

CHARTER TOWNSHIP OF SHELBY

457 PLAN

Table of Contents

Article 1	- 1 -
Definitions	- 1 -
1.1 Account Balance	- 1 -
1.2 Administrator	- 1 -
1.3 Annual Deferral	- 1 -
1.4 Beneficiary.....	- 1 -
1.5 Code.....	- 1 -
1.6 Compensation	- 2 -
1.7 Custodial Account	- 2 -
1.8 Custodian	- 2 -
1.9 Deemed Reemployment Date	- 2 -
1.10 Deferral Agreement.....	- 2 -
1.11 Differential Wage Payments	- 2 -
1.12 Direct Rollover.....	- 2 -
1.13 Distributee	- 2 -
1.14 Eligible Employee	- 2 -
1.15 Employer	- 2 -
1.16 Includible Compensation	- 3 -
1.17 Normal Retirement Age.....	- 3 -
1.18 Participant	- 3 -
1.19 Plan	- 3 -
1.20 Plan Year.....	- 3 -
1.21 Qualified Military Service	- 3 -
1.22 Severance from Employment	- 3 -
1.23 Unforeseeable Emergency.....	- 3 -
1.24 USERRA Reemployment Rights	- 4 -
1.25 Valuation Date.....	- 4 -
1.26 Vested Interest (or Vested).....	- 4 -
Article 2	- 4 -
Plan Participation	- 4 -
2.1 Eligibility for Annual Deferrals.....	- 4 -
2.2 Employee Election Required for Participation	- 4 -
2.3 Information Provided by the Participant.....	- 4 -
Article 3	- 4 -
Annual Deferrals	- 4 -
3.1 Minimum Annual Deferrals	- 4 -
3.2 Maximum Annual Deferrals	- 4 -
3.3 Special Rules for Determining Annual Deferral Limitation	- 5 -
3.4 Commencement of Deferrals.....	- 5 -
3.5 Amendment and Revocation of Deferral Agreement	- 6 -
3.6 Deferrals During a Leave of Absence.....	- 6 -
3.7 Deferrals During a Period of Disability.....	- 6 -
3.8 Make-Up Deferrals for a Period of Qualified Military Service.....	- 6 -
3.9 Contributions Must be Made Promptly	- 6 -
3.10 Deferral of Sick, Vacation and Back Pay	- 6 -
3.11 Correction of Excess Deferrals.....	- 7 -
Article 4	- 7 -
Determination of Benefits and Vested Interest	- 7 -
4.1 Determination of Account Balance	- 7 -
4.2 Determination of Vested Interest	- 7 -
Article 5	- 7 -
Distribution of Benefits	- 7 -
5.1 Distribution for Reasons Other Than Death.....	- 7 -
5.2 Distribution Upon Death	- 7 -
5.3 Cashouts of Account Balances of \$5,000 or Less	- 8 -
5.4 Latest Distribution Date	- 8 -
5.5 Revocation of Prior Election	- 8 -
5.6 Distribution Due to an Unforeseeable Emergency.....	- 8 -
5.7 Distributions to Certain Participants Who Have Ceased Deferrals	- 9 -
5.8 Direct Rollover Distributions	- 9 -

5.9	Active Duty Severance Distributions	- 10 -
Article 6	.....	- 10 -
Certain Rollovers and Transfers	.....	- 10 -
6.1	Eligible Rollovers to the Plan.....	- 10 -
6.2	Plan to Plan Transfers to This Plan	- 10 -
6.3	Plan to Plan Transfers From This Plan.....	- 11 -
6.4	Transfer of Permissive Service Credit	- 11 -
Article 7	.....	- 11 -
Plan Administrator	.....	- 11 -
7.1	Appointment, Removal, Resignation and Succession	- 11 -
7.2	General Powers and Duties.....	- 11 -
7.3	Accounts and Expenses	- 12 -
7.4	Qualified Domestic Relations Orders	- 12 -
7.5	Promulgating Notices, Policies and Procedures.....	- 12 -
7.6	Investment Manager.....	- 12 -
Article 8	.....	- 13 -
Investment of Plan Assets	.....	- 13 -
8.1	Investment Vehicle	- 13 -
8.2	Directed Investment Accounts.....	- 13 -
8.3	Loans to Participants	- 13 -
Article 9	.....	- 13 -
Amendment or Termination of the Plan	.....	- 13 -
9.1	Amendment of the Plan	- 13 -
9.2	Termination of the Plan	- 13 -
Article 10	.....	- 13 -
Miscellaneous	.....	- 13 -
10.1	Limitation of Rights.....	- 13 -
10.2	Total Agreement.....	- 13 -
10.3	No Contract of Employment	- 13 -
10.4	Limitation on Assignment	- 13 -
10.5	Representations	- 14 -
10.6	Severability.....	- 14 -
10.7	Applicable Law	- 14 -
10.8	Title to Assets.....	- 14 -
10.9	Gender and Number.....	- 14 -
10.10	Headings and Subheadings	- 14 -
10.11	Legal Action.....	- 14 -
10.12	Exclusive Benefit Rule.....	- 14 -
10.13	Non-Assignability.....	- 14 -
10.14	Internal Revenue Service Levies.....	- 14 -
10.15	Mistaken Contributions.....	- 14 -
10.16	Payments to Minors and Incompetents	- 15 -
10.17	Procedure When Distributee Cannot Be Located.....	- 15 -
10.18	Loss of Plan Eligibility.....	- 15 -
10.19	Disaster Relief	- 15 -

**Charter Township of Shelby
457 Plan**

This Agreement is made and entered into as of this 1st day of August, 2011 by **Charter Township of Shelby** (hereafter referred to as the "Sponsoring Employer").

Introduction

The Sponsoring Employer wishes to establish a plan for the exclusive benefit of Eligible Employees which is intended to comply with the requirements of Code §457 and the Regulations issued thereunder. Therefore, the Sponsoring Employer establishes this plan, effective January 1, 2010.

**Article 1
Definitions**

As used herein, the following words and phrases, when they appear with initial letters capitalized as indicated below, have the meanings hereinafter set forth below. Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular.

1.1 Account Balance

The term *Account Balance* means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, any Employer contributions, the earnings or losses of the Trust Fund (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or his or her Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance will be maintained for each Beneficiary. The Account Balance includes any account established under Article 6 for (a) rollover contributions and plan-to-plan transfers made for a Participant, (b) the account established for a Beneficiary after a Participant's death, and (c) any account or accounts established for an alternate payee (as defined in Code §414(p)(8)).

1.2 Administrator

The term *Administrator* means the Employer unless another Administrator is appointed by the Employer to administer the Plan pursuant to Section 7.1.

1.3 Annual Deferral

The term *Annual Deferral* means the amount of Compensation deferred by a Participant in any taxable year.

1.4 Beneficiary

The term *Beneficiary* means the person, persons, or legal entity entitled to receive benefits under this Plan that become payable in the event of the Participant's death. All Beneficiary designation must be in writing on a form prescribed acceptable to the Administrator, and a Participant may amend or revoke such designation at any time in writing. Such designation, amendment, or revocation will be effective upon receipt of same by the Administrator. If a Beneficiary has not been designated, or if a Beneficiary designation is ineffective due to the death of any or all of the Beneficiaries prior to the death of the Participant, or if a Beneficiary designation is ineffective for any other reason, then the estate of the Participant will be the Beneficiary. Upon the death of the Participant, any Beneficiary entitled to the Participant's Vested Account Balance under this Section will become a vested Beneficiary and have all the rights of the Participant with the exception of making Annual Deferrals, including the right to designate Beneficiaries.

1.5 Code

The term *Code* means the Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to Code sections are to such sections as they may be amended or renumbered from time to time.

1.6 Compensation

The term *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 Code §125, §132(f), §401(k), §403(b), or §457(b), subject to the annual dollar limitation under Code §401(a)(17) as adjusted periodically under Code §415(d).

1.7 Custodial Account

The term *Custodial Account* means the investment vehicle used to hold Plan assets. Each Custodial Account is intended to be tax-exempt under Code §501(a) pursuant to Code §457(g) and Code §401(f).

1.8 Custodian

The term *Custodian* means the person, persons or entity set forth in any custodial agreement made a part of this Plan pursuant to Section 8.1, or any successor appointed thereto.

1.9 Deemed Reemployment Date

The term *Deemed Reemployment Date* means (a) with respect to a Participant who is performing Qualified Military Service and dies on or after January 1, 2007 while performing such Qualified Military Service, that such Participant is deemed to have resumed employment with the Employer in accordance with the Participant's USERRA reemployment rights on the day preceding his or her death and to have incurred a Severance from Employment on the actual date of such death.

1.10 Deferral Agreement

The term *Deferral Agreement* means the written agreement by which a Participant agrees to defer a portion of his or her Compensation for the taxable year.

1.11 Differential Wage Payments

The term *Differential Wage Payments* means any payment as defined in Code §3401(h) which is made by the Employer for a remuneration period after December 31, 2008 which (a) is made to an individual with respect to any period during which an individual is performing Qualified Military Service; and (b) represents all or a portion of the remuneration such individual would have received from the Employer if the individual was performing services for the Employer.

1.12 Direct Rollover

The term *Direct Rollover* means a payment made by the Plan to a Distributee's Eligible Retirement Plan.

1.13 Distributee

The term *Distributee* means an Employee or former Employee. In addition, an Employee's or former Employee's surviving Spouse and an Employee's or former Employee's Spouse or former Spouse who is the alternate payee under a qualified domestic relations order as defined in Code §414(p) are Distributees with regard to the interest of the Spouse or former Spouse.

1.14 Eligible Employee

The term *Eligible Employee* means any natural person, whether appointed or elected, who is employed by the Employer as a common law employee, excluding any such person who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan. Effective January 1, 2009, an individual receiving Differential Wage Payments will be treated as an Eligible Employee except for purposes of an Active Duty Severance Distribution under Section 5.9.

1.15 Employer

The term *Employer* means Charter Township of Shelby and any Independent Contractor.

1.16 Includible Compensation

The term *Includible Compensation* means an Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, increased by any compensation reduction election under Code §125, §132(f), §401(k), §403(b), or §457(b) (including an election to defer Compensation under Section 3.2), subject to the annual dollar limitation under Code §401(a)(17), which is \$245,000 for 2010 and 2011, and which will thereafter be the amount as adjusted under Code §415(d). The term Includible Compensation also includes Differential Wage Payments, but only to the extent such payments do not exceed the amounts the individual would have received from the Employer if the individual had continued to perform services for the Employer

1.17 Normal Retirement Age

The term *Normal Retirement Age* means the age elected by the Participant that (a) may not be earlier than the earliest age at which the Participant has the right to retire without the consent of the Employer and to immediately receive unreduced retirement benefits under the Employer's basic retirement plan, and that (b) may not be later than the later of the date the Participant reaches age 70½ or the date of the Participant's Severance from Employment. If the Participant will not become eligible to receive a benefit under the Employer's basic retirement plan, then the Participant may elect a Normal Retirement Age that is not earlier than the date the Participant reaches age 65 and that is not later than the later of the date the Participant reaches age 70½ or the date of the Participant's Severance from Employment. A date a Participant elects as his or her Normal Retirement Age is irrevocable once contributions have been made to the Plan using the catch-up additional limitation described in Section 4.1(b) of the Plan.

1.18 Participant

The term *Participant* means an individual who is currently deferring Compensation (or has previously deferred Compensation) by salary reduction or who is receiving (or has previously received) an allocation of any Employer 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 an Employee may defer Compensation under the Plan.

1.19 Plan

The term "Plan" means the Charter Township of Shelby 457 Plan.

1.20 Plan Year

The term "Plan Year" means the twelve consecutive month period beginning each January 1st and ending the following December 31st.

1.21 Qualified Military Service

The term *Qualified Military Service* means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to USERRA Reemployment Rights under such chapter with respect to such service.

1.22 Severance from Employment

The term Severance from Employment means the date the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Effective January 1, 2007, a Participant who dies while performing Qualified Military Service will be deemed to have resumed employment with the Employer on the day preceding the date of his or her death and will be deemed to have a Severance from Employment on the actual date of his or her death.

1.23 Unforeseeable Emergency

The term *Unforeseeable Emergency* means a severe financial hardship of the Participant resulting (a) from an illness or accident of the Participant or the Participant's Beneficiary, or the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent as defined in Code §152(a); (b) from loss of the Participant's or the Participant's Beneficiary'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); (c) from the need to pay for the funeral expenses of the Participant's or the Participant's Beneficiary's spouse or dependent as defined in Code §152(a); or (d) from other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Participant's Beneficiary. For example, the imminent foreclosure of or eviction from the primary residence of the Participants or the Participant's Beneficiary 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, neither the purchase of a home nor the payment of college tuition is an Unforeseeable Emergency.

1.24 USERRA Reemployment Rights

The term *USERRA Reemployment Rights* means the rights and benefits to which an individual covered under USERRA is entitled upon his or her return from Qualified Military Service. An individual will not be entitled to USERRA Reemployment Rights if (a) such individual did not provide advance notice of his or her military service to the Employer; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the Employer.

1.25 Valuation Date

The term *Valuation Date* means the date the value of the Plan's assets is determined. The Plan's assets must be valued at least annually as of the last day of the Plan Year, but the Administrator can elect to have all or any portion of the assets valued more frequently, including semi-annually, quarterly, monthly, or daily.

1.26 Vested Interest (or Vested)

The term *Vested Interest* or *Vested* means a Participant's nonforfeitable interest in his or her Account Balance, as determined in accordance with the provisions of Section 4.2.

**Article 2
Plan Participation**

2.1 Eligibility for Annual Deferrals

With respect to Annual Deferrals, an Eligible Employee will be eligible to enter the Plan as a Participant on his or her employment commencement date.

2.2 Employee 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 Annual Deferral on his or her behalf) and filing it with the Administrator. This participation election will be made in the Deferral 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 a minimum deferral amount, and may change such minimums from time to time. The participation election will also include a designation of investment funds and a designation of Beneficiary. Any such elections will remain in effect until a new election is filed.

2.3 Information Provided by the Participant

Upon enrolling in the Plan (and later if there are any changes), an Employee must provide the Administrator with any information necessary or advisable for the Administrator to administer the Plan, including, without limitation, whether the Employee is a participant in any other eligible Code §457(b) plan.

**Article 3
Annual Deferrals**

3.1 Minimum Annual Deferrals

The Administrator may establish a minimum Annual Deferral amount under the Deferral Agreement, and the Administrator may change such minimum amount from time to time.

3.2 Maximum Annual Deferrals

The maximum amount of a Participant's Annual Deferrals for any taxable year of the Participant will be the greater of the amount determined under Section 3.2(a) plus the amount determined under Section 3.2(b), or the amount determined under Section 3.2(c), as follows:

- (a) **Basic Annual Limitation.** A Participant's maximum Annual Deferrals for any taxable year will not exceed the lesser of 100% of the Participant's Includible Compensation for the taxable year or the Applicable Dollar Amount under Code §457(e)(15), as adjusted. The Applicable Dollar Amount is \$16,500 for 2010 and 2011, and thereafter as adjusted under Code §415(d).

- (b) **Age 50 Catch-up Annual Deferral Contributions.** A Participant who attains age 50 or more by the end of the calendar year may elect an additional amount of Annual Deferrals, up to the maximum age 50 catch-up Annual Deferrals for the year. The maximum dollar amount of the age 50 catch-up Annual Deferrals for a year is \$5,500 for 2010 and 2011, and thereafter as adjusted under Code §415(d).
- (c) **Special Code §457 Catch-up Limitation.** For one or more of a Participant's last 3 taxable years ending before the year in which he or she attains Normal Retirement Age, the maximum amount of a Participant's Annual Deferrals for any such taxable year will equal the lesser of (1) or (2) as follows (but in no event can the amount deferred be more than the Participant's Compensation for the year):
 - (1) An amount equal to twice the Applicable Dollar Amount under Section 3.2(a) for such year; or
 - (2) The sum of (A) an amount equal to (i) the aggregate Applicable Dollar Limit set forth under Section 3.2(a) 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 (ii) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus (B) an amount equal to (i) the aggregate limit referred to in Code §457(b)(2) 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 Section 3.2(b) and this Section 3.2(c)), minus (ii) the aggregate contributions to Pre-2002 Coordination Plans for such years. For purposes of this subparagraph, the phrase "contributions to Pre-2002 Coordination Plans" means any Employer contribution, salary reduction or elective contribution under any other eligible Code §457(b) plan, or a salary reduction or elective contribution under a Code §401(k) qualified cash or deferred arrangement, a Code §402(h)(1)(B) simplified employee pension, a Code §403(b) annuity contract, and a Code §408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization under Code §501(c)(18), including plans, arrangements or accounts maintained by the Employer or an employer for whom the Participant performed services. However, contributions for any calendar year are only taken into account to the extent the total of such contributions does not exceed the aggregate limit referred to in Code §457(b)(2) for that year.

3.3 Special Rules for Determining Annual Deferral Limitation

In applying the limitations on Annual Deferrals under Section 3.2, the following special rules will apply:

- (a) **Participants Covered By Other Eligible Plans.** If the Participant is or has been a Participant in one or more other eligible Code §457(b) plans, then this Plan and all such other plans will be considered as one plan for purposes of applying the limitations of Section 3.2. For this purpose, the Administrator will take into account any other such eligible plan maintained by the Employer and will also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) **Pre-Participation Years.** In applying Section 3.2(c)(2), a year will be taken into account only if (1) the Participant was eligible to participate in the Plan during all or a portion of the year, and (2) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.2 or any other plan ceiling required by Code §457(b).
- (c) **Disregard of Excess Deferrals.** For purposes of paragraphs (a) and (b) above, an individual is treated as not having deferred compensation under the Plan for a prior taxable year to the extent Excess Deferrals under the Plan are distributed as described in Section 3.11. To the extent the combined deferrals for Pre-2002 Coordination Plans years exceed the maximum deferral limitations, the amount is treated as an Excess Deferral for those prior years.

3.4 Commencement of Deferrals

An Employee who has satisfied the requirements in Section 2.1 may begin making Annual Deferrals as soon as administratively practicable following the date the Employee satisfies such requirements, but Annual Deferrals may not begin earlier than the calendar month following the month in which such requirements are satisfied. A Participant may defer Compensation payable in the calendar month during which he or she first becomes an Employee if a Deferral Agreement providing for the amount of Annual Deferrals is entered into

on or before the first day on which the Participant performs services for the Employer. A Participant's Deferral Agreement will remain in effect until superseded by another Deferral Agreement.

3.5 Amendment and Revocation of Deferral Agreement

A Participant can change his or her Deferral Agreement at such times as permitted by the Administrator, including a change in the amount of his or her Annual Deferrals, his or her investment directions, and his or her designated Beneficiary. Unless the Participant specifies a later effective date, a change in the amount of the Participant's Annual Deferrals will take effect as of the first day of the next following month or as soon as administratively practicable, if later. A change in investment directions will take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation will take effect when the election is accepted by the Administrator. A Participant may revoke his or her Deferral Agreement at any time by notifying the Employer in writing. The Participant's full Includible Compensation on a non-deferred basis will then be restored as soon as administratively practicable.

3.6 Deferrals During a Leave of Absence

Unless an election is otherwise revised, a Participant who is absent from work because of a leave of absence may elect to make Annual Deferrals to the extent the Participant continues to receive Compensation.

3.7 Deferrals During a Period of Disability

A disabled Participant can elect to make Annual 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.

3.8 Make-Up Deferrals for a Period of Qualified Military Service

Any Participant whose employment is interrupted by a period of Qualified Military Service or who is on a leave of absence during a period of Qualified Military Service may elect to make additional Annual Deferrals upon resumption of employment with the Employer equal to the maximum Annual Deferrals that the Participant could have elected to make during the period of Qualified Military Service had the Participant's employment with the Employer continued at the same level of Compensation but for the interruption or leave of absence, reduced by the Annual Deferrals (if any) actually made for the Participant during the period of Qualified Military Service. This right applies for a period of five years following the resumption of employment or, if sooner, for a period equal to three times the period of the interruption or leave or absence.

3.9 Contributions Must be Made Promptly

Annual Deferrals made by a Participant will 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 Balance. For this purpose, Annual Deferrals will 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 fifteen business days following the end of the month in which the amount would otherwise have been paid to the Participant.

3.10 Deferral of Sick, Vacation and Back Pay

Participants make a special Deferral election with respect to accumulated sick pay, vacation pay and back pay as long as the otherwise applicable requirements for Deferrals are met. Thus, the special Deferral agreement relating to such amounts must be entered into before the beginning of the month in which the amounts would otherwise be paid or made available. However, to the extent a Participant is retiring or otherwise has a Severance from Employment, such Participant may enter into a special Deferral agreement relating to accumulated sick pay, vacation pay or back pay during the month in which they terminate service, as long as such agreement is entered into by the last day of month prior to the month in which such amounts would otherwise be payable. In the case of accumulated sick pay, vacation pay or back pay that is payable before the Participant has a Severance from Employment, the requirements of the preceding sentence are deemed to be satisfied if the special Deferral agreement is entered into before the amount is currently available (as defined in the regulations promulgated under Code §401(k)).

3.11 Correction of Excess Deferrals

If the total Annual Deferrals on behalf of a Participant for any calendar year (a) exceeds the limitations described above, or (b) the Annual 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 any other eligible deferred compensation plan under Code §457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limit (adjusted for income or loss in value, if any, allocable thereto), will be distributed to the Participant.

Article 4 Determination of Benefits and Vested Interest

4.1 Determination of Account Balance

Upon any Severance from Employment, and except as otherwise provided in Section 5.2, a Participant (or, where applicable, the Participant's Beneficiary) will be entitled to receive the Participant's Vested Account Balance as determined on the Valuation Date immediately preceding the date of distribution.

4.2 Determination of Vested Interest

A Participant's Vested Interest in his or her Account Balance will be 100% at all times.

Article 5 Distribution of Benefits

5.1 Distribution for Reasons Other Than Death

Upon a Severance from Employment for reasons other than death, a Participant is entitled to receive a distribution of the Vested Interest in his or her Account Balance in accordance with the following provisions:

- (a) **Time of Distribution.** If a Participant does not elect otherwise, the distribution will be paid as soon as practicable following Normal Retirement Age or, if later, following retirement or other Severance from Employment, and payment will be made in the form described in Section 5.1(c).
- (b) **Election of Benefit Commencement Date.** A Participant may elect to begin distribution of his or her Vested Account Balance at any time after Severance from Employment by a notice filed at least 30 days before the date benefits are to begin. However, in no event will any distribution made under this Section begin later than the date described in Section 5.4.
- (c) **Form of Distribution.** A Participant's Vested Account Balance will be distributed in a lump sum unless the Participant elects to receive his or her Vested Account Balance in substantially equal annual installment payments through the year of the Participant's death, in which case the amount payable each year will be a fraction of the Participant's Vested Account Balance equal to one divided by the distribution period in the Uniform Lifetime Table at Income Tax Regulation §1.401(a)(9)-9, A-2 for the Participant's age on his or her birthday for that year. If the Participant's age is less than age 70, the distribution period is 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 (or quarterly if elected by the Participant) installments. The Participant's Vested Account Balance for this calculation (other than the final installment payment) is the Vested Account Balance as of the end of the year prior to the year for which the distribution is calculated. Payments will begin on the date elected under paragraph (a) above. For any year, the Participant can elect distribution of a greater amount (not to exceed the amount of the remaining Vested Account Balance) in lieu of the amount calculated using this formula.

5.2 Distribution Upon Death

Beginning in the calendar year following the calendar year of the Participant's death, the Participant's Vested Account Balance will be paid to his or her Beneficiary in a lump sum. Alternatively, if the Participant's Beneficiary is a natural person, at the Beneficiary's election, distribution can be made in annual installments (calculated in a manner similar to installments under Section 5.1(c)) 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 Income Tax Regulation §1.401(a)(9)-9, A-1 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 Income Tax Regulation §1.401(a)(9)-9, A-1 for the Beneficiary's age on the Beneficiary's birthday for that year, reduced by one for each year 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 Balance) in lieu of the amount calculated using this formula.

5.3 Cashouts of Account Balances of \$5,000 or Less

Notwithstanding Sections 5.1 and 5.2, if a Participant's Vested Account Balance does not exceed \$5,000 (or the dollar limit under Code §411(a)(11), if greater) at the time distribution of such Vested Account Balance is to begin, the following provisions will apply:

- (a) **Distribution on Account of Retirement, Severance from Employment or Death.** If a Participant's Vested Account Balance does not exceed \$5,000 (or the dollar limit under Code §411(a)(11), if greater) on the date payments begin under Section 5.1 because of Severance from Employment or on the date of the Participant's death, then payment will be made to the Participant (or the Beneficiary if the Participant is deceased) in a lump sum equal to the Participant's Vested Account Balance as soon as practicable following the Participant's retirement, death, or other Severance from Employment.
- (b) **Automatic Rollover Requirements.** With respect to a distribution made under paragraph (a) because of the Participant's Severance from Employment, if the Participant's Vested Account Balance exceeds \$1,000 and the Participant fails to elect either a lump sum payment or a direct rollover to an individual retirement account (IRA) under Section 5.8, then distribution will be made in the form of a direct rollover to an IRA which is established by the Administrator at a qualified financial institution. In establishing the IRA, the Administrator will select an IRA trustee, custodian or issuer that is unrelated to the Employer or the Administrator and will make the initial investment choices for the IRA. Any such automatic rollover will occur not less than 30 days and not more than 90 days after the Code §402(f) notice with the explanation of the automatic rollover is provided to the Participant.

5.4 Latest Distribution Date

No distribution under this Article 5 will begin 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 begin in the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which a Severance from Employment occurs, the distribution on the date distribution begins must equal the annual installment for the year that the Participant has a Severance from Employment as determined under Section 5.1(c) and an amount equal to the annual installment for the year after Severance from Employment determined under Section 5.1(c) must also be paid before the end of the calendar year of commencement.

5.5 Revocation of Prior Election

Any election made under this Article 5 may be revoked at any time by the person who made the election.

5.6 Distribution Due to an Unforeseeable Emergency

If a 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 Administrator to be permitted to be distributed under this Section 5.6. Any such distribution will be made in accordance with the following provisions:

- (a) **Unforeseeable Emergency Distribution Standard.** A distribution on account of an 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.
- (b) **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).

- (c) **Primary Beneficiary.** For purposes of this Section, the term "Primary Beneficiary" means the individual(s) who is named and designated as a Beneficiary under the terms of the Plan and who has an unconditional right to all or a portion of the Participant's Account balance upon the Participant's death.

5.7 Distributions to Certain Participants Who Have Ceased Deferrals

At the request of a Participant, his or her total Vested Account Balance will be paid in a lump sum as soon as administratively practical following such request if (a) the Participant's total Vested Account Balance does not exceed \$5,000 (or, if greater, does not exceed the dollar limit set forth in Code §411(a)(11)), and (b) no Annual Deferral has been made with respect to the Participant during the 2-year period ending immediately before the date of the distribution.

5.8 Direct Rollover Distributions

A Participant, the surviving spouse of a Participant, a Participant's former spouse who is the alternate payee under a domestic relations order under Code §414(p), or a Participant's non-spouse Beneficiary who is a designated beneficiary under Code §401(a)(9)(E) and who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the 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.

- (a) **Eligible Rollover Distribution.** For purposes of this Section, an eligible rollover distribution is any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover distribution does not include (a) any installment payment under Section 5.1(c) for a period of 10 years or more; (b) a distribution made because of an unforeseeable emergency; or (c) for any other distribution, the portion, if any, that is a required minimum distribution under Code §401(a)(9).
- (b) **Eligible Retirement Plan.** For purposes of this Section, an eligible retirement plan is, with respect to the Participant, 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 Code §414(p), an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), a qualified trust described in Code §401(a), an annuity plan described in Code §403(a) or §403(b), or an eligible governmental plan described in Code §457(b), that accepts the eligible rollover distribution. With respect to a non-spouse Beneficiary, an eligible retirement plan is either an individual retirement account described in Code §408(a) or an individual retirement annuity described in Code §408(b), provided such individual retirement account or annuity is treated as an individual retirement account or annuity which has been inherited from the deceased Participant by the non-spouse Beneficiary and it has been established in a manner that identifies it as such.
- (c) **Direct Rollovers for Designated Beneficiaries.** A beneficiary (other than the participant's spouse) who is considered to be a "designated beneficiary" as set forth in Code §401(a)(9)(E) may establish an IRA into which all or a portion of a death benefit distribution from this Plan (to which such non-spouse designated beneficiary is entitled) can be transferred directly. Notwithstanding the above, any amount payable to a non-spouse designated beneficiary that is deemed to be a required minimum distribution may not be transferred into such IRA. If a participant dies before his or her required beginning date, then the non-spouse designated beneficiary may deposit into such IRA all or any portion of the distribution that is deemed to be an eligible rollover distribution. In determining the portion of such distribution that is considered to be a required minimum distribution that must be made from the IRA, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulation §1.401(a)(9)-3, Q&A-4(c). Any distribution made pursuant to this Section 7.4 is not subject to the direct rollover requirements of Code §401(a)(31), the notice requirements of Code §402(f), or the mandatory withholding requirements of Code §3405(c). If a non-spouse designated beneficiary receives a distribution from the Plan, then the distribution is not eligible for the "60-day" rollover rule, which is available to a spousal beneficiary. If the participant's named beneficiary is a trust, then the Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).

5.9 Active Duty Severance Distributions

Effective January 1, 2010, a Participant who is performing Qualified Military Service for a period of more than 30 days will be treated as having incurred a Severance from Employment under Code §457(d)(1)(A)(ii) and may elect a distribution of some or all of his or her Account Balance attributable to Annual Deferrals, subject to the following provisions: (a) if a Participant receives a distribution pursuant to this Section 5.9, he or she will be barred from making Annual Deferrals for a period of 6 months after the distribution; (b) an individual who is considered an Employee because he or she is receiving Differential Wage Payments will be treated as having incurred a Severance from Employment for purposes of this Section 5.9; (c) the availability of such distribution shall not cause any Participant to be treated as having incurred a Severance from Employment for any other purpose under the Plan or any other Code section; and (d) if a Participant who takes a distribution pursuant to this Section 5.9 is considered to have Severance from Employment under the terms of the Plan, such individual is eligible for all distribution options available upon Severance from Employment under the Plan, and not this Section 5.9.

Article 6 Certain Rollovers and Transfers

6.1 Eligible Rollovers to the Plan

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, subject to the following:

- (a) **Administrator May Require Documentation.** The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code §402 and to confirm that such plan is an eligible retirement plan under Code §402(c)(8)(B).
- (b) **Eligible Rollover Distribution.** For purposes of this Section 6.1, an eligible rollover distribution is 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 (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code §401(a)(9).
- (c) **Eligible Retirement Plan.** For purposes of this Section 6.1, an eligible retirement plan is an individual retirement account under Code §408(a), an individual retirement annuity under Code §408(b), a qualified trust under Code §401(a), an annuity plan under Code §403(a) or §403(b), or an eligible governmental plan under Code §457(b), that accepts an eligible rollover distribution.
- (d) **Roth Deferrals.** The Plan will accept an eligible rollover distribution that consists of all or a portion of a designated Roth Deferral from any qualified plan or Code §403(b) plan, subject to any procedure or policy established by the Plan. The Plan will account separately for any amounts so transferred.
- (e) **Separate Accounting Required.** The Plan will 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 Code §457(b). In addition, the Plan will 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 Code §457(b).

6.2 Plan to Plan Transfers to This Plan

At the direction of the Employer, the Administrator may permit a class of Participants who are participants in another eligible governmental plan under Code §457(b) to transfer assets to the Plan as provided in this Section. 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 Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code §457(e)(10) and Regulation §1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in

Regulation §1.457-2(f). The amount so transferred will be credited to the Participant's Account Balance and will be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount will not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section 3.2.

6.3 Plan to Plan Transfers From This Plan

At the direction of the Employer, the Administrator may permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account Balance transferred to another eligible governmental plan within the meaning of Code §457(b) and Regulation §1.457-2(f). A transfer is permitted under this Section for a Participant only if the Participant has had a Severance from Employment and is an employee of the entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section 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. Upon the transfer of assets under this Section, this Plan's liability to pay benefits to the Participant or Beneficiary will be discharged to the extent of the amount transferred. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan as described above, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Regulation §1.457-10(b).

6.4 Transfer of Permissive Service Credit

If a Participant also participates in a tax-qualified defined benefit governmental plan as defined in Code §414(d) that accepts plan-to-plan transfers from the Participant, the Participant may elect to have any portion of his or her Vested Account Balance transferred to the defined benefit governmental plan. Such transfer may be made before the Participant has had a Severance from Employment, but only if the transfer is either for the purchase of permissive service credit (as defined in Code §415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code §415 does not apply by reason of Code §415(k)(3).

**Article 7
Plan Administrator**

7.1 Appointment, Removal, Resignation and Succession

The Employer will serve as the Administrator unless the Sponsoring Employer elects to appoint another Administrator. Each Administrator appointed will continue until his death, resignation or removal, and any Administrator may resign by giving 30 days written notice to the Employer. If an Administrator dies, resigns, or is removed, his successor will be appointed as promptly as possible and such appointment will become effective upon its acceptance in writing by such successor. Pending the appointment and acceptance of any successor Administrator, any then acting or remaining Administrator will have full power to act. If the Employer appoints an individual and a committee as Administrator, the Employer will designate the division of the duties hereunder between the individual and the committee.

7.2 General Powers and Duties

The Administrator will have responsibility for the operation and administration of the Plan and will direct payment of Plan benefits. The Administrator will have the power and authority to adopt, interpret, alter, amend, or revoke rules and regulations necessary to administer the Plan and to delegate ministerial duties and employ such outside professionals as may be required for prudent administration of the Plan. The Administrator will also have authority to enter agreements on behalf of the Employer necessary to implement this Plan. The Administrator, if otherwise eligible, may participate in the Plan but will not be entitled to make decisions solely with respect to his or her own participation.

7.3 Accounts and Expenses

An Account Balance will be established for each Participant. Such Account Balance will be valued at fair market value as of the last day of the calendar year and on such other dates as necessary for the proper administration of the Plan, and each Participant will receive a written accounting at least annually of his or her Account Balance (and the Vested Interest therein) following such valuation. Such accounting will be made as soon as administratively feasible after the end of the calendar year. Each Account Balance will be credited with the amount of any Deferrals, Employer contributions (if any) and any amounts transferred pursuant to Article 6, and will be further credited or debited, as applicable, with (a) any increase or decrease resulting from investments; (b) any expenses incurred by the Employer in maintaining and administering this Plan, which may be paid out of the Plan; (c) the amount of any distribution; and (d) the value on the effective date of this Plan of any Account Balance maintained under the Prior Plan.

7.4 Qualified Domestic Relations Orders

A Qualified Domestic Relations Order, or QDRO, is a signed domestic relations order issued by a State or a Commonwealth court which creates, recognizes or assigns to an alternate payee(s) the right to receive all or part of a Participant's Plan benefit. Effective April 6, 2007, a QDRO also includes (a) any order issued with respect to another domestic relations order or QDRO, including an order that revises or amends a prior order; (b) an order issued after the Participant's annuity starting date or death; or (c) an order that names as the alternate payee a person deemed financially dependent upon the Participant, provided the other requirements for a QDRO as set forth in the Plan's QDRO procedure and/or as defined in Code §414(p) are satisfied. An alternate payee is a Spouse, former Spouse, child, or other dependent of a Participant who is treated as a Plan Beneficiary as a result of the QDRO. The Administrator will determine if a domestic relations order received by the Plan is a Qualified Domestic Relations Order based on an administrative policy regarding Qualified Domestic Relations Orders that is promulgated by the Administrator.

7.5 Promulgating Notices, Policies and Procedures

The Employer and Administrator are given the power and responsibility to promulgate certain written notices, policies and/or procedures under the terms of the Plan and disseminate them to Participants. The Administrator may satisfy such responsibility by the preparation of any such notice, policy and/or procedure in a written form which can be published and communicated to a Participant in any manner deemed appropriate by the Administrator, including, but not limited to, one or more of the following ways: (a) by distribution in hard copy; (b) through distribution of a plan summary (or a modification thereto) which sets forth the policy or procedure; (c) by e-mail, either to a Participant's personal e-mail address or his or her Employer-maintained e-mail address; and (d) by publication on a web-site accessible by the Participant, provided the Participant is notified of said web-site publication.

7.6 Investment Manager

The Administrator, with the consent of the Employer, may appoint an Investment Manager to manage and control the investment of all or any portion of the assets of the Trust. Each Investment Manager must be a person (other than the Trustee) who (a) has the power to manage, acquire, or dispose of Plan assets, (b) is an investment adviser, a bank, or an insurance company as described in ERISA §3(38)(B), and (c) acknowledges fiduciary responsibility to the Plan in writing. The Administrator will enter into an agreement with an Investment Manager that specifies the duties and compensation of the Investment Manager and specifies any other terms and conditions under which the Investment Manager will be retained. The Trustee is not liable for any act or omission of an Investment Manager and is not liable for following an Investment Manager's advice with respect to duties delegated by the Administrator to the Investment Manager. The Administrator can determine the portion of the Plan's assets to be invested by a designated Investment Manager and can establish investment objectives and guidelines for the Investment Manager to follow.

Article 8 Investment of Plan Assets

8.1 Investment Vehicle

The Employer may elect to invest all assets of the Plan (a) in any trust which is established under the terms of this Plan; and/or (b) in one or more Custodial Accounts which satisfy the requirements of Code §457(g) and Income Tax Regulation §1.457-8(a)(3)(ii); and/or (c) in one or more annuity contracts which satisfy the requirements of Code §457(g) and Income Tax Regulation §1.457-8(a)(3)(iii). To the extent assets of the Plan are held in Custodial Accounts or in a third-party trust, the terms of the underlying custodial agreements and/or trust are incorporated herein by reference.

8.2 Directed Investment Accounts

Subject to any rules or procedures promulgated by the Administrator, Participants can direct the investment of all or a portion of one or more of their accounts (hereafter called Directed Investment Accounts) established under the terms of the Plan. Investment directives will only be given in accordance with an administrative policy regarding Directed Investment Accounts that is promulgated by the Administrator.

8.3 Loans to Participants

Loans to Participants are not permitted.

Article 9 Amendment or Termination of the Plan

9.1 Amendment of the Plan

The Employer can amend the Plan at any time, and from time to time, in whole or in part, but any such amendment must be in writing.

9.2 Termination of the Plan

The Employer may terminate or discontinue the Plan in whole or in part at any time without any liability for such termination or discontinuance. Upon termination, all Deferrals will cease. The Plan is considered terminated only if all amounts deferred under the Plan are paid to Participants as soon as administratively practicable. If the amounts deferred under the Plan are not distributed, the Plan will be treated as a frozen plan and must continue to comply with all of the statutory requirements necessary for Plan eligibility.

Article 10 Miscellaneous

10.1 Limitation of Rights

Neither the establishment of this Plan nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving a Participant or other person any legal or equitable right against the Employer except as otherwise provided under the terms of the Plan.

10.2 Total Agreement

This Plan and other administrative forms will constitute the total agreement or contract between the Employer and an Employee or Participant regarding participation in the Plan and benefits under the Plan. No oral statement or representation regarding the Plan may be relied upon by an Employee or Participant.

10.3 No Contract of Employment

Nothing in this Plan will be deemed to be an agreement, consideration, inducement, or condition of employment, nor will the rights or obligations of the Employer or of any Employee to continue or terminate employment be affected hereby.

10.4 Limitation on Assignment

Benefits under this Plan may not be assigned, sold, transferred, or encumbered, and any attempt to do so will be void. A Participant's or Beneficiary's interest in benefits under the Plan will not be subject to debts or liabilities of any kind and will not be subject to attachment, garnishment, or other legal process.

10.5 Representations

The Employer does not represent or guarantee that any particular federal or state income, payroll, personal property, or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation. Furthermore, the Employer does not represent or guarantee successful investment of Deferrals and will not be required to repay any loss that may result from such investment or lack of investment.

10.6 Severability

If a court of competent jurisdiction holds any provision of the Plan to be invalid or unenforceable, the remaining Plan provisions will nevertheless continue to be fully effective.

10.7 Applicable Law

The Plan will be construed in accordance with applicable federal law and, to the extent otherwise applicable and to the extent not superseded by applicable federal law, the laws of the state of the Employer's domicile.

10.8 Title to Assets

No Participant or Beneficiary will have any right to, or any interest in, Plan assets upon his or her Severance from Employment with the Employer, except as may otherwise be provided under the terms of the Plan.

10.9 Gender and Number

Words used in the masculine gender will be construed as begin used in the feminine or neuter gender where applicable, and words used in the singular will be construed as being used in the plural where applicable.

10.10 Headings and Subheadings

Headings and subheadings are used for convenience of reference, and they constitute no part of this Plan and are not to be considered in its construction.

10.11 Legal Action

In any claim, suit or proceeding about the Plan and/or Trust brought against the Trustee or Administrator, the Plan and Trust will be construed and enforced according to the laws of the state in which the Employer maintains its principal place of business; and unless otherwise prohibited by law, either the Employer or the Trust, in the sole discretion of the Employer, will reimburse the Trustee and/or Administrator for all costs, attorneys fees and other expenses associated with such claim, suit or proceeding.

10.12 Exclusive Benefit Rule

All Plan contributions will be used for the exclusive benefit of the Participants and their Beneficiaries and will not be used for nor diverted to any other purpose except the payment of the costs of maintaining the Plan.

10.13 Non-Assignability

Except as provided in Section 10.14, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of their creditors; and neither the Participant nor any Beneficiary will 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.

10.14 Internal Revenue Service Levies

Notwithstanding Section 10.13, the Administrator may pay from a Participant's or Beneficiary's Account Balance 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 U.S. Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

10.15 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 Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) will be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.

10.16 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any Plan benefits 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 to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments will be considered a payment to such Participant or Beneficiary and will to the extent made be deemed a complete discharge of any liability for such payments under the Plan.

10.17 Procedure When Distributee Cannot Be Located

The Administrator will 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 the records of the Employer or the Administrator; (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under its program to identify payees under retirement plans); and (c) the payee has not responded within 6 months. If the Administrator is unable to locate a person entitled to benefits, or if there has been no claim made for such benefits, the Trust Fund will continue to hold the benefits due such person.

10.18 Loss of Plan Eligibility

If the Plan is administered in a manner which is inconsistent with the requirements of the Plan or Code §457(b) and any regulations thereunder, the Plan will be treated as not meeting such requirements as of the first Plan Year beginning more than 180 days after the date of notification by the Internal Revenue Service of the inconsistency, unless the Employer corrects the inconsistency before the first day of such Plan Year.

10.19 Disaster Relief

The Plan may, pursuant to a written policy established by the Plan Administrator, grant temporary disaster relief to affected Participants pursuant to any applicable statute enacted by the government of the United States, or pursuant to any applicable guidance promulgated by an authorized department or agency of the government of the United States. Such administrative policy may include, but is not limited to, provisions which, to the extent permitted by law, (a) increase the statutory limits on, delay the repayment of, and/or waive the adequate security requirement for, Participant loans (to the extent the Plan permits such loans); (b) permit the Plan to disregard any procedural requirements, including the consent of the Participant's spouse, if any, so long as the Administrator makes a good faith effort under the circumstances to comply with such requirements and makes a reasonable attempt to assemble any required documentation as soon as practical thereafter; and/or (c) permit the re-contribution by Participants of prior disaster distributions.

This Agreement has been executed by the Employer as of the day, month and year set forth on page 1 of this Agreement.

Charter Township of Shelby

By Lisa Suida

Print Name Lisa Suida

Title Human Resource Director

**CHARTER TOWNSHIP OF SHELBY 457 PLAN
ADMINISTRATIVE POLICY REGARDING QUALIFIED DOMESTIC RELATIONS ORDERS**

In accordance with Section 7.4 of the Charter Township of Shelby 457 Plan (the "Plan"), the rules and procedures set forth in this Policy govern the determination of whether a Domestic Relations Order constitutes a Qualified Domestic Relations Order, and the distribution of benefits to Alternate Payees under a Qualified Domestic Relations Order.

DEFINITIONS

In applying this Policy, any terms used herein which are also used in the Plan will have the same meaning ascribed to them under this Policy as are ascribed to them under the terms of the Plan except as may otherwise be provided in this Policy. In addition, the following terms that are specific to this Policy will have the following meanings:

1. **ALTERNATE PAYEE.** The term "Alternate Payee" means any Spouse, former Spouse, child or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to a Participant. The Administrator is not required by ERISA §206(d)(3) or any other ERISA provision to review the correctness of a determination by a competent State (or Commonwealth) authority that an individual is in fact a Spouse, former Spouse, child, other dependent, or surviving Spouse of the Participant under a State's (or Commonwealth's) domestic relations law.
2. **DOMESTIC RELATIONS ORDER.** The term "Domestic Relations Order" means any judgment, decree, or order (including approval of a property settlement agreement) within the meaning of ERISA §206(d)(3)(B)(ii) which (a) relates to the provision of child support, alimony payments, or marital property rights to a Spouse, former Spouse, child, or other dependent of a Participant; and (b) is made pursuant to a State's (or Commonwealth's) domestic relations law (including a community property law) by a State (or Commonwealth) authority with jurisdiction over such matters. Such State (or Commonwealth) must be part of the United States of America. A Domestic Relations Order will not affect a Participant's benefits unless it is determined to be a Qualified Domestic Relations Order.
3. **EARLIEST RETIREMENT AGE.** The term "Earliest Retirement Age" means the earlier of (a) the date on which the Participant is entitled to a distribution under this Plan; or (b) the later of (1) the date the Participant attains age 50, or (2) the earliest date the Participant could receive benefits under this Plan if the Participant terminated employment with the Employer.
4. **EIGHTEEN-MONTH PERIOD.** The term "Eighteen-Month Period" means a period of eighteen (18) months during which the Administrator must preserve the Segregated Amounts for the benefit of an Alternate Payee. The Eighteen-Month Period begins as of the later of (a) the date upon which the Plan receives the Domestic Relations Order, or (b) the QDRO Distribution Starting Date.
5. **QDRO DISTRIBUTION STARTING DATE.** The term "QDRO Distribution Starting Date" means either (a) the date on which the benefit payment is required to be made to an Alternative Payee pursuant to a Qualified Domestic Relations Order; or (b) the date on which the commencement of benefit payments is required to begin to an Alternative Payee pursuant to a Qualified Domestic Relations Order. For purposes of the QDRO Distribution Starting Date, this Policy establishes that a Qualified Domestic Relations Order may provide for the benefit payment (or the commencement of benefit payments) to an Alternative Payee prior to the time that a Participant has terminated employment. Furthermore, the benefit payment (or the commencement of benefit payments) can be made even if the affected Participant has not yet reached the Participant's Earliest Retirement Age.
6. **QUALIFIED DOMESTIC RELATIONS ORDER (OR QDRO).** The terms "Qualified Domestic Relations Order" and "QDRO" mean a Domestic Relations Order that (a) is qualified under the requirements of ERISA §206(d)(3)(B)(i); (b) creates or recognizes the existence of an Alternate Payee's right, or assigns to an Alternate Payee the right, to receive all or a portion of the benefits payable with respect to a Participant; and (c) satisfies the following:
 - (a) **DOMESTIC RELATIONS ORDER MUST CLEARLY SPECIFY CERTAIN FACTS.** A Domestic Relations Order satisfies the requirements of this subparagraph only if the Domestic Relations Order clearly specifies (1) the name and the last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the Domestic Relations Order; (b) the amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined; (c) the number of payments or period to which such Domestic Relations Order applies; and (d) each plan (including, if applicable, this Plan) to which such Domestic Relations Order applies.

- (b) **DOMESTIC RELATIONS ORDER MUST NOT ALTER AMOUNT OR FORM OF BENEFITS.** A Domestic Relations Order satisfies the requirements of this paragraph only if it (1) does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan; (2) does not require the Plan to provide increased benefits (determined on the basis of actuarial value); (3) does not require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another Domestic Relations Order previously determined to be a QDRO; and (4) does not require the benefit payment (or the commencement of benefit payments) be made to an Alternative Payee prior to the QDRO Distribution Starting Date.
7. **SEGREGATED AMOUNTS.** The term "Segregated Amounts" means, if the QDRO Distribution Starting Date occurs prior to the determination that the Domestic Relations Order is a QDRO (or such other event(s) that would cause a distribution to be made to a Participant (or such other person) prior to a distribution to be made an Alternate Payee), the amounts that would be payable to an Alternate Payee under the terms of the Domestic Relations Order during the Eighteen-Month Period (if the Domestic Relations Order had been determined to be a Qualified Domestic Relations Order). During the Eighteen-Month Period, the Administrator will take steps to ensure that the Segregated Amounts that would be payable to the Alternate Payee are not distributed to the Participant or any other person.

RIGHTS AND RESPONSIBILITIES

In addition to any rights of an Alternate Payee and any responsibilities of the Administrator that may be set forth elsewhere in this Policy, an Alternate Payee has the following rights and the Administrator has the following responsibilities:

1. **ALTERNATE PAYEE MAY DESIGNATE A REPRESENTATIVE.** An Alternate Payee has the right to designate a representative to receive copies of notices and information sent to the Alternate Payee regarding a Domestic Relations Order.
2. **ADMINISTRATOR WILL SUPPLY INFORMATION TO ALTERNATE PAYEE.** The Administrator will promptly supply to an Alternate Payee (including a prospective Alternate Payee):
 - (a) **EXPLANATION OF PLAN AND BENEFITS.** An explanation of the Plan and a Participant's benefits that are available to assist a prospective Alternate Payee in preparing a Qualified Domestic Relations Order, such as a Summary Plan Description (SPD), plan document, individual benefit and/or account statements, and any model Qualified Domestic Relations Orders that have been developed for use by the Plan.
 - (b) **TIME LIMITS.** A description of any time limits set by the Plan Administrator for making determinations.
 - (c) **PROTECTION OF PENSION BENEFITS.** A description of the steps that the Administrator will take to protect and preserve pension assets or benefits upon receipt of a Domestic Relations Order (for example, a description of when and under what circumstances Plan assets will become Segregated Amounts or benefit payments will be delayed, will be suspended, or will become Segregated Amounts).
 - (d) **REVIEW PROCESS.** A copy of the Plan's Administrative Policy Regarding the Claims Procedure, for obtaining a review of the Administrator's determination as to whether a Domestic Relations Order is a QDRO.
3. **DISCLOSURE RIGHTS TO ALTERNATE PAYEE.** An Alternate Payee under a QDRO generally will be considered a beneficiary under the Plan. Accordingly, the Alternate Payee must be furnished, upon written request, copies of a variety of documents, including the latest Summary Plan Description (SPD), the latest annual report, any final annual report, and the bargaining agreement, trust agreement, contract, or other instrument under which the Plan is established or operated. The Administrator may impose a reasonable charge to cover the cost of furnishing such copies. When benefit payments to the Alternate Payee commence under the Qualified Domestic Relations Order, the Alternate Payee will be treated as a "beneficiary receiving benefits under the Plan" and will be furnished automatically and free of charge the Summary Plan Description (SPD), summaries of material Plan changes, and the Plan's summary annual report.
4. **ADMINISTRATOR'S DUTY TO ACCOUNT FOR AND PROTECT ALTERNATE PAYEE INTEREST UNDER A QDRO.** If the Domestic Relations Order is determined to be a QDRO prior to the QDRO Distribution Starting Date, then the Administrator has a continuing duty to account for and to protect the Alternate Payee's interest in the Plan to the same extent that the Administrator is obliged to account for and to protect the interests of the Participant.
5. **ADMINISTRATOR MAY SEND MATERIALS IN WRITING OR ELECTRONICALLY.** With respect to any notices, SPDs, summaries of material Plan changes, summary annual reports, and any other required disclosures, the Administrator will send such materials either in writing or electronically (so long as such materials (a) are not prohibited from being delivered electronically, and (b) comply with the standards imposed by Labor Regulation §2520.104b-1(c)).

DETERMINATION PROCEDURE

1. **DETERMINE IF A COURT ORDER IS A DOMESTIC RELATIONS ORDER.** The Administrator will review any court judgment, decree, or order presented to the Plan to ascertain whether the judgment, decree, or order is a Domestic Relations Order. No judgment, decree, or order will constitute a Domestic Relations Order unless (a) it relates to child support, alimony payments, or marital property rights to a Spouse, former Spouse, child, or other dependent of a Participant, and (b) it is made pursuant to a State (or Commonwealth) domestic relations law (including a community property law) by a State (or Commonwealth) authority with jurisdiction over such matters. A foreign (non-U.S.) court judgment, decree, or order will not constitute a Domestic Relations Order. However, a Domestic Relations Order will not affect a Participant's benefits unless it is determined to be a Qualified Domestic Relations Order.
2. **NOTIFY THE AFFECTED PARTIES THAT A DOMESTIC RELATIONS ORDER HAS BEEN RECEIVED.** If the Administrator determines that the court judgment, decree, or order that the Plan has received is a Domestic Relations Order, then the Administrator must promptly notify the Participant and each Alternate Payee of the receipt of such Domestic Relations Order. The Administrator must also promptly supply the Participant and each Alternate Payee with a copy of this Policy, for determining whether the Domestic Relations Order is a Qualified Domestic Relations Order.
3. **DETERMINE IF THE DOMESTIC RELATIONS ORDER IS ALSO A QUALIFIED DOMESTIC RELATIONS ORDER.** A Domestic Relations Order will only affect a Participant's benefits if the Administrator determines it is a Qualified Domestic Relations Order as defined in the Definition section of this policy, subject to the following provisions:
 - (a) **ADMINISTRATOR MAY SUPPLEMENT A DOMESTIC RELATIONS ORDER WITH FACTUAL IDENTIFYING INFORMATION.** If a Domestic Relations Order fails to specify factual identifying information that is easily obtainable by the Administrator, then the Administrator will supplement the Domestic Relations Order with the appropriate identifying information rather than rejecting the Domestic Relations Order as not being a QDRO. For instance, a Domestic Relations Order will not fail to be Qualified Domestic Relations Order if the Domestic Relations Order misstates/misspells the Plan's name or the names of a Participant or Alternate Payees (and the Administrator can clearly determine the correct names), or a Domestic Relations Order omits the addresses of the Participant and/or the Alternate Payees (and the Administrator's records include this information).
 - (b) **ADMINISTRATOR MAY MAKE PRELIMINARY REVIEW AND POSTPONE FINAL DETERMINATION.** The Administrator may establish a process for providing preliminary or interim review of a Domestic Relations Order, and for postponing a final determination whether a Domestic Relations Order is a QDRO for a limited period, to permit a prospective Alternate Payee to correct defects prior to or within the Eighteen-Month Period.
 - (c) **ADMINISTRATOR MAY SUBMIT QUESTION TO COURT.** If the Administrator is unable to reach a determination whether the Domestic Relations Order constitutes a QDRO (with the advice of counsel), then the Administrator will submit the question to a court of competent jurisdiction for a determination whether the Domestic Relations Order is a QDRO.
4. **NOTIFY AFFECTED PARTIES.** The Administrator will promptly notify the Participant and each Alternate Payee of the determination as to whether the Domestic Relations Order constitutes a QDRO. The notice of the Administrator's determination should be written in a manner that can be easily understood by the parties. If the Administrator rejects the Domestic Relations Order as a QDRO, then the rejection notice will provide (a) the reasons why the Domestic Relations Order is not a QDRO; (b) references to the Plan provisions upon which the Administrator's determination is based; (c) an explanation of any time limits that apply to rights available to the parties under the Plan (such as the duration of any protective actions that the Administrator will take); and (d) a description of any additional material, information, or modifications necessary for the Domestic Relations Order to constitute a QDRO and an explanation of why such material, information, or modifications are necessary.

INTERIM PROCEDURES FOR PARTICIPANTS IN PAY STATUS

Regarding any Participant whose benefits are in pay status during any period in which a determination is being made whether a Domestic Relations Order constitutes a QDRO (either by the Administrator or a court of competent jurisdiction), the Administrator will separately account for the Segregated Amounts which would otherwise be payable to the Alternate Payee during the determination period (as if the Domestic Relations Order had been found to constitute a QDRO). Furthermore, the Administrator will take steps to ensure that the Segregated Amounts that would be payable to the Alternate Payee are not distributed to the Participant or any other person.

DISTRIBUTION REQUIREMENTS

1. **DISTRIBUTION WITHIN AND AFTER THE EIGHTEEN-MONTH PERIOD.** If it is determined that a Domestic Relations Order constitutes a QDRO within the Eighteen-Month Period, the Administrator will pay the Segregated Amounts to the entitled Alternate Payee. The distribution of the Segregated Amounts may be made in one lump sum payment (even if the Plan does not permit any lump sum distributions, so long as the lump sum distribution of the Segregated Amounts is made in accordance with the QDRO). However, if (a) it is determined that a Domestic Relations Order does not constitute a QDRO within the Eighteen-Month Period, or the issue as to whether the Domestic Relations Order is a QDRO has not been resolved by the end of the Eighteen-Month Period, and (b) the Participant (or such other person) is entitled to a distribution from the Plan, the Administrator will pay the Segregated Amounts to the Participant (or such other person) who would have been entitled to the distribution of the Segregated Amounts (if there had not been a Domestic Relations Order). Distribution of the Segregated Amounts may be made in one lump sum payment at the election of the Participant (or such other person) even if the Plan does not permit lump sum distributions. If it is later determined that the Domestic Relations Order constitutes a QDRO after the Eighteen-Month Period, the QDRO will only be applied on a prospective basis and the Alternate Payee will not be entitled to any Segregated Amounts.
2. **EFFECT OF QDRO ON SURVIVOR ANNUITY REQUIREMENTS.** A Participant's benefits which are payable from the Plan in the form of a Qualified Joint and Survivor Annuity or in the form of a Qualified Preretirement Survivor Annuity need not be paid in such form if such payment is inconsistent with, or has been modified by, the terms of a Qualified Domestic Relations Order. However, the form of payment under the Domestic Relations Order must be available under the Plan as either the Normal Form of Distribution or an Optional Form of Distribution; otherwise, the Domestic Relations Order will not constitute a Qualified Domestic Relations Order.
3. **QDRO PROVIDING FOR "SEPARATE INTEREST ANNUITY" OR "SHARED INTEREST ANNUITY."** If the Plan permits annuities and if the QDRO provides that an annuity is the only permitted form of distribution to an Alternate Payee, then the Administrator will determine whether the annuity payments to an Alternate Payee are either a "Separate Interest Annuity" or a "Shared Interest Annuity" as described below:
 - (a) **SEPARATE INTEREST ANNUITY.** In a Separate Interest Annuity, the amount of the award is calculated and paid over the lifetime of the Alternate Payee (rather than the Participant's lifetime). A QDRO provision for "post-retirement" survivorship after the Participant's death is unnecessary, because benefits are automatically guaranteed for the lifetime of the Alternate Payee. However, if the Alternate Payee wants to protect his or her right to receive benefits in the event of the Participant's death before retirement, then a QDRO provision for "pre-retirement" survivorship after the Participant's death is necessary. Pursuant to the QDRO, the Alternate Payee can begin receiving benefits at a different time than the Participant if the benefits do not commence earlier than the QDRO Distribution Starting Date. If the Alternate Payee predeceases the Participant, then the benefit may either revert back to the Participant (as provided by the QDRO) or just be extinguished.
 - (b) **SHARED INTEREST ANNUITY.** In a Shared Interest Annuity, the amount of the award is calculated and paid over the lifetime of the Participant (rather than the Alternate Payee's lifetime). With respect to a Shared Interest Annuity, the Participant must begin receiving benefits before the Alternate Payee may receive benefits. If the Participant has already retired, then a Shared Interest Annuity is the only permissible annuity. If the Alternate Payee wants to protect the Alternate Payee's right to benefits in the event of the Participant's death, then QDRO provisions for both "pre-retirement" and "post-retirement" survivorship after the Participant's death are necessary. If the Alternate Payee predeceases the Participant, then the benefit may either revert back to the Participant (as provided by the QDRO) or just be extinguished.

**HEART Act of 2008 and Notice 2010-15 Amendment for
Code §457(b) Plans**

Plan Name Shelby Charter Township 457 Plan JH - 102421

Plan Sponsor Charter Township of Shelby

This amendment (the "HEART Amendment") to the above Plan is intended as good faith compliance with the HEART Act of 2008 and with guidance related thereto issued by the Internal Revenue Service in Notice 2010-15

Section 1. Definitions

- 1.1 Annual Deferrals.** The term *Annual Deferrals* means the amount of Compensation deferred by a Participant in any taxable year. Annual Deferrals also includes deferred compensation contributed to the Plan by the Employer in the form of a matching or discretionary contribution.
- 1.2 Deemed Deferrals.** The term *Deemed Deferrals* means, to the extent the Employer elects to make contributions to the Plan, the amount of Annual Deferrals a Participant is deemed to have made during his or her period of Qualified Military Service. Deemed Deferrals will be equal to the lesser of (a) the average actual Annual Deferrals he or she made to the Plan during the 12-month period immediately preceding his or her Qualified Military Service; or (b) if the Participant had less than 12 months of service with the Employer before commencing Qualified Military Service, the average Annual Deferrals the Participant made during his or her actual length of continuous service with the Employer.
- 1.3 Differential Wage Payment.** The term *Differential Wage Payments* means any payment as defined in Code §3401(h) which is made by the Employer for a remuneration period after December 31, 2008 which (a) is made to an individual with respect to any period during which an individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days; and (b) represents all or a portion of the remuneration such individual would have received from the Employer if the individual was performing services for the Employer.
- 1.4 Qualified Military Service.** The term *Qualified Military Service* means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to USERRA Reemployment Rights under such chapter with respect to such service.
- 1.5 USERRA Reemployment Rights.** The term *USERRA Reemployment Rights* means the rights and benefits to which an individual covered under USERRA is entitled upon his or her return from Qualified Military Service. An individual will not be entitled to USERRA Reemployment Rights if (a) such individual did not provide advance notice of his or her military service to the Employer; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the Employer.

Section 2. Death Benefits

- 2.1 Deemed Reemployment Date.** A Participant who dies on or after January 1, 2007 while performing Qualified Military Service will be deemed (a) to have resumed employment with the Employer as of the day preceding the date of his or her death (the "Deemed Reemployment Date" for purposes of this Section); and (b) to have incurred a Severance from Employment on the date of his or her death.
- 2.2 Additional Benefits.** To the extent the Plan is a governmental Code §457(b) plan and the Plan provides for (a) accelerated vesting upon a Participant's death, (b) ancillary life insurance benefits, and (c) any other benefits that are contingent upon the Participant's death, then an individual described in Section 2.1 will be provided with such benefits. Such benefits must be provided to all such similarly-situated individuals in a uniform, non-discriminatory manner.

2.3 Employer Contributions. An individual described in Section 2.1 will not receive any additional contributions under the terms of the Plan unless this box is checked, in which event any such additional contributions will be provided effective _____ (must be on or after January 1, 2007) on a reasonably equivalent basis to all such similarly situated individuals in accordance with the following provisions:

- (a) The Employer will make a Non-Elective Contribution on behalf of such individual which is equal to the Non-Elective Contribution that would have otherwise been made under the terms of the Plan on such individual's behalf had he or she actually been reemployed by the Employer on the date of such individual's death, based on the Compensation such individual would have received from the Employer during his or her period of Qualified Military Service. Such Non Elective Contribution will be considered Annual Deferrals.
- (b) The Employer will make a Matching Contribution on behalf of such individual which is equal to the Matching Contribution that would have otherwise been made under the terms of the Plan on such individual's behalf had he or she actually been reemployed by the Employer on the date of such individual's death, based on such individual's Deemed Deferrals. Such Matching Contribution will be considered Annual Deferrals.

2.3 Vesting Service. An individual described in Section 2.1 will not be entitled to credit for Vesting purposes with respect to the period of Qualified Military Service unless this box is checked, in which event such Vesting credit will be applied to all similarly-situated individuals in a uniform, non-discriminatory manner.

Section 3. Disability Benefits

3.1 Deemed Reemployment Date. If this box is checked, then effective _____ (must be on or after January 1, 2007), a Participant who suffers a Disability while performing Qualified Military Service will be deemed (a) to have resumed employment with the Employer as of the day preceding the date of his or her Disability (the "Deemed Reemployment Date" for purposes of this Section); and (b) to have incurred a Severance from Employment on the date of his or her Disability.

3.2 Employer Contributions. An individual described in Section 3.1 will not receive any additional contributions under the terms of the Plan unless this box is checked, in which event any such additional contributions will be provided effective _____ (must be on or after January 1, 2007) on a reasonably equivalent basis to all such similarly situated individuals in accordance with the following provisions:

- (a) Employer will make a Non-Elective Contribution on behalf of such individual which is equal to the Non-Elective Contribution that would have otherwise been made under the terms of the Plan on such individual's behalf had he or she actually been employed by the Employer on the date of such individual's Disability, based on the Compensation such individual would have received from the Employer during his or her period of Qualified Military Service. Such Non Elective Contributions will be considered Annual Deferrals.
- (b) The Employer will make a Matching Contribution on behalf of such individual which is equal to the Matching Contribution that would have otherwise been made under the terms of the Plan on such individual's behalf had he or she actually been reemployed by the Employer on the date of such individual's Disability, based on such individual's Deemed Deferrals. Alternatively, if this box is checked and a Participant is permitted to make Annual Deferrals for periods of Qualified Military Service, then the Matching Contribution will be based on the actual Annual Deferrals made to the Plan by the Participant. Such Matching Contributions will be considered Annual Deferrals.

3.3 Vesting Service. An individual described in Section 3.1 will not be entitled to credit for Vesting purposes with respect to the period of Qualified Military Service unless this box is checked, in which event such Vesting credit will be applied to all similarly-situated individuals in a uniform, non-discriminatory manner.

Section 4. Differential Wage Payments

- 4.1 **Employee Status.** Effective on or after January 1, 2009, an individual receiving Differential Wage Payments from the Employer will be treated as an Employee of the Employer making such Differential Wage Payments except as otherwise provided under Section 5 below.
- 4.2 **Compensation.** If this box is checked, the Employer elects to treat Differential Wage Payments as Compensation for Plan purposes effective _____ (must be on or after January 1, 2009) (but only to the extent the payments do not exceed the amount the individual would have received had he or she continued to perform services for the Employer). Selection of this option does not preclude treatment of any payments which may have been made to Participants as Compensation under the Plan during a prior period of military leave.

Section 5. Special Distribution Rules

- 5.1 **Active Duty Severance Distributions.** If this box is checked, effective _____ (must be on or after January 1, 2009), an individual performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days will be treated as having incurred a severance from employment under Code § 457(d)(1)(A)(ii), and may elect a distribution of some or all of his or her Annual Deferrals, subject to the following provisions:
- (a) If a Participant receives a distribution pursuant to this Section 5.1, he or she will be barred from making Annual Deferrals, Elective Deferrals and/or Employer Contributions for a period of 6 months after the distribution and the Employer is barred from making any Employer Contributions to the Plan that are treated as Annual Deferrals.
 - (b) An individual who is considered an Employee because he or she is receiving Differential Wage Payments will be treated as having incurred a severance from employment for purposes of this Section 5.1.
 - (c) The availability of such distribution shall not cause any Participant to be treated as having incurred a severance from employment for any other purpose under the Plan or any other Code section.

Section 6. Signature of the Plan Sponsor

By Allan J. McDonald Title Accountant II
Print Name Allan J. McDonald Date 3/30/12

**Amendment for 457(b) Plans
Regarding Required Minimum Distributions Under WRERA 2008**

Plan Name Shelby Charter Township 457 Plan

Plan Sponsor Charter Township of Shelby

This amendment is intended as good faith compliance with the required minimum distribution provisions of the Worker, Retiree and Employer Recovery Act of 2008 (WRERA). This amendment supersedes any conflicting provisions of the Plan, any administrative policy, and/or any previously-adopted "good faith" amendment of the same subject matter, as applicable. This amendment is a "good faith" amendment.

Section 1. 2009 Required Minimum Distributions (RMDs)

1.1 **2009 RMDs Will Be Made Unless the Participant or Beneficiary Elects Not to Receive Them.** If this Section 1.1 is checked, then notwithstanding any other provision of the Plan to the contrary, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (a) equal to the 2009 RMDs or (b) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions.

1.2 **2009 RMDs Will Not Be Made Unless the Participant or Beneficiary Elects to Receive Them.** If this Section 1.2 is checked, then notwithstanding any other provision of the Plan to the contrary, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (a) equal to the 2009 RMDs or (b) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions.

1.3 **Direct Rollovers.** Notwithstanding any other provision of the Plan to the contrary, and solely for purposes of applying the direct rollover provisions of the Plan, the additional distributions in 2009 checked below (if any) will be treated as eligible rollover distributions. However, if no election is made below, a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(H).

2009 RMDs and Extended 2009 RMDs (both as defined in Sections 1.1 and 1.2 above).

2009 RMDs (as defined in Sections 1.1 and 1.2 above) but only if paid with an additional amount that is an eligible rollover distribution without regard to Code §401(a)(9)(H).

Section 2. Signature of the Sponsoring Employer

By Allan J. McDonald Title Accountant II

Print Name Allan J. McDonald Date 3/30/12