

Specimen Plan Document Preparation Service Election Form

457(b) Governmental Plan, including Public Education

Note: If you elect our document preparation service, any hand-written changes to any of the standard items in this election form are considered a modification to the specimen plan document. You will need to edit the specimen plan document provided to you by MassMutual Retirement Services (MassMutual) to incorporate those changes.

To be signed by Plan Sponsor

1. Plan Information

Legal Name of Plan Sponsor: <u>CITY OF SALINAS</u>		
Legal Plan Name: (this is not the employer's name) <u>CITY OF SALINAS DEFERRED COMPENSATION PLAN</u>		
Original Effective Date of Plan: <u>10/29/1985</u>	Group Number: <u>109899</u>	Sponsor E-mail Address: <u>MATT@CI.SALINAS.CA.US</u>
Is this a FICA alternative "OBRA" Plan? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No OBRA plans must provide a benefit of at least 7.5% of compensation, contributions must be credited with a reasonable rate of interest (invested in the <u>General Account Only - no variable investments</u>). Loans and certain distributions are not allowed.		

2. Document Services

Do you have a Plan document? ☐ Yes ☐ No
Who will be providing you Plan document preparation services? (select one)
☒ MassMutual. MassMutual will provide you with a specimen plan document in a Word format, which you may modify.
☐ *Other document provider: (name of provider) _____
*** If you do not elect MassMutual's document preparation service, please skip sections 3-16, complete section 17 and return the form along with a copy of your current plan document.**

The specimen Plan will provide the following:

- Plan Year is 1/1 - 12/31.
- Deferrals (pre-tax and, if applicable, Roth contributions) up to the maximum Code §457(e)(15) limit.
- Age 50 catch-up deferrals and pre-retirement catch-up deferrals allowed.
- Participants will direct the investment of all contributions.
- Participants may make a transfer to a governmental defined benefit plan for the purchase of permissive service credits.
- Distributions permitted on account of:
 - Severance from employment and death
 - Attainment of age 70 ½
 - Unforeseeable emergency (not permitted for OBRA plans)
 - Employed Participants may take a in-service withdrawal if their account balance is \$5,000 or less, have not made or received an allocation of any elective deferral contributions under the Plan during the two year period ending on the date of distribution and have not received a prior distribution under this provision (not permitted for OBRA plans)
 - If the plan permits rollover contributions, withdrawals of these contributions (excluding Roth rollovers) are allowed at any time

3. Classes of Covered Employees

(OBRA Plans only – Part-time, seasonal and temporary employees are covered. You do not need to complete this section.)

The Plan will cover common law full-time employees of the employer, but will not cover leased employees. Union employees will be a covered employee only if the collectively bargaining agreement provides for their participation in the Plan. The plan will also include the following employees, if applicable: (check all that apply)

- ☐ Part-time employees ☒ Employees in an elected or appointed position ☐ Independent Contractors
☐ Other employees (specify by position or job class): _____

Note: An age or service requirement to participate in the Plan is a modification you will need to add to the specimen plan document.

Does the Plan have an automatic enrollment program?

- ☐ Yes (must also complete and sign the Automatic Enrollment Plan Feature election form) ☒ No (default if no selection is made)

4. Sources

Optional contributions applicable to the Plan: (check all that may apply)

- 112 (9) ☒ **Rollovers** from another 457(b) plan
130 (U) ☐ **Miscellaneous Rollovers** from 401(a) and 403(b) plans, or 408(a) and 408(b) IRAs
(Note: The Plan will not accept the direct rollover of after-tax contributions)
132 (S) ☐ **Employer** that will be 100% immediately vested and counts towards the 457 deferral limit
154 (B) ☐ **Roth Deferrals** (includes 155 (L) Roth Rollover)

5. Compensation

The Plan will use W-2 Wages, including military differential pay, which shall be determined over the Plan Year.

For contribution purposes, post-severance amounts that would have been paid to the Participant in the course of employment had she or he not terminated (e.g., salary, commissions, bonuses, other similar compensation), made before the later of: (1) the end of the Plan Year in which the Participant's severance of employment occurred or (2) within 2 ½ months of severance, and **any payments selected below**, will be included in the Plan's definition of Compensation.

- ☐ Payments received by the Participant for accrued sick, vacation, or other leave, but only if the Participant would have been able to use such leave if his employment had continued.
☐ Payments received by the Participant pursuant to a non-qualified, unfunded deferred compensation plan, but only to the extent such amounts are includible in income and only if the Participant would have received the payments at the same time if his employment had continued.

6. Deferral of Sick Pay, Vacation Pay, or Back Pay

Will the plan allow employed Participants to make a separate deferral election of accumulated sick pay, vacation pay, or back pay? ☐ Yes ☒ No (default if no selection is made)

7. Contributions to Participants Who Die or Become Disabled During Military Leave

Complete this section only if you make employer contributions to the Plan.

Will the Employer make a contribution to a Participant if the employee:

- dies while on military leave? (select one) ☐ Yes ☐ No (default if no election is made)
- becomes disabled while on military leave? (select one) ☐ Yes ☐ No (default if no election is made)

8. Normal Retirement Age

The Plan's normal retirement age for the application of the 457 special catch-up contribution is: (select one)

- ☒ Uniform age for all Participants: (select one)
☐ 65 (default if no selection is made)
☒ *Other age 52 (other than 65 but not later than age 70 ½)
☐ *Other age _____ (not later than age 70 ½) and _____ years of employment

* Note: If you selected an "Other Age" or "Other age and years of employment" above, the plan's uniform normal retirement age cannot be earlier than 65 unless you have a defined benefit plan where the earliest age participants can get an unreduced immediate retirement benefit or money purchase pension plan where that plan's normal retirement age is the same or earlier than the age you entered above.

- ☐ Age designated by the Participant.
Note: The age designated by the Participant may be any age that is on or after the earlier of such age or the age at which the Participant has the right to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase pension plan in which the Participant also participates if the Participant is not eligible to participate in the defined benefit plan), immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, and that is not later than age 70 ½.

Does your Plan include full-time Fire, Police, or Emergency Medical employees? ☐ Yes ☐ No (default if no election is made)
If you elected "Yes", complete only if your Plan has a different retirement age for these employees: (select one)

- ☒ Uniform age for all Participants: (select one)
☐ Age 47 (no earlier than 40)
☐ Age _____ (no earlier than 40 and not later than age 70 ½) and _____ years of employment

- ☐ Age designated by the Participant. (The same rules in the Age designated by the Participant. Note above applies, except the Participant cannot select a retirement age that is earlier than age 40.)

9. Rollover Contributions

Employees eligible to make rollover contributions include: (select one)

- ☐ N/A, rollovers not permitted.
- ☐ Participants who are employees. (default if no selection is made if the plan permits rollover contributions)
- ☒ Participants who are employees and terminated employees with an account balance.

10. Methods of Distribution

Lump sum and installment forms of distribution are allowed.

Annuity forms of distribution permitted? ☐ Yes ☒ No (default if no selection is made)

11. Qualified Distributions for Retired Public Safety Officers

Are qualified distributions permitted for direct payment of health insurance premiums for eligible retired public safety officers?

- ☐ Yes ☒ No (default if no selection is made)

12. Withdrawal Due to Qualified Military Service

Allow "deemed severance distributions" of deferrals for employees absent due to qualified military service for more than 30 days (deferrals suspended for 6 months). ☐ Yes ☒ No (default if no selection is made)

13. Involuntary Cashout Distributions

The Employer may initiate the following Involuntary Cashout Provisions without participant consent: (complete both A and B)

A. Employed Participant Involuntary Cashouts (not permitted for OBRA plans) – The Employer may cashout account balances of Participants who (1) have not made or received an allocation of elective deferral contributions under the Plan during the two year period ending on the date of the distribution, (2) have an account balance of \$5,000 or less (not including the Rollover Account), and (3) have not received a prior distribution under this rule, of amounts equal to or less than: (select one)

- ☐ \$1,000 ☐ \$5,000* ☒ NA, the Employer will not initiate involuntary cashouts (default if no selection is made)

B. Terminated Participant Involuntary Cashouts – Employer may cashout separated from service Participants' account balances of amounts equal to or less than: (select one)

- ☐ \$1,000 ☐ \$5,000* ☒ NA, the Employer will not initiate involuntary cashouts (default if no selection is made)

* Note: Under the Code, plans that include an involuntary cashout provision for benefits of \$5,000 or less are required to roll over to an IRA any involuntary cashout in excess of \$1,000 when the Participant makes no election to directly roll over or receive cash payment.

14. 2009 Required Minimum Distributions (RMD)

You do not need to complete this section if:

- Your Plan was originally effective on or after 1/1/2010; or
- Your Plan's installation date with MassMutual was before 1/1/2009. Per our February 2009 communication, affected Participants received their "would be" 2009 RMD unless they submitted a suspension form. If they received their "would be" 2009 RMD it was treated as an eligible rollover distribution.

If your Plan was originally effective before 1/1/2010 and your MassMutual installation date was after 1/1/2009, payment of required minimum distributions with respect to 2009: (select one below)

- ☐ Will be paid unless Participant elects otherwise
- ☐ Will not be paid unless Participant elects otherwise
- ☐ Will be paid to the Participant

Portion of the required minimum distributions with respect to 2009: (select one below)

- ☐ Will be treated as an eligible rollover distribution
- ☐ Will be treated as an eligible rollover distribution, but only if paid with an additional amount
- ☐ Will not be treated as an eligible rollover distribution

15. Nonspouse Direct Rollovers to Inherited IRA

You do not need to complete this section if your plan was originally effective on or after 1/1/2010

Nonspouse beneficiaries may directly rollover their death benefit to an inherited IRA effective 1/1/2010. Prior to 1/1/2010, did you permit nonspouse beneficiaries to directly rollover to an inherited IRA?

☐ Yes; earlier effective date of: _____ (not earlier than 1/1/2007) ☐ No (default if no selection is made)

16. Loans

(Note: Loans are not permitted for OBRA plans.)

Are Participant loans available? ☒ Yes ☐ No (default if no selection is made)

Number of outstanding loans allowed per Participant at a time? _____ (one "1" is the default if no selection is made)

Loans are available for any reason.

Minimum loan amount is \$1,000.

Minimum loan term is 12 Months.

Repayment method is payroll deduction.

Maximum loan repayment period for:

- general purposes loans will be 60 months (i.e., 5 years),
- principal residence loans will be 360 months (i.e., 30 years)

Interest Rate: (select one) ☒ Prime ☐ Prime plus 1% ☐ Prime plus 2% (default if no selection is made)

Loans will be pro-rated across all sources and investment options unless otherwise specified:

17. Plan Sponsor Signature

I acknowledge that if I elect MassMutual's document preparation service, the effective date of the specimen plan document will generally be the 1st day of the month following the date MassMutual receives the form and it is found to be in good order, unless you specify otherwise (must be a future date): _____.

If I elect MassMutual's document preparation service, MassMutual will provide me with a specimen document in a Word format. I understand that if I make any hand-written changes to any of the standard elections presented on this form, that MassMutual will not customize the specimen document to incorporate those modifications. I am responsible for editing the specimen plan document to incorporate the modifications, and also to bring forward any modifications to future specimen documents prepared by MassMutual to the extent required by changes in the law, regulations, or other official guidance.

Name: (please print)

MATT N. PRESLEY

Signature:



Date:

05/16/14

Fax your request to 877-526-2531 or 800-676-8645, or mail it to:

Mail Address:

Retirement Services

MassMutual

P.O. Box 1583, Hartford, CT 06144-1583

Overnight Mail Address:

Retirement Services

MassMutual

1 Griffin Road North, Windsor, CT 06095-1512