. through j. as applicable):*

- f. **Lump sum.** A single payment.
- g. **Installments.** Multiple payments made as follows: _____
- h. **Installments for required minimum distributions only.** Annual payments, as necessary under Plan Section 4.03.
- i. **Annuity distribution option(s):** _____
- j. **Specify:** _____

Participant Election. [Plan Sections 4.02(A) and (B)] The Plan *(Choose one of k., l. or m.):*

- k. **Permits.** Permits a Participant, with Plan Administrator approval of the election, to elect to postpone distribution beyond the time the Employer has elected in a. through e. and also to elect the method of distribution (including a method not described in f. through j. above).
- l. **Does not permit.** Does not permit a Participant to elect the timing and method of Account distribution.
- m. **Specify:** _____

Mandatory Distributions. Notwithstanding any other distribution election, following Severance from Employment (*Choose n. or o.*):

- n. **No Mandatory Distributions.** The Plan will not make a Mandatory Distribution.
- o. **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$5,000 (unless a different amount selected below) as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.
1. **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$ 1000 as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

Rollovers in determination of \$5,000 threshold. Unless otherwise elected below, amounts attributable to rollover contributions (if any) will be included in determining the \$5,000 threshold for timing of distributions, form of distributions or consent rules.

- p. Exclude rollovers (rollover contributions will be excluded in determining the \$5,000 threshold)

NOTE: Regardless of the above election, if the Participant consent threshold is \$1,000 or less, then the Administrator must include amounts attributable to rollovers for such purpose. In such case, an election to exclude rollovers above will apply for purposes of the timing and form of distributions.

19. **BENEFICIARY DISTRIBUTION ELECTIONS.** Distributions following a Participant's death will be made as follows (*Choose one of a. through d.*):

- a. **Immediate.** As soon as practical following the Participant's death.
- b. **Next Calendar Year.** At such time as the Beneficiary may elect, but in any event on or before the last day of the calendar year which next follows the calendar year of the Participant's death. (*N/A if participant is restricted*)
- c. **As Beneficiary elects.** At such time as the Beneficiary may elect, consistent with Section 4.03. (*N/A if participant is restricted*)
- d. **Describe:** _____

[*Note: The Employer under Election 19d. may describe an alternative distribution timing or afford the Beneficiary an election which is narrower than that permitted under Election 19c., or include special provisions related to certain beneficiaries, (e.g., a surviving spouse). However, any election under Election 19d. must require distribution to commence no later than the Section 4.03 required date.*]

20. **DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT (4.05).** A Participant prior to Severance from Employment may elect to receive a distribution of his/her Vested Account under the following distribution options (*Choose one of a. or b.*):

- a. **None.** A Participant may not receive a distribution prior to Severance from Employment.
- b. **Distributions.** Prior to Severance from Employment are permitted as follows (*Choose one or more of 1. through 4.*):
1. **Unforeseeable emergency.** A Participant may elect a distribution from his/her Account in accordance with Plan Section 4.05(A) (for the Participant, spouse, dependents or beneficiaries)
2. **De minimis exception.** [Plan Section 4.05(B)] If the Participant: (i) has an Account that does not exceed \$5,000; (ii) has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (iii) has not received a prior Plan distribution under this de minimis exception, then (*Choose one of a., b. or c.*):
- a. **Participant election.** The Participant may elect to receive all or any portion of his/her Account.
- b. **Mandatory distribution.** The Plan Administrator will distribute the Participant's entire Account.
- c. **Hybrid.** The Plan Administrator will distribute a Participant's Account that does not exceed \$ _____ and the Participant may elect to receive all or any portion of his/her Account that exceeds \$ _____ but that does not exceed \$5,000.
3. **Age 70 1/2.** A Participant who attains age 70 1/2 prior to Severance from Employment may elect distribution of any or all of his/her Account.
4. **Specify:** _____

[*Note: An Employer need not permit any in-service distributions. Any election must comply with the distribution restrictions of Code Section 457(d).*]

21. **QDRO (4.06).** The QDRO provisions (*Choose one of a., b. or c.*):

- a. **Apply.**
- b. **Do not apply.**
- c. **Specify:** _____

22. **ALLOCATION OF EARNINGS (5.07(B))**. The Plan allocates Earnings using the following method (Choose one or more of a. through f.):

- a. **Daily**. See Section 5.07(B)(4)(a).
- b. **Balance forward**. See Section 5.07(B)(4)(b).
- c. **Balance forward with adjustment**. See Section 5.07(B)(4)(c). Allocate pursuant to the balance forward method, except treat as part of the relevant Account at the beginning of the Valuation Period _____% of the contributions made during the following Valuation Period: _____.
- d. **Weighted average**. See Section 5.07(B)(4)(d). If not a monthly weighting period, the weighting period is _____.
- e. **Directed Account method**. See Section 5.07(B)(4)(e).
- f. **Describe Earnings allocation method:** _____.

[Note: The Employer under Election 22f. may describe Earnings allocation methods from the elections available under Election 22 and/or a combination thereof as to any: (i) Participant group (e.g., Daily applies to Division A Employees OR to Employees hired after "x" date. Balance forward applies to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., Daily applies as to Discretionary Nonelective Contribution Accounts. Participant-Directed Account applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., Balance forward applies to investments placed with vendor A and Participant-Directed Account applies to investments placed with vendor B OR Daily applies to Participant-Directed Accounts and balance forward applies to pooled Accounts).]

23. **HEART ACT PROVISIONS (1.31(C)(3)/3.13)**. The Employer elects to (Choose one of a. or b. and c. or d.):

Continued Benefit Accruals.

- a. **Not apply the benefit accrual provisions of Section 3.13.**
- b. **Apply the benefit accrual provisions of Section 3.13.**

Distributions for deemed severance of employment (1.31(C)(3))

- c. **The Plan does NOT permit distributions for deemed severance of employment.**
- d. **The Plan permits distributions for deemed severance of employment.**

24. **VESTING/SUBSTANTIAL RISK OF FORFEITURE (5.11)**. A Participant's Deferral Contributions are [Note: If a Participant incurs a Severance from Employment before the specified events or conditions, the Plan will forfeit the Participant's non-vested Account. Caution: if a Deferral is subject to vesting schedule or other substantial risk of forfeiture, it does not count as a deferral for purposes of the annual deferral limit until the year it is fully vested.] (Choose all that apply of a. through d.):

- a. **100% Vested/No Risk of Forfeiture**. Immediately Vested without regard to additional Service and no Substantial Risk of Forfeiture. The following contributions are 100% Vested:
 - 1. **All Contributions**. (skip to 25.)
 - 2. **Only the following contributions**. (select all that apply):
 - a. **Salary Reduction Contributions**.
 - b. **Nonelective Contributions**.
 - c. **Matching Contributions**.
- b. **Forfeiture under Vesting Schedule**. Vested according to the following:

Contributions affected. The following contributions are subject to the vesting schedule (Choose one or more of 1., 2. or 3.):

- 1. **Salary Reduction Contributions**.
- 2. **Nonelective Contributions**.
- 3. **Matching Contributions**.
- 4. **Vesting Schedule**.

Years of Service	Vested Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

For vesting purposes, a "Year of Service" means:

5. _____

[Note: It is extremely rare to apply a vesting schedule to Salary Reduction Contributions.]

c. **Substantial Risk of Forfeiture.** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows:

Contributions affected. The following contributions are subject to the substantial risk of forfeiture under c. (Choose one or more of 1., 2. or 3.):

1. **Salary Reduction Contributions.**
2. **Nonelective Contributions.**
3. **Matching Contributions.**

Risk Provisions: Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows (Choose one of 4. or 5.):

4. The Participant must remain employed by the Employer until _____, unless earlier Severance from Employment occurs on account of death or disability, as the Plan Administrator shall establish.
5. **Specify:** _____

Additional Provisions (Choose d. if applicable)

d. **Specify:** _____

FORFEITURE ALLOCATION. [Plan Sections 5.11(A) and 5.14] The Plan Administrator will allocate any Plan forfeitures as selected below. The Employer has the option to use forfeitures to pay plan expenses first and then allocate the remaining forfeitures in accordance with the selections below: (Choose one of the following):

e. **Additional Contributions.** As the following contribution type (Choose one of 1. or 2.):

1. **Nonelective.** As an additional Nonelective Contribution.
2. **Matching.** As an additional Matching Contribution.

f. **Reduce Fixed Contributions.** To reduce the following fixed contribution (Choose one of 1. or 2.):

1. **Nonelective.** To reduce the Employer's fixed Nonelective Contribution.
2. **Matching.** To reduce the Employer's fixed Matching Contribution.

g. **Specify:** _____

25. **TRUST PROVISIONS.** The following provisions apply to Article VIII of the Plan (Choose as applicable; leave blank if not applicable):

- a. **Modifications.** The Employer modifies the Article VIII Trust provisions as follows: _____. The remaining Article VIII provisions apply.
- b. **Substitution.** The Employer replaces the Trust with the Trust Agreement attached to the Plan.

26. **CUSTODIAL ACCOUNT/ANNUITY CONTRACT (8.16).** The Employer will hold all or part of the Deferred Compensation in one or more custodial accounts or annuity contracts which satisfy the requirements of Code §457(g) (Choose a. or b., c. if applicable):

- a. **Custodial account(s).**
- b. **Annuity contract(s).**
- c. **Specify:** _____

[Note: The Employer under c. may wish to identify the custodial accounts or annuity contracts or to designate a portion of the Deferred Compensation to be held in such vehicles versus held in the Trust.]

27. **VALUATION.** In addition to the last day of the Plan Year, the Trustee (or Plan Administrator as applicable) must value the Trust Fund (or Accounts) on the following Valuation Date(s) (Choose one of a. or b.):

- a. **No additional Valuation Dates.**
- b. **Additional Valuation Dates.** (Choose one or more of 1., 2. or 3.):
 1. **Daily Valuation Dates.** Each business day of the Plan Year on which Plan assets for which there is an established market are valued and the Trustee or Employer is conducting business.
 2. **Last day of a specified period.** The last day of each _____ of the Plan Year.

3. Specified Valuation Dates: _____

[Note: The Employer under Election 26b.3. may describe Valuation Dates from the elections available under Election 26b. and/or a combination thereof as to any: (i) Participant group (e.g., No additional Valuation Dates apply to Division A Employees OR to Employees hired after "x" date. Daily Valuation Dates apply to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., No additional Valuation Dates apply as to Discretionary Nonelective Contribution Accounts. The last day of each Plan Year quarter applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., No additional Valuation Dates apply to investments placed with vendor A and Daily Valuation Dates apply to investments placed with vendor B OR Daily Valuation Dates apply to Participant-Directed Accounts and no additional Valuation Dates apply to pooled Accounts).]

28. TRUSTEE (Select all that apply; leave blank if not applicable.):

a. Individual Trustee(s) who serve as Trustee(s) over assets not subject to control by a corporate Trustee. (Add additional Trustees as necessary.)

Name(s)	Title(s)
_____	_____
_____	_____
_____	_____

Address and Telephone number (Choose one of 1. or 2.):

- 1. Use Employer address and telephone number.
- 2. Use address and telephone number below:

Address: _____
Street

City State Zip

Telephone: _____

b. Corporate Trustee

Name: UMB Bank, n.a. c/o Security Benefit

Address: 30 Dan Road Suite 55976
Street

Canton Massachusetts 02021-2809
City State Zip

Telephone: (800) 747-3942

AND, the Corporate Trustee shall serve as:

c. a Directed (nondiscretionary) Trustee over all Plan assets except for the following:

d. a Discretionary Trustee over all Plan assets except for the following:

29. PLAN LOANS (5.02(A)). The Plan permits or does not permit Participant Loans (Choose one of a. or b.):

- a. Does not permit.
- b. Permitted pursuant to the Loan Policy.

30. ROLLOVER CONTRIBUTIONS (3.09). The Rollover Contributions under Election 5.d. are made as follows:

Who may roll over (Choose one of a. or b.):

- a. Participants only.
- b. Eligible Employees or Participants.

Sources/Types. The Plan will accept a Rollover Contribution (*Choose one of c. or d.*):

- c. **All.** From any Eligible Retirement Plan and as to all Contribution Types eligible to be rolled into this Plan.
- d. **Limited.** Only from the following types of Eligible Retirement Plans and/or as to the following Contribution Types:

Distribution of Rollover Contributions (*Choose one of e., f. or g.*):

- e. **Distribution without restrictions.** May elect distribution of his/her Rollover Contributions Account in accordance with Plan Section 4.05(C) at any time.
- f. **No distribution.** May not elect to receive distribution of his/her Rollover Contributions Account until the Plan has a distributable event under Plan Section 4.01.
- g. **Specify:** _____

31. **EACA Automatic Deferral Provisions (3.14).**

Participants subject to the Automatic Deferral Provisions. The Automatic Deferral Provisions apply to Employees who become Participants after the Effective Date of the EACA (except as provided in d. below). Employees who became Participants prior to such Effective Date are subject to the following (a. – d. are optional):

- a. **All Participants.** All Participants, regardless of any prior Salary Reduction Agreement, unless and until a Participant makes an Affirmative Election after the Effective Date of the EACA.
- b. **Election of at least Automatic Deferral amount.** All Participants, except those who, on the Effective Date of the EACA, are deferring an amount which is at least equal to the Automatic Deferral Percentage.
- c. **No existing Salary Reduction Agreement.** All Participants, except those who have in effect a Salary Reduction Agreement on the effective date of the EACA regardless of the Salary Reduction Contribution amount under the Agreement.
- d. **Describe:** _____

Automatic Deferral Percentage. Unless a Participant makes an Affirmative Election, the Employer will withhold the following Automatic Deferral Percentage (select e. or f.):

- e. **Constant.** The Employer will withhold _____ % of Compensation each payroll period.

Escalation of deferral percentage (select one or leave blank if not applicable)

1. **Scheduled increases.** This initial percentage will increase by _____ % of Compensation per year up to a maximum of _____ of Compensation.
2. **Other** (described Automatic Deferral Percentage): _____

Automatic Deferral Optional Elections

- f. **Optional elections** (select all that apply or leave blank if not applicable)

Suspended Salary Reduction Contributions. If a Participant's Salary Reduction Contributions are suspended pursuant to a provision of the Plan (e.g., distribution due to military leave covered by the HEART Act), then a Participant's Affirmative Election will expire on the date the period of suspension begins unless otherwise elected below.

1. A Participant's Affirmative Election will resume after the suspension period.

Special Effective Date. Provisions will be effective as of the earlier of the Effective Date of the EACA provisions unless otherwise specified below.

2. Special Effective Date: _____

32. **In-Plan Roth Rollover Contributions.**

- a. **Yes, allowed.**

Effective Date (enter date)

1. In-Plan Roth Rollover Effective Date: _____

33. **In-Plan Roth Rollover Transfers.**

- a. **Yes, allowed.**

Effective Date (enter date)

1. In-Plan Roth Rollover Transfers Effective Date: _____

This Plan is executed on the date(s) specified below:

Use of Adoption Agreement. Failure to complete properly the elections in this Adoption Agreement may result in disqualification of the Employer's Plan. The Employer only may use this Adoption Agreement only in conjunction with the corresponding basic plan document.

EMPLOYER: Worcester County Government

By: *Hope Carmean, Benefits Manager*

8/29/2022
DATE SIGNED

UMB Bank, n.a. c/o Security Benefit

Keri Watt

TRUSTEE

September 1, 2022

DATE SIGNED

WORCESTER COUNTY DEFERRED COMPENSATION PLAN RETIREMENT PLAN HEALTH REVIEW

For Period Ending 09/30/2023



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Data as of September 30, 2023

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This Retirement Plan Health Review is provided by Security Benefit to assist you with administration of the Plan. It is not designed to meet any Internal Revenue Code required reports or analysis.

INTRODUCTION

Data as of September 30, 2023

Security Benefit Retirement Plan Solutions - A Story of Innovation and Partnerships

Security Benefit has over a 126-year history of innovation. The foundation started from the Knights and Ladies of Security with \$11 and a vision of taking care of individuals within the community. Security Benefit also became the first company to offer life insurance to women. Their vision expanded by providing a home for the elderly, an orphanage, a school, and a hospital.

Later, our founding principle and belief that everyone deserves an opportunity to achieve financial well-being was the spark that ignited innovation for offering retirement plans. Before 401(k) plans existed back in the 1960s, Security Benefit recognized the need to create a retirement plan for its own employees.

Upon the creation of this retirement plan, word spread to other businesses and a world-renowned medical institution reached out to Security Benefit to create a similar retirement plan for their employees. As Security Benefit continued to expand, we started to offer 403(b) accounts to educators. Once again, Security Benefit was approached by a young Kansas businessman who shared his vision and passion to offer 403(b) retirement plans to educators in the state of Kansas. At Security Benefit, we recognize the importance of our partnerships and innovation, and passion to offer retirement plans, embedded in our history, still drives us today. Our goal is simple. We want to create the opportunity for everyone to pursue financial well-being.

That's why Security Benefit is happy to provide plan health reports to employers. We believe that having access to plan information is essential to helping you and your employees pursue that financial wellbeing.

OVERVIEW

For Period Ending 09/30/2023



YOUR PLAN FEATURES

Data as of September 30, 2023

Plan Features

	As of 09/30/2023	Benchmark*
Pre-Tax Contributions	Offered	98.00%
After Tax Contributions	Offered	89.50%
Roth Contributions	Not Offered	87.80%
Catch-Up Contributions	Offered	—
Rollovers	Offered	99.10%
Safe Harbor	Not Offered	—
Matching Contributions	Not Offered	88.20%
Profit Sharing Contributions	Not Offered	69.80%
Loans	Offered	83.60%
Hardship Withdrawals	Not Offered	89.90%

* Benchmark values presented are based on the Plan Sponsor Council of America's (PSCA) 65th Annual Survey of Profit Sharing and 401(k) Plans, representing 2021.

Automatic Plan Features

	As of 09/30/2023	Benchmark*
Qualified Automatic Contribution Arrangement (QACA) Safe Harbor	Not Offered	—
Automatic Enrollment	Not Offered	58.80%
Automatic Increase	Not Offered	42.90%

Fiduciary and Investment Related Features

	As of 09/30/2023	Benchmark*
Target Retirement Date Funds	Offered	82.30%
Model Portfolios	Not Offered	—
Managed Account Option	Not Offered	48.80%

PLAN OVERVIEW

Data as of September 30, 2023

	Comparison Period as of 12/31/2022	Your Plan as of 09/30/2023	Benchmark*
Total Plan Assets	\$7,951,376	\$8,477,809	—
Active Participants	249	260	—
Average Account Balance	\$29,627	\$30,870	\$194,964
Investments Offered	75	75	21
Investments with a Balance	54	60	—
Average Number of Investment Options Held	1.8	1.9	—

* Benchmark values presented are based on the Plan Sponsor Council of America's (PSCA) 65th Annual Survey of Profit Sharing and 401(k) Plans, representing 2021.

PARTICIPANT OVERVIEW

Data as of September 30, 2023

	Comparison Period 12/31/2022		Current Period 09/30/2023	
	Count	Account Value	Count	Account Value
Participants with a Balance All Participants, regardless of their plan status, that have a total account balance greater than \$0.00.	265	\$7,851,231	270	\$8,334,868
Active Participants Participants with a status of Active.	249	\$7,069,752	260	\$7,507,302
Suspended Participants Participants with a status of Suspended.	0	\$0	0	\$0
Prior Plan Participants Participants with a status of Terminated, Retired or Deceased and have a positive account balance.	19	\$781,478	18	\$827,566
QDRO and Beneficiaries Participants with a status of QDRO or Beneficiary. QDRO accounts are plan accounts that have been created to satisfy a Qualified Domestic Relation Order.	8	\$0	10	\$0
Non-Eligible Participants Participants with a status of Not Eligible. These are typically individuals that have not satisfied the eligibility requirements set forth by the Plan. Any balances associated with these accounts would reflect money rolled into the plan by the plan account owner.	0	\$0	0	\$0
Participants with a Loan Participants with at least one active loan outstanding as of the end of the reporting period. Loans that have been defaulted on will not be considered as active.	17	\$64,499	19	\$110,220

*DEMOGRAPHIC
DETAILS*

For Period Ending 09/30/2023



TOTAL NUMBER OF ACTIVE PARTICIPANTS: 260

Data as of September 30, 2023

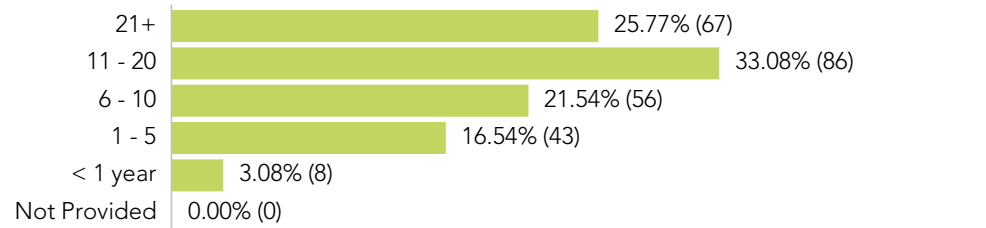
Participants with a status of Active.

Age Group	Percentage	Count
≤ 29	4%	10
30 - 39	17%	45
40 - 49	23%	61
50 - 59	33%	86
≥ 60	22%	58
Not Provided	0%	0

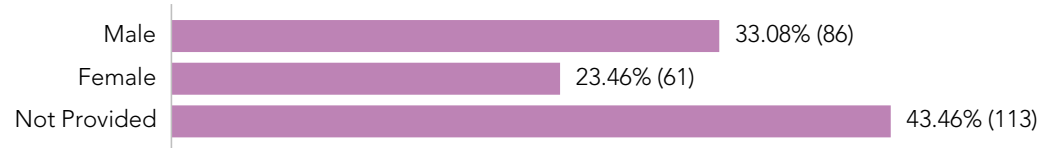
Compensation



Tenure



Gender



TERMINATED PARTICIPANTS: 18

Because terminated participants with low balances can complicate plan administration, many plans have mandatory distribution provisions. The table to the right shows the number of terminated participants with account balances of:

- \$1,000 or less (may be eligible for force-out cash distributions)
- More than \$1,000 but not more than \$5,000 (may qualify for automatic rollover into an Individual Retirement Account)
- More than \$5,000 (may not be cashed out without participant's consent)

Balance	Count	Note
≤ \$1,000	3	\$1,000 or less (may be eligible for force-out cash distributions)
> \$1,000 and ≤ \$5,000	0	More than \$1,000 but not more than \$5,000 (may qualify for automatic rollover into an individual Retirement Account)
> \$5,000	15	More than \$5,000 (may not be cashed out without participant's consent)

Tenure

Balance	21 +	11 - 20	6 - 10	1 - 5	< 1 Year	Not Provided	Total Count	Total Assets
≤ \$1,000	1	2	0	0	0	0	3	\$113
> \$1,000 and ≤ \$5,000	0	0	0	0	0	0	0	\$0
> \$5,000	7	4	3	0	1	0	15	\$827,452

AVERAGE ACCOUNT BALANCE: \$30,870

Data as of September 30, 2023

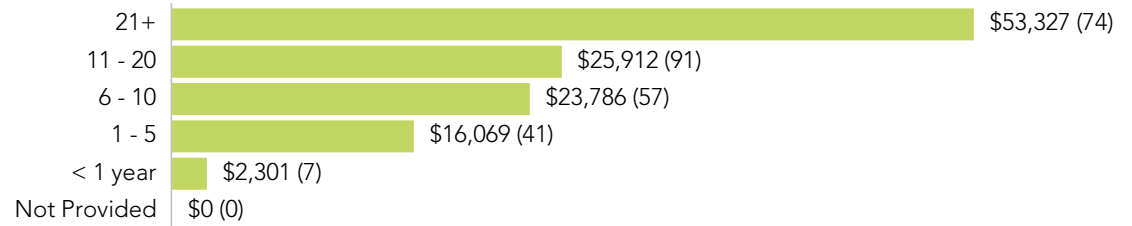
Participants' average account balances can be an indication of how well they're preparing for retirement. The tables to the right provide a breakdown of plan participants with balances by age group and show the average account balance for each group. Low average balances for older age groups, in particular, may indicate you have participants who are not adequately preparing for retirement and should be encouraged to contribute more.

Age Group	Average Account Balance	Count
≤ 29	\$9,082	9
30 - 39	\$15,061	45
40 - 49	\$21,218	63
50 - 59	\$32,674	84
≥ 60	\$50,638	69
Not Provided	\$0	0

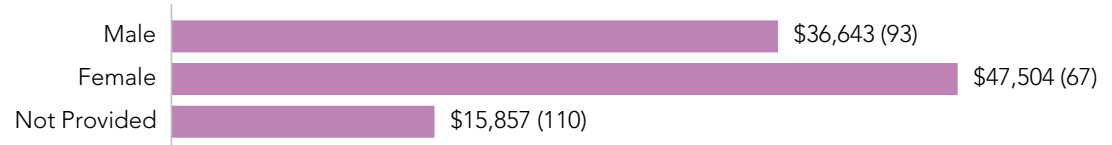
Compensation



Tenure



Gender



TOTAL CONTRIBUTIONS: \$696,064

Looking at total contributions to your plan by contribution type along with the net cash flow into the plan can tell you whether plan participants are taking full advantage of the contribution opportunities the plan offers. If your plan offers designated Roth account contributions and/or accepts rollovers from other retirement plans, low totals for either category may show a need to better promote these features. A high total distribution figure in comparison to total contributions is worth investigating. It could indicate a high employee turnover rate, a high number of retirees cashing out their accounts, low contribution rates by employees, or some combination of these factors.

Contribution Type	Total Contributions 1/1/2023 - 09/30/2023
Before Tax	\$691,531
After Tax	\$1,563
Roth	\$0
Rollover	\$2,970
Other Employee	\$0
Employer	\$0

Cash Flow from 1/1/2023 - 09/30/2023	
Total Contributions	\$696,064
Total Distributions	-\$695,783
Net Cash Flow	\$281

AVERAGE PARTICIPANT CONTRIBUTION: \$2,617

Data as of September 30, 2023

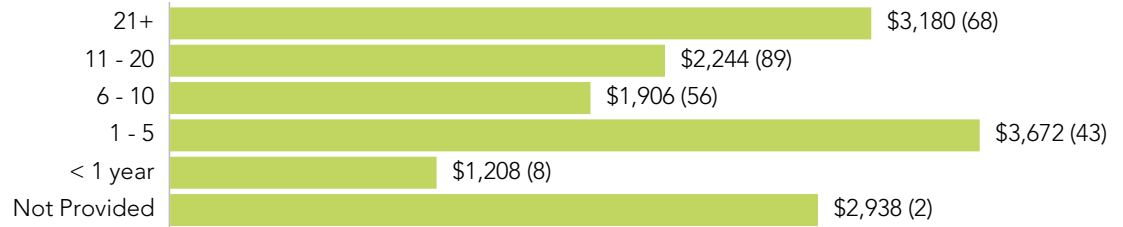
This table shows the year to date participant contribution amounts by age groups. It stands to reason that younger groups may make lower contributions than older groups, but low contribution amounts by any age group may mean participants will fall short of what they'll need for retirement. Younger groups may include lower-paid employees. However, if their deferral rates are markedly lower, that could be a red flag for your plan's nondiscrimination testing.

Age Group	Average Participant Contributions	Count
≤ 29	\$2,613	10
30 - 39	\$1,824	45
40 - 49	\$2,412	61
50 - 59	\$3,032	87
≥ 60	\$2,808	63
Not Provided	\$0	0

Compensation



Tenure



Gender



PARTICIPANTS WITH A LOAN: 19

Data as of September 30, 2023

Allowing participants to borrow against their account balances can encourage greater plan participation among your employees. However, too many outstanding loans, too high a total loan balance relative to total plan assets or more new loans issued than loans paid off could be detrimental to your plan participants and to the plan as a whole. These factors may signal a need to review your plan's current loan policy.

Plan Totals as of 09/30/2023	
Number of Loans Outstanding	18
Total Plan Outstanding Loan Balance	\$110,220
Average Outstanding Loan Balance	\$6,123

Loan Activity for Reporting Period 1/1/2023 - 09/30/2023	
New Loans Issued	7
Number of Defaulted Loans	2
Loans Paid Off	4

Age Group	Total Balance	Count
≤ 29	\$3,363	1
30 - 39	\$9,215	1
40 - 49	\$15,601	4
50 - 59	\$45,784	10
≥ 60	\$36,257	3
Not Provided	\$0	0

*PLAN
INVESTMENTS*

For Period Ending 09/30/2023

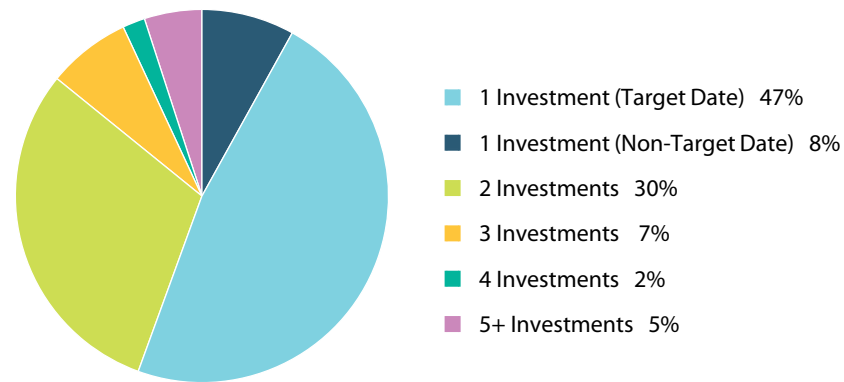


PARTICIPANT INVESTMENTS

Data as of September 30, 2023

There are several circumstances with respect to participant investments that you should be on the lookout for: a high percentage of participants invested in a single option that's not a target date or a balanced investment or a high number of investments per participant. These demographics could indicate that many participants don't understand asset allocation basics and need more education about investing their plan assets.

Number of Investments Held by Participants (%)



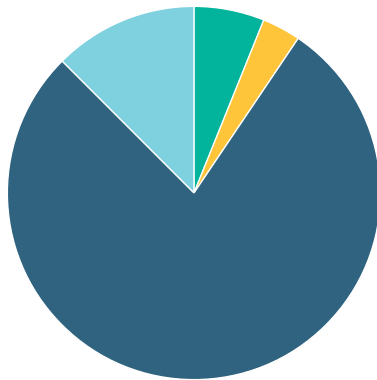
Average Number of Investments per Participant	1.9
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Number of Participants Invested in a Target Date Investment	222
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ASSET ALLOCATION (BY ASSET CLASS)

Data as of September 30, 2023

Total Participants: 270

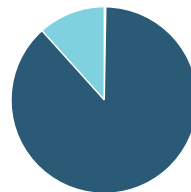


- Cash/Stable Value 5.62%
- Bond 3.60%
- Blended 78.29%
- Stock 12.50%
- Other 0.00%

Due to rounding, percentages in pie charts may not add up to 100%.

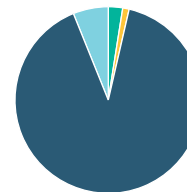
By Age Group

≤ 29:
9 Participants



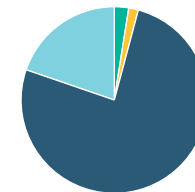
- Cash/Stable Value 0.00%
- Bond 0.04%
- Blended 88.27%
- Stock 11.69%
- Other 0.00%

30-39:
45 Participants



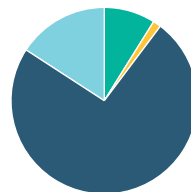
- Cash/Stable Value 2.18%
- Bond 1.07%
- Blended 90.43%
- Stock 6.33%
- Other 0.00%

40-49:
63 Participants



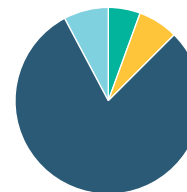
- Cash/Stable Value 2.23%
- Bond 1.59%
- Blended 76.30%
- Stock 19.88%
- Other 0.00%

50-59:
84 Participants



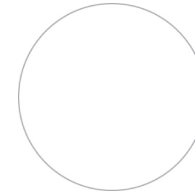
- Cash/Stable Value 8.57%
- Bond 1.35%
- Blended 73.96%
- Stock 16.12%
- Other 0.00%

≥ 60:
69 Participants



- Cash/Stable Value 5.39%
- Bond 6.70%
- Blended 79.87%
- Stock 8.04%
- Other 0.00%

Age UNKNOWN:
0 Participants



- Cash/Stable Value 0.00%
- Bond 0.00%
- Blended 0.00%
- Stock 0.00%
- Other 0.00%

INVESTMENT DETAILS

Data as of September 30, 2023

This table lists the investments your plan offers with a balance and shows participant use of each investment. The data can help you determine how well your investment lineup meets your participants' needs. A low number of participants using an investment and/or a low average balance in an investment could indicate participants don't understand the investment and its potential place in their asset allocation or that the investment is inappropriate for the plan's demographics.

Similarly, a high concentration of plan assets in a single option that's not a target date or a balanced investment could indicate that plan participants are not adequately diversifying their account assets or that the plan doesn't offer all the types of investments participants may need or are looking for, to diversify their accounts.

Transaction activity for period 1/1/2023 - 09/30/2023

Investment Name	Number of Participants	Opening Balance	Contributions	Fees	Withdrawals/ Loans	Transfers In/Out	Gains/Loss	Closing Balance
Allspring Discovery Small Cap Growth Fund (A)	1	\$0	\$13	\$0	\$0	\$0	-\$1	\$12
Allspring Income Plus Fund (A)	3	\$8,830	\$2,510	\$0	\$0	\$0	-\$155	\$11,509
Allspring Special Mid Cap Value Fund (A)	6	\$37,103	\$1,246	\$0	\$0	\$0	-\$158	\$38,191
Allspring Special Small Cap Value Fund (A)	2	\$172	\$2	\$0	\$0	\$0	\$9	\$183
American Century Disciplined Core Value Fund (A)	3	\$14,946	\$7	\$0	\$0	\$306	-\$277	\$15,138
American Century Focused Dynamic Growth Fund (Adv)	2	\$4,868	\$500	\$0	\$0	\$0	\$1,040	\$6,407
American Century Global Small Cap Fund (A)	1	\$3,301	\$2,366	\$0	\$0	\$91	-\$39	\$5,718

The transaction activity table provided above does not include activity for any Self Directed Brokerage or External Asset accounts that may be held in your plan.

PLAN ID: 612898000

WORCESTER COUNTY DEFERRED COMPENSATION PLAN

INVESTMENT DETAILS

Data as of September 30, 2023

Investment Name	Number of Participants	Opening Balance	Contributions	Fees	Withdrawals/ Loans	Transfers In/Out	Gains/Loss	Closing Balance
American Century Sustainable Equity Fund (A)	1	\$7,390	\$1,330	\$0	\$0	\$0	\$809	\$9,529
American Funds EuroPacific Growth Fund (R4)	6	\$21,266	\$2,802	\$0	\$0	\$0	\$783	\$24,926
American Funds Inflation Linked Bond Fund (R4)	3	\$164,687	\$8,043	\$0	\$0	\$0	-\$5,357	\$167,373
American Funds New World Fund (R4)	5	\$30,717	\$1,870	\$0	\$0	\$41	\$1,887	\$34,514
Baron Real Estate Fund	1	\$266	\$0	\$0	\$0	\$0	\$14	\$279
BlackRock Emerging Markets Fund (A)	1	\$205	\$0	\$0	\$0	\$0	\$2	\$208
BlackRock High Yield Bond Fund (Svc)	1	\$3,645	\$665	\$0	\$0	\$0	\$19	\$4,531
BNY Mellon MidCap Index Fund (Inv)	1	\$0	\$36	\$0	\$0	\$0	-\$1	\$34
BNY Mellon Natural Resources Fund (A)	11	\$85,579	\$4,990	-\$1	\$0	\$0	\$4,055	\$94,623
BNY Mellon S&P 500 Index Fund	6	\$69,298	\$6,438	\$0	\$0	-\$282	\$8,685	\$84,139
Fixed Account	105	\$406,141	\$10,110	-\$20	-\$312,014	\$351,563	\$6,417	\$462,198
Guggenheim Total Return Bond Fund (A)	8	\$52,558	\$4,979	\$0	\$0	\$0	-\$1,913	\$57,340
Invesco Corporate Bond Fund (A)	5	\$5,576	\$351	\$0	\$0	\$0	-\$248	\$5,881
Invesco Discovery Fund (A)	3	\$8,528	\$2,397	\$0	\$0	-\$50	\$408	\$11,283
Invesco Main Street Small Cap Fund (A)	1	\$181	\$0	\$0	\$0	\$0	\$7	\$188
Janus Henderson Balanced Fund (A)	11	\$211,329	\$8,335	\$0	\$0	\$49	\$6,489	\$230,159
Janus Henderson Enterprise Fund (S)	5	\$33,158	\$5,232	\$0	\$0	\$0	\$2,406	\$40,796
JPMorgan Large Cap Growth Fund (R3)	5	\$49,440	\$10,411	\$0	\$0	\$0	\$9,551	\$69,401
JPMorgan Mid Cap Growth Fund (R3)	5	\$10,489	\$852	\$0	\$0	\$137	\$863	\$12,341

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PLAN ID: 612898000

WORCESTER COUNTY DEFERRED COMPENSATION PLAN

INVESTMENT DETAILS

Data as of September 30, 2023

Investment Name	Number of Participants	Opening Balance	Contributions	Fees	Withdrawals/ Loans	Transfers In/Out	Gains/Loss	Closing Balance
JPMorgan US Government Money Market Fund (Mor)	3	\$4,500	\$1,275	\$0	\$0	\$59	-\$848	\$5,929
MFS New Discovery Value Fund (R3)	1	\$6,472	\$30	\$0	\$0	\$0	-\$184	\$6,426
PIMCO High Yield Spectrum Fund (A)	3	\$18,903	\$181	\$0	\$0	-\$306	\$281	\$19,897
PIMCO Income Fund (A)	3	\$23,388	\$3,532	\$0	\$0	\$0	-\$534	\$27,532
PIMCO RAE Global ex-US Fund (A)	1	\$142	\$0	\$0	\$0	\$0	\$13	\$155
PIMCO StocksPLUS Small Fund (A)	1	\$1,575	\$175	\$0	\$0	\$0	\$4	\$1,769
Pioneer Bond Fund (A)	2	\$2,027	\$70	\$0	\$0	\$0	-\$70	\$2,079
Pioneer Fund (Y)	11	\$78,531	\$9,316	\$0	-\$4,536	\$33	\$9,263	\$93,147
T. Rowe Price Global Stock Fund (Adv)	1	\$104	\$0	\$0	\$0	\$0	\$12	\$115
T. Rowe Price Growth Stock Fund (R)	22	\$323,210	\$27,624	\$0	-\$9,968	-\$142	\$94,768	\$435,492
T. Rowe Price Retirement 2010 Fund (Adv)	7	\$122,541	\$500	-\$37	-\$10,417	\$2,330	\$4,801	\$119,719
T. Rowe Price Retirement 2015 Fund (Adv)	4	\$351,308	\$13,600	\$0	\$0	\$0	\$14,658	\$379,566
T. Rowe Price Retirement 2020 Fund (Adv)	38	\$1,790,866	\$23,036	-\$300	-\$88,816	-\$309,804	\$80,897	\$1,495,878
T. Rowe Price Retirement 2025 Fund (Adv)	7	\$44,153	\$7,417	-\$88	-\$733	-\$6,266	\$2,268	\$46,751
T. Rowe Price Retirement 2030 Fund (Adv)	59	\$2,028,235	\$168,090	-\$492	-\$114,316	-\$76,439	\$123,563	\$2,128,640
T. Rowe Price Retirement 2035 Fund (Adv)	23	\$290,494	\$55,964	-\$50	-\$5,842	-\$3,332	\$20,137	\$357,370
T. Rowe Price Retirement 2040 Fund (Adv)	35	\$850,709	\$60,385	-\$225	\$0	\$4,956	\$67,762	\$983,587
T. Rowe Price Retirement 2045 Fund (Adv)	20	\$334,483	\$34,139	-\$63	\$0	-\$8,803	\$28,302	\$388,058

The transaction activity table provided above does not include activity for any Self Directed Brokerage or External Asset accounts that may be held in your plan.

PLAN ID: 612898000

WORCESTER COUNTY DEFERRED COMPENSATION PLAN

INVESTMENT DETAILS

Data as of September 30, 2023

Investment Name	Number of Participants	Opening Balance	Contributions	Fees	Withdrawals/ Loans	Transfers In/Out	Gains/Loss	Closing Balance
T. Rowe Price Retirement 2050 Fund (Adv)	8	\$58,875	\$7,501	\$0	\$0	\$0	\$5,180	\$71,556
T. Rowe Price Retirement 2055 Fund (Adv)	11	\$103,444	\$27,365	\$0	\$0	\$0	\$9,134	\$139,943
T. Rowe Price Retirement 2060 Fund (Adv)	5	\$46,628	\$9,913	\$0	\$0	\$0	\$4,035	\$60,576
TRP Integrated US Small-Cap Growth Equity Adv	4	\$15,574	\$1,268	\$0	\$0	\$167	\$1,078	\$18,086
Vanguard 500 Index Fund (Adm)	6	\$6,248	\$5,756	\$0	\$0	-\$346	\$663	\$12,435
Vanguard Developed Markets Index Fund (Adm)	3	\$0	\$776	\$0	\$0	\$0	-\$36	\$744
Vanguard Mid-Cap Index Fund (Adm)	3	\$4,626	\$1,170	\$0	\$0	\$170	\$29	\$6,055
Vanguard Small-Cap Index Fund (Adm)	6	\$13,025	\$4,573	\$0	\$0	\$133	\$185	\$18,107
Vanguard Target Retirement 2035 Fund	1	\$0	\$1,856	\$0	\$0	\$0	-\$11	\$1,845
Vanguard Target Retirement 2040 Fund	1	\$295	\$2,000	\$0	\$0	\$0	\$14	\$2,309
Vanguard Target Retirement 2045 Fund	1	\$81,085	\$8,000	\$0	\$0	\$0	\$6,007	\$95,092
Vanguard Target Retirement 2050 Fund	3	\$17,176	\$3,012	\$0	\$0	\$0	\$1,321	\$21,508
Vanguard Target Retirement 2060 Fund	1	\$0	\$2,978	\$0	\$0	\$0	-\$47	\$2,931
Vanguard Total Bond Market Index Fund (Adm)	3	\$0	\$1,560	\$0	\$0	\$0	-\$37	\$1,528
Vanguard Total International Bond Index Fund (Adm)	1	\$1,867	\$210	\$0	\$0	\$0	\$0	\$2,104
Victory RS Global Fund (A)	2	\$888	\$36	\$0	\$0	\$0	\$114	\$1,037

The transaction activity table provided above does not include activity for any Self Directed Brokerage or External Asset accounts that may be held in your plan.

PLAN ID: 612898000

WORCESTER COUNTY DEFERRED COMPENSATION PLAN

*ADDITIONAL
INFORMATION*



DEFINITIONS

Active Loan

A loan with an outstanding balance > \$0 which does not have a status of "Deemed" or "Defaulted."

Active Participant

Any participant with a Participant Status of "Active."

Beneficiary Participant

Any participant with a Participant Status of "Beneficiary."

Blended Fund

An Investment stored with an asset indicator of "Blended."

Bond

An Investment stored with an asset indicator of "Bond."

Cash/Stable Value Fund

An Investment stored with an asset indicator of "Cash/Stable Value."

Closed Loan

A loan with a Status of "Closed."

Deceased Participant

Any participant with a Participant Status of "Deceased."

Deemed Loan

A loan with a Status of "Deemed."

Defaulted Loan

A loan with a Status of "Defaulted."

Not Eligible Participant

Any participant with a Participant Status of "Not Eligible."

Positive Balance Participant

Any participant, regardless of their Participant Status, that has a closing balance that is greater than \$0 as of the Period Ending Date.

QDRO Participant

Any participant with a Participant Status of "QDRO."

Retired Participant

Any participant with a Participant Status of "Retired."

Stock Fund

An Investment stored with an asset indicator of "Stock."

Suspended Participant

Any participant with a Participant Status of "Suspended."

Terminated Participant

Any participant with a Participant Status of "Terminated" and a balance greater than \$0.

CALCULATIONS

Active Loan Count

The number of Active Loans in the plan.

Average Outstanding Loan Balance

Total Active Loan Balance divided by Active Loan Count.

Average Participant Contribution

Total Deferral Dollars divided by the total count of unique Active Participants and participants with a contribution greater than \$0.

Calculated Age

Calculated from Date of Birth, stored in months.

Displayed Age

Calculated from Date of Birth, rounded down to the nearest year.

Investments Offered

The count of investments with a status of "Active."

Investments with a Balance

The count of investments in the plan with a positive Closing Balance.

Net Cash Flow

Total Plan Contributions less Total Plan Distributions.

Participant Investment Count

The count of investments a Positive Balance Participant has with a balance greater than \$0.

Participants Within an Investment

The count of Positive Balance Participants with a balance in a specific investment.

Tenure

The number of full years with the company, calculated from Date of Hire.

Total Active Loan Balance

The total balance of all Active Loans.

Total Plan Assets

Sum of all participant assets, for all funds, plus any outstanding loan balances and plan holding accounts.

Total Plan Contributions

The sum of all employee and employer contributions including Rollovers in.

Total Plan Distributions

The sum of all distributions (displayed as a negative number).

Distributions include:

- Distributions
- Defaulted Loan Balance
- Forfeitures
- Mistake of Fact
- Loan Transfer Out
- Admin Error
- Loan Closeout
- Trustee Transfer Out