

# Plan Document

## **403(b) Plan Document For Arlington Heights School District No. 25**

2020 Restatement II  
Effective October 15, 2020

Plan Document includes the following:

Appendix 1

Appendix 2

Appendix 3

Administrative Appendix

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## 403(b) Plan Document For Arlington Heights School District No. 25

### Section 1 - Definitions

The following words and terms, when used in the Plan, have the meaning set forth below.

- 1.1 **Account** means the account maintained for the benefit of any Participant or Beneficiary under an Investment Arrangement.
- 1.2 **Account Balance** means the total benefit to which a Participant or the Participant's Beneficiary is entitled under an Investment Arrangement, taking into account all contributions made to the Investment Arrangement and all earnings or losses (including expenses) that are allocable to the Participant's Account, any rollover contributions or transfers held under the Participant's Account, and any distribution made to the Participant, the Participant's Beneficiary, or any Alternate Payee. The Account Balance includes any part of the Participant's Account that is treated under the Plan as a separate contract to which section 403(c) (or another applicable provision of the *Internal Revenue Code*) applies.
- 1.3 **Administrator** means the Employer or its designee. Functions of the Administrator, including those described in the Plan, may be performed by Vendors, designated agents of the Administrator, or others (including Employees a substantial portion of whose duties is administration of the Plan) pursuant to the terms of Investment Arrangements, written service agreements or other documents under the Plan. For this purpose, an Employee is treated as having a substantial portion of his or her duties devoted to administration of the Plan if the Employee's duties with respect to administration of the Plan are a regular part of the Employee's duties and the Employee's duties relate to Participants and Beneficiaries generally (and the Employee only performs those duties for himself or herself as a consequence of being a Participant or Beneficiary).
- 1.4 **Annuity Contract** means a nontransferable group or individual contract as defined in sections 403(b)(1) and 401(g) of the *Internal Revenue Code*, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in a State and that includes payment in the form of an annuity.
- 1.5 **Beneficiary** means the designated person(s) or entity(ies) entitled to receive benefits under the Plan after the death of a Participant, as identified under the terms governing each Investment Arrangement or in other records maintained under the Plan.

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- 1.6 **Custodial Account** means the group or individual custodial account or accounts, as defined in section 403(b)(7) of the *Internal Revenue Code*, established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.
- 1.7 **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.
- 1.8 **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 under Section 2 of the Plan made to reduce compensation in order to have Elective Deferrals under the Plan).
- 1.9 **Disabled** means unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long continued and indefinite duration. The permanence and degree or such impairment shall be supported by medical evidence. For purposes of annuity contracts distributing amounts not attributable to elective deferrals, 'Disabled' shall have the same meaning as above unless an alternative definition is provided in the Investment Arrangement.
- 1.10 **Elective Deferral** means the Employer contributions made to the Plan at the election of the participant in lieu of receiving cash compensation. The term "Elective Deferral" includes Roth Elective Deferrals if permitted under the Plan.
- 1.11 **Employee** means any individual employed by the Employer including any Related Employers) as a common law employee. Independent contractors are not Employees.

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

- 1.12 **Employer** means the Board of Education of Arlington Heights School District No. 25, Cook County, Illinois. For purposes of eligibility to participate in and make contributions to the Plan, "Employer" also includes any Related Employer that is an

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eligible employer within the meaning of section 1.403(b)-2(b)(8) of the Treasury Regulations and that is designated as such by the Plan.

- 1.13 **Employer Contributions** means any nonelective contributions made to the Plan by the Employer as provided in the Plan document and other supporting documents, including but not limited to, collective bargaining agreements, employment contracts and Board Policy.
- 1.14 **Investment Arrangement (a.k.a. "Funding Vehicle")** means an Annuity Contract or Custodial Account that satisfies the requirements of section 1.403(b)-3 of the Treasury Regulations and that is issued or established for funding amounts held under the Plan. A list of Vendors of Investment Arrangements approved for use under the Plan, including sufficient information to identify the approved Investment Arrangements, shall be maintained in an appendix to the Plan. The terms governing each Investment Arrangement under the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the *Internal Revenue Code*, are hereby incorporated by reference in the Plan. Vendors of Investment Arrangements approved for use under the Plan consist of Vendors of Investment Arrangements that are eligible to receive new contributions under the Plan (i.e., payroll slot vendors) and Vendors of Investment Arrangements that are eligible to conduct exchanges under the Plan.
- 1.15 **Includible Compensation** means an Employee's compensation received from the Employer that is includible in the Participant's gross income for Federal income tax purposes (computed without regard to section 911 of the *Internal Revenue Code*, relating to United States citizens or residents living abroad), including differential wage payments under section 3401(h) of the *Internal Revenue Code* for the most recent period that is a Year of Service. Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in gross income but for the rules of section 125, 132(t)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the *Internal Revenue Code*. Includible Compensation does not include any compensation received during a period when the Employer was not an eligible employer within the meaning of section 1.403(b)-2(b)(8) of the Treasury Regulations. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in section 1.401 (a)(17)-1 (d)(4)(ii) of the Treasury Regulations with respect to eligible participants in governmental plans, the amount of Includible Compensation of each Participant taken into account in determining contributions shall not exceed \$265,000, as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the *Internal Revenue Code* for periods after 2015. Beginning in 2009 and thereafter, such term also includes any "differential pay" that may be received while performing qualified military service under section 414(u) of the Code.
- 1.16 **Individual Agreement** means an agreement between a Vendor and the Employer or a Vendor and a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

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- 1.17 **Participant** means an individual for whom Elective Deferrals or other contributions permitted under the Plan are currently being made, or for whom such contributions have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan. All Employees of the Employer will be eligible to participate in the Plan.
- 1.18 **Plan** means the Arlington Heights School District 25 403(b) Plan, as restated and amended herein and from time to time.
- 1.19 **Plan Year** means the calendar year.
- 1.20 **Related Employer** means the Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.
- 1.21 **Roth 403(b) Contribution** means any contribution made by a Participant which is designated as a Roth 403(b) Contribution in accordance with Section 10 of the Plan that qualifies as a Roth 403(b) Contribution under section 402A of the Code.
- 1.22 **Severance from Employment** means severance from employment with the Employer and any Related Entity. However, a Severance from Employment also occurs on any date on which an Employee ceases to be an employee of a public school, even though the Employee may continue to be employed by a Related Employer that is another unit of the State or local government that is not a public school or in a capacity that is not employment with a public school (e.g., ceasing to be an employee performing services for a public school but continuing to work for the same State or local government employer). Public school means a State-sponsored educational organization described in section 170(b)(1)(A)(ii) of the *Internal Revenue Code* (relating to educational organizations that normally maintain a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where educational activities are regularly carried out).
- 1.23 **Vendor** means the provider of an Annuity Contract or Custodial Account, or any organization acting on their behalf under this Plan.
- 1.24 **Valuation Date** means each business day of the Plan Year.

## Section 2 - Participation and Contributions and Administration

- 2.1 **Eligibility.** Each Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer.

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2.2 **Contributions.** (a) Elective Deferral Contributions. An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed to the Plan as an Elective Deferral on his or her behalf) and filing it with the appropriate Administrator. This Compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time. The participation election shall also include designation of the Investment Arrangement therein to which Elective Deferrals are to be made. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. Unless indicated as Roth 403(b) Contributions, all Elective Deferrals shall be made on a pre-tax basis. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee's election. The Plan does not include automatic enrollment.

(b) Roth 403(b) Contributions are not permitted under the Plan.

(c) Employer Contributions. (1) The Employer may make nonelective Employer contributions to Accounts of designated Employees. Employer contributions shall be discretionary and pursuant to individual Employment Contracts, Board Policy and/or applicable collective bargaining agreements. Contributions made under this Section 2.2(c) shall be deposited into each Participant's Account in accordance with Sections 2.4 and 2.5 of the Plan.

(2) Employer may make contributions into the 403(b) Accounts of former Employees, provided that any such contributions satisfy all of the following conditions:

- a. Contributions may not be made later than the fifth calendar year following the year in which the former Employee ceased to be an Employee.
- b. Contributions may not be made following the month of the former Employee's death.
- c. Contributions shall be 100% vested at all times.
- d. Contributions shall be based on "includible compensation" as defined in section 403(b)(3) of the Code as modified by IRS regulations and shall be subject to the limitations of section 415(c)(1) of the Code.

Subject to (2)b. above, amounts not contributed by Employer to any former Employee's 403(b) Account due to the contribution limitations of section 415(c) of the Code shall be contributed in the next Plan Year (and each succeeding Plan Year) until the Employer contributes all amounts due to Participant. No contributions may

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be made after the last day of the fifth year following the Plan Year in which the Participant's Severance from Employment occurred.

- 2.3 **Information Provided by the Employee.** Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.
- 2.4 **Change in Elective Deferral Election.** Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals, a change in the allocation of his or her Elective Deferrals to reflect pre-tax or Roth 403(b) Contributions, and/or a change to previous investment directions. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor.
- 2.5 **Contributions Made Promptly.** Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within fifteen (15) business days following the end of the month in which the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable state law. Employer contributions shall be transferred to the applicable Investment Arrangement within a reasonable period of time but in no event later than thirty (30) days after the end of the Employer's standard work year for which such contributions were owed.
- 2.6 **Leave of Absence.** Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.
- 2.7 **Plan Administration.** The Plan shall be administered, and the provisions of the various documents comprising the Plan shall be coordinated, in accordance with the terms of the Plan and the requirements of section 403(b) of the *Internal Revenue Code*. These provisions and requirements include but are not limited to -
- a. Determining whether an employee is eligible to participate in the Plan.
  - b. Determining whether contributions comply with the applicable limitations.
  - c. Determining that any transfers, rollovers, or purchases of service credit comply with applicable requirements and limitations.
  - d. Determining that the requirements of the Plan and section 403(b) of the *Internal Revenue Code* are properly applied, including whether the Employer is a member of a controlled group.
  - e. Determining the status of domestic relations orders or qualified domestic relations orders.

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Administrative functions, including functions to comply with section 403(b) of the *Internal Revenue Code* and other tax requirements, may be allocated among various persons pursuant to service agreements or other written documents. However, in no case shall administrative functions be allocated to Participants (other than permitting Participants to make investment elections for self-directed accounts). Any administrative functions not allocated to other persons are reserved to the Administrator.

- 2.8 **Administrative Appendix.** Persons to whom administrative functions have been allocated and the specific functions allocated to such persons shall be identified in an administrative appendix to the Plan. Service agreements and other records or information pertaining to the administration of the Plan may be included or incorporated by reference in the appendix. The appendix will also include a list of all the Vendors or Investment Arrangements approved for use under the Plan, including sufficient information to identify the approved Investment Arrangements. The appendix may be modified from time to time. A modification of the appendix is not an amendment of the Plan.

### Section 3 - Limitations on Amounts Deferred

- 3.1 **Basic Annual Limitation.** Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed \$19,500, which is the applicable dollar amount established under section 402(g)(1)(B) of the *Internal Revenue Code* for tax year 2020 and adjusted for cost-of-living to the extent provided under section 402(g)(4) of the *Internal Revenue Code* for periods after 2020.
- 3.2 **Special Section 403(b) Catch-up Limitation for Employees With 15 Years of Service.** The applicable dollar amount under Section 3.1 for any “qualified employee” is increased (to the extent provided in the Individual Agreements) by the least of:
- (a) \$3,000;
  - (b) The excess of:
    - (1) \$15,000, over
    - (2) The total special 403(b) catch-up elective deferrals made for the qualified employee by the qualified organization for prior years; or
  - (c) The excess of:
    - (1) \$5,000 multiplied by the number of years of service of the employee with the qualified organization, over
    - (2) The total Elective Deferrals made for the employee by the qualified organization for prior years.

For purposes of this Section 3.2, a “qualified employee” means an employee who has completed at least 15 years of service taking into account only employment with the Employer.



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- 3.3 **Age 50 Catch-up Elective Deferral Contributions.** An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount or Elective Deferrals, up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for the 2020 tax year is \$6,500, and is adjusted for cost-of-living to the extent provided under the *Internal Revenue Code* for periods after 2020.
- 3.4 **Coordination.** Amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.2 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Includible Compensation for the year.
- 3.5 **Special Rule for a Participant Covered by Another Section 403(b) Plan.** For purposes of this Section 3, if the Participant is or has been a Participant in one or more other plans under section 403(b) of the *Internal Revenue Code* (and any other plan that permits elective deferrals under section 402(g) of the *Internal Revenue Code*), then this Plan and all such other plans shall be considered as one plan for purposes of applying the limitation in this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a section 403(b) plan.
- 3.6 **Correction of Excess Elective Deferrals.** If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the Employer under section 403(b) of the *Internal Revenue Code* (and any other plan that permits elective deferrals under section 402(g) of the *Internal Revenue Code* for which the Participant provides information that is accepted by the Administrator), then the Elective Deferrals, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto through the end of the applicable calendar year), shall be distributed to the Participant.
- 3.7 **Protection of Persons Who Serve in a Uniformed Service.** An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code 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. Except to the extent provided under section 414(u) of the Code, this

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right applies for five (5) years following the resumption of employment (or, if sooner, for a period equal to three (3) times the period of the interruption or leave).

- 3.8 **Annual Contribution Limits.** The aggregate annual amount contributed into a Participant's Account shall not exceed the amount permitted under section 415(c) of the Code. If any Employer Contributions cause a Participant's 403(b) Contract to exceed the annual contribution limitation of section 415(c)(1) of the Code, the excess contributions shall be segregated and treated in a manner consistent with applicable IRS guidance on excess "annual additions."

### Section 4 - Loans

- 4.1 **Loans.** Loans are not authorized under the Plan.

### Section 5 - Benefit Distributions

- 5.1 **Benefit Distributions At Severance from Employment or Other Distribution Event.** Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), or Section 5.4 (relating to Hardship Distributions), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

Notwithstanding the above, a Participant who is on active duty for a period of at least 30 days while performing qualified military service and who is receiving differential pay from the Employer while on active duty may elect to receive a distribution of the Participant's deferrals into the Plan as permitted under section 414(u) of the Code. (For purposes of this paragraph, a Participant shall be treated as having a Severance from Employment during any period the Participant is performing service in the uniformed services described in section 3401(h)(2)(A) of the *Internal Revenue Code*.) If a distribution of the Participant's deferrals is taken, then no deferrals into the Plan may be made by the Participant for a period of at least six (6) months from the date of the distribution.

- 5.2 **Minimum Distributions.** The Plan shall comply with the minimum distribution requirements of Section 401(a)(9) of the *Internal Revenue Code* and the regulations thereunder in accordance with the terms governing each Investment Arrangement, unless and to the extent otherwise permitted by law and in regulations or other rules of general applicability published by the Department of the Treasury or the Internal Revenue Service. For purposes of applying the distribution rules of Section 401 (a)(9) of the Code, each Investment Arrangement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Section 1.408-8 of the Treasury Regulations, except as provided in Section 1.403(b)-6(c) of the Treasury Regulations.

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For the calendar year 2009 only, a Participant who would have been required to receive a distribution under this Section 5.2 but for the enactment of WRERA ("2009 mandatory distribution"), and who would have satisfied that requirement by receiving a distribution from the Plan will not receive a 2009 mandatory distribution. However, the Participant may affirmatively elect to receive such amount in 2009 which shall not be a mandatory distribution under this Section of the Plan.

5.3 **In-Service Distributions From Rollover Account.** If the Funding Vehicles in which a Participant's Account is invested has established and maintains a separate account attributable to rollover contributions to the Plan and if permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in such rollover account.

5.4 **Hardship Distributions.** Hardship distributions are not authorized under the Plan.

5.5 **Rollover Distributions.** (a) A Participant or the Beneficiary of a deceased Participant (or a Participant's spouse or former spouse who is an 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 to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant's death was neither the spouse or former spouse of the Participant or alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d)(3)(C) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

5.6 **Distributions in Case of Birth of Child or Adoption.** (a) A Participant may receive, upon request, a qualified birth or adoption distribution as defined in 26 U.S.C. 72(t)(H).

(b) The distribution must be made within the 1-year period beginning on the date on which a child of the individual is born or on which the legal adoption by the individual of an eligible adoptee is finalized.

(c) The aggregate amount of such distributions from all plans maintained by the Employer shall not exceed \$5,000 with respect to the same child or eligible adoptee.

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(d) A Participant who receives a qualified birth or adoption distribution may, but is not required to, repay part or all of the qualified birth or adoption distribution by making one or more contributions to the Plan in an aggregate amount not to exceed the amount of such distribution, provided the Participant is eligible to make a rollover contribution to the Plan at the time the Participant wishes to recontribute the qualified birth or adoption distribution to the plan and such recontributions are otherwise in accordance with IRS rule.

### Section 6 – Rollovers, Exchanges and Transfers

- 6.1 **Eligible Rollover Contributions to the Plan.** A Participant 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. Such rollover contributions shall be made in the form of cash only. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the *Internal Revenue Code* and to confirm that such plan is an Eligible Retirement Plan.
- 6.2 **Eligible Rollover Distributions.** For purposes of Section 6.1, 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 any installment payment payable over a period of ten (10) years or more, any distribution made as a result of a financial hardship or other distribution which is made upon hardship of the employee, or 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, for purposes of Section 6.1, 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 accept eligible rollover distributions.
- 6.3 **Separate Accounts.** Unless otherwise provided by the terms of applicable Individual Agreements, Vendors shall provide separate accounting for any eligible rollover distributions paid to the Plan.
- 6.4 **Plan-to-Plan Transfers to the Plan.** The Plan does not permit Plan-to-Plan transfers to the Plan.
- 6.5 **Plan-to-Plan Transfers from the Plan.** The Plan does not permit Plan-to-Plan transfers from the Plan.
- 6.6 **Contract and Custodial Account Exchanges.** (a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors

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under the Plan, subject to the terms of the Individual Agreements. However, exchanges are not permitted to Vendors that are not eligible to receive contributions under Section 2. The Employer must enter into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

6.7 **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 balance transferred to such defined benefit governmental plan. A transfer under this Section 6.7(a) may only be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under this Section 6.7(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.

(c) If a plan-to-plan transfer under this Section 6.7, if allowed, does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

### Section 7 - Investment of Contributions

7.1 **Manner of Investment.** All Elective Deferrals, Roth 403(b) Contributions, Employer Contributions or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to 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 Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 **Investment of Contributions.** Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made under this Section 7.2 as authorized by this Plan document and to the extent provided in the Individual Agreements as permitted under applicable Income Tax Regulations.

7.3 **Current and Former Vendors.** The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the

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Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. If a Vendor is not eligible to receive Elective Deferrals, Roth 403(b) Contributions or Employer Contributions under the Plan (including a Vendor that has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.4 or 6.6), Employer shall keep Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

### Section 8 - Amendments to the Plan

- 8.1 **Termination of Contributions.** The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.
- 8.2 **Amendment.** The Employer reserves the authority to amend this Plan at any time, provided that any amendment which reduces the contractual rights or benefits under an Individual Agreement shall apply prospectively only except as required under the Code and applicable regulations.

### Section 9 – Miscellaneous

- 9.1 **Non-Assignability.** Except as provided in Section 9.2 and 9.3, 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.
- 9.2 **Domestic Relation Orders.** Notwithstanding Section 9.1, 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 Accumulated Benefit (the sum of a Participant's or Beneficiary's Account Balances under all Investment Arrangements under the Plan) 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 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.

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- 9.3 **IRS Levy.** Notwithstanding Section 9.1, the Administrator may pay from a Participant's or Beneficiary's Accumulated Benefit (the sum of a Participant's or Beneficiary's Account Balances under all Investment Arrangements under the Plan) the amount that the 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.
- 9.4 **Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals and Roth 403(b) Contributions, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.
- 9.5 **Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid in conformity with applicable Annuity Contracts or Custodial Accounts. If the applicable Annuity Contracts or Custodial Accounts do not address the issue of payments to minors and incompetents, then the Administrator shall direct payment of the benefit to such person as the 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.
- 9.6 **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 (1) year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned to the party that made the contribution.
- 9.7 **Procedure When Distributee Cannot Be Located.** The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. If, after sending the communication by certified mail to the last known address shown on the records of the Employer or the Administrator and not receiving a response within six (6) months, then the terms of the Funding Vehicle holding the Accounts of the Participant that govern payment of benefits to Participants and Beneficiaries who cannot be located shall be followed.

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- 9.8 **Incorporation of Individual Agreements.** The Plan, together with any Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of applicable Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code. In such event, the Individual Agreements shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable requirements.
- 9.9 **Governing Law.** The Plan will be construed, administered and enforced according to the Code and the laws of the state in which the Employer has its principal place of business.
- 9.10 **Construction.** Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.
- 9.11 **Indemnification.** If Employer appoints an Employee or a committee of Employees to act as the Administrator of the Plan, Employer shall indemnify any such Employee acting on its behalf in this capacity. Such individuals shall be indemnified from any and all liability that may arise by reason of his action or failure to act concerning this Plan, excepting any willful misconduct or criminal acts.
- 9.12 **No Employer Liability.** Employer shall have no liability for the payment of benefits under the Plan. Each Participant shall look solely to the providers of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.
- 9.13 **Qualified Military Service Benefits.** Notwithstanding any provision of the Plan, any Participant whose employment is interrupted by qualified uniformed service in the US military under section 414(u) of the Code shall be entitled to all rights, benefits and protections afforded to such individuals thereunder, and such provisions are incorporated into this Plan. Uniformed services by any individual shall be determined as described in section 3401(h)(2)(A) of the Code. In addition, notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the *Internal Revenue Code*. In addition, the survivors of any Participant who dies on or after January 1, 2007, while performing qualified military service, are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the Participant resumed employment and then terminated employment on account of death.

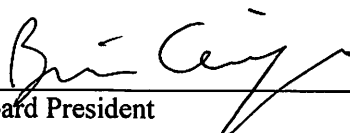
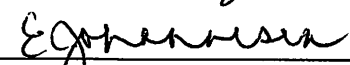
The Employer has evidenced its intent to adopt this Plan by executing the Signature Block below. This Plan document, any underlying Investment Arrangements, Appendices, as well as necessary forms and administrative policies and procedures, Employment Contracts, collective



## Plan Document

bargaining agreements, Board Policy incorporated by the Employer, an Administrator or any Funding Vehicle shall constitute the entire Plan. The Employer is an educational organization described in section 170(b)(1)(A)(ii) (Public School) and the Plan is a Governmental Plan within the meaning of section 414(d) of the *Internal Revenue Code*.

As restated and amended and approved by the Board of Education by resolution dated October 15, 2020, with a retroactive effective date of January 1, 2010, where provided by law.

|   |                   |
|---|-------------------|
|  | <u>10-15-2020</u> |
| Board President   | Date              |
|  | <u>10-15-2020</u> |
| Board Secretary (Attest)  | Date              |

# Plan Document

## APPENDIX 1 Part A

Vendors authorized to receive ongoing contributions, and, if applicable, Exchange and Transfers under the Plan:

| Name of Organization        | Contact Person | Telephone Number |
|-----------------------------|----------------|------------------|
| AXA Equitable               | _____          | 800.628.6673     |
| AIG/VALIC                   | _____          | 800.448.2542     |
| Ameriprise Financial        | _____          | 800.862.7919     |
| Commonwealth Annuity/Kemper | _____          | 800.457.9047     |
| Lincoln Investment Planning | _____          | 800.754.8011     |
| Met Life*                   | _____          | 800.560.5001     |
| Thrivent Financial          | _____          | 800.847.4836     |
| Aspire Financial Services   | _____          |                  |
| Great American/GALIC**      | _____          |                  |

**\*Effective December 15, 2017, no new accounts may be opened for Met Life. Met Life may continue to accept contributions into participant accounts existing as of December 14, 2017.**

**\*\*Great American/GALIC was listed on Appendix 1, Part A, as of January 1, 2009. It was erroneously listed on Appendix 3 from December 15, 2017, through October 14, 2020, but was returned to Appendix 1, Part A, by Board Resolution effective October 15, 2020, with retroactive effect as if it had been listed on Appendix 1 continuously since January 1, 2009.**

## APPENDIX 1 Part B

Vendors authorized to receive ongoing contributions from Participants into Contracts and/or Custodial Accounts in existence and receiving salary deferrals from such Participants on December 31, 2008, only. The following Vendors may not receive Exchanges and Transfers under the Plan and may not enter into any new Contracts and/or Custodial Accounts with any Participants after January 1, 2009:

| Name of Organization    | Contact Person | Telephone Number |
|-------------------------|----------------|------------------|
| Lincoln Financial Group | _____          | 800.454.6265     |

This Appendix is dated: October 15, 2020

# Plan Document

## APPENDIX 2

Vendors authorized only to receive Exchanges or Transfers under the Plan:

| Name of Organization | Contact Person | Telephone Number |
|----------------------|----------------|------------------|
|                      |                |                  |
|                      |                |                  |
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|                      |                |                  |

### Important Notes:

1. As provided under the Plan, any authorized Vendor named in Appendix 1 and/or 2 agrees to share information necessary for compliance purposes with Employer, an Administrator and/or with any other 403(b) provider as may be required or desirable to facilitate compliance with the Plan and all applicable laws and regulations.
2. Each Vendor named above is required to maintain records of the Funding Vehicles offered under the Plan to comply with the information sharing requirements of the Plan and applicable information sharing agreements.

This Appendix is dated: October 15, 2020

# Plan Document

## APPENDIX 3

The following Vendors may not receive Exchanges and Transfer under the Plan and may not enter into any new Contracts and/or Custodial Accounts with any Participants after January 1, 2009, however, they may exchange or transfer funds to an authorized Vendor under the Plan.

| Name of Organization        | Contact Person | Telephone Number |
|-----------------------------|----------------|------------------|
| American Funds              |                |                  |
| Fidelity                    |                |                  |
| Hartford Life & Annuity     |                |                  |
| ING Life Insurance          |                |                  |
| Invesco/AIM                 |                |                  |
| Jackson Natl. Life          |                |                  |
| Minnesota Life              |                |                  |
| Prudential/American Skandia |                |                  |
| Vanguard                    |                |                  |

This Appendix is dated: October 15, 2020

## Plan Document

### Administrative Appendix

| <b>Plan Provision</b> | <b>Procedure</b>  | <b>Date of Adoption/Signature</b>    |
|-----------------------|---|--------------------------------------|
| 1.23                  | Effective December 15, 2017, no new vendors can be added to the plan automatically. Irrespective of the number of potential participants with a prospective vendor, a vendor will be added to the Plan only upon selection by committee and approval of the Board of Education or by such other process as may be approved by the Board of Education.   | December 14, 2017<br>Amendment       |
| 1.23                  | That the Superintendent or designee is authorized to execute future plan amendments and appendices and related documents as necessary to maintain compliance now and in the future.   | June 18, 2020<br>Plan Restatement    |
| Protocols             | A list of approved vendors as set forth in the Appendices to the Plan will be maintained by the Board of Education and published on the District website or otherwise made available to employees. The Assistant Superintendent for Business and a second individual in the business office will review paperwork submitted for a participant to commence new contracts and custodial accounts with a vendor to confirm the vendor's status as an approved vendor on such list. | October 15, 2020<br>Plan Restatement |
|                       |   |                                      |
|                       |   |                                      |