

Title 27: Personnel

Part 220: PERS, Deferred Compensation Plan & Trust

**MISSISSIPPI GOVERNMENT EMPLOYEES'
DEFERRED COMPENSATION PLAN AND TRUST**

**FOR EMPLOYEES OF
THE STATE OF MISSISSIPPI AND ITS POLITICAL SUBDIVISIONS**

**SPONSORED BY THE
STATE OF MISSISSIPPI**

**ADMINISTERED BY THE
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF MISSISSIPPI**

Effective April 1, 2017

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	DEFINITIONS.....6
1.1.	Age 50 Plus Catch-Up Contribution.....6
1.2.	Annual Deferral.....6
1.3.	Beneficiary6
1.4.	Board6
1.5.	Code.....6
1.6.	Compensation.....6
1.7.	Deferred Compensation.....7
1.8.	Eligible Individual.....7
1.9.	Employee.....7
1.10.	Employer7
1.11.	Employer Contributions7
1.12.	Includible Compensation.....7
1.13.	Independent Contractor8
1.14.	Investment Options.....8
1.15.	Joinder Agreement8
1.16.	Normal Retirement Age8
1.17.	Participant.....8
1.18.	Participant Account8
1.19.	Participant Deferral Account.....8
1.20.	Participant 457 Rollover Account8
1.21.	Participant Non-457 Rollover Account9
1.22.	Participation Agreement.....9
1.23.	Plan.....9
1.24.	Plan Year9
1.25.	Provider9
1.26.	Regulations.....9
1.27.	Rollover Contribution.....9
1.28.	Severance from Employment9
1.29.	Special Section 457 Retirement Catch-up Contributions10
1.30.	Third Party Administrator10
1.31.	Trust.....10
1.32.	Trust Fund10
1.33.	Unforeseeable Emergency.....10
ARTICLE II	ELIGIBILITY.....12
2.1.	Conditions of Eligibility to Participate12
2.2.	Determination of Eligibility and Effective Date of Participation12
2.3.	Termination of Eligibility.....12
2.4.	Participation Agreements12
ARTICLE III	EMPLOYER PARTICIPATION.....13
3.1.	State and State Entities13
3.2.	Adoption by Political Subdivision.....13
3.3.	Plan Termination by a Political Subdivision.....13
ARTICLE IV	CONTRIBUTIONS AND ALLOCATIONS.....15
4.1.	Basic Annual Deferrals15

TABLE OF CONTENTS (Continued)

	<u>Page</u>
4.2.	Employer Contributions.....15
4.3.	Special 457 Retirement Catch-up Contributions15
4.4.	Age 50 Plus Catch-up Contributions.....17
4.5.	Maximum Amount of Catch-up Contributions.....17
4.6.	Excess Deferrals Coordination of Limits17
4.7.	Minimum Deferral18
4.8.	Effect of Leave of Absence on Contributions18
4.9.	Deferrals after Severance from Employment, including Sick, Vacation and Back Pay under an Eligible Plan18
4.10	Voluntary Auto-Escalation of Contributions.....19
ARTICLE V	ACCOUNTS AND REPORTS.....20
5.1.	Participant Account20
5.2.	Statement of Account to Participants20
5.3.	Valuation20
5.4.	Deposits20
5.5.	Records and Reports.....20
ARTICLE VI	INVESTMENT OF CONTRIBUTIONS.....22
6.1.	Investment Options and Group Trusts.....22
6.2.	Direction by Participant.....22
6.3.	Remittance of Deferrals.....23
6.4.	Investment Default23
6.5.	Conflicts23
6.6.	Excessive Trading23
6.7.	Discontinuance of Investment Options23
ARTICLE VII	BENEFITS24
7.1.	When Benefits are Payable.....24
7.2.	Benefit Payments.....24
7.3.	Application for Benefits24
7.4.	Payment Options25
7.5.	Special Tax Exclusion for Qualified Insurance Deductions25
7.6.	Minimum Distribution Rules.....26
7.7.	Payments to Beneficiary.....27
7.8.	Distribution for Incompetent or Minor Beneficiary30
7.9.	Location of Participant or Beneficiary Unknown30
7.10.	Unforeseeable Emergency Withdrawals30
7.11.	Voluntary In-service Distribution31
7.12.	Voluntary In-service Small Account Distribution.....32
ARTICLE VIII	PLAN TO PLAN TRANSFERS.....33
8.1.	Transfers from Other Code Section 457(b) Plans33
8.2.	Transfers to Other Code Section 457(b) Plans Upon Severance from Employment33

TABLE OF CONTENTS (Continued)

	<u>Page</u>
ARTICLE IX	ROLLOVERS TO AND FROM THE PLAN.....35
9.1.	Rollovers to this Plan35
9.2.	Rollovers from this Plan.....35
9.3.	Purchasing Service Credits Under a State or Local Retirement System36
ARTICLE X	ADMINISTRATION.....37
10.1.	Powers and Responsibilities of the Board37
10.2.	Reliance on Information from Employer38
10.3.	Payment of Expenses.....38
ARTICLE XI	TRUST.....39
11.1.	Trust Status.....39
11.2.	Trust Fund39
11.3.	Trustee39
ARTICLE XII	NONASSIGNABILITY/ANTI-ALIENATION40
12.1.	Nonassignment40
ARTICLE XIII	MILITARY SERVICE41
13.1.	General USERRA Compliance41
13.2.	Additional Deferrals41
13.3.	Death in Military Service41
13.4.	Differential Wage41
13.5.	Possible Distributions.....42
ARTICLE XIV	NO LOANS43
ARTICLE XV	AMENDMENT44
ARTICLE XVI	PLAN TERMINATION AS TO ALL EMPLOYERS45
ARTICLE XVII	MISCELLANEOUS.....46
17.1.	Compliance with Code Section 457(b)46
17.2.	Participant Rights46
17.3.	Pre-1979 Accounts46
17.4.	Gender and Number46
17.5.	[RESERVED].....47
17.6.	Receipt and Release for Payments47
17.7.	Delay of Benefit Payments.....47
17.8.	Payments to Minor Beneficiaries47
17.9.	Payments to Incompetents.....47
17.10.	Binding Contract48
17.11.	Disputes48
17.12.	Assumption of Risk.....48
17.13.	Construction of Plan.....48

INTRODUCTION

Deferred Compensation Plan and Trust for Public Employees of the State and Its Political Subdivisions as Amended

Whereas, pursuant to the H.B. 530, Chapter 399, Laws of 1973, the Government Employees' Deferred Compensation Plan Act was enacted by the Legislature;

Whereas, pursuant to H.B. 1279, Chapter 549, Laws of 1974, administration of the Mississippi Government Employees' Deferred Compensation Plan was transferred to the Board of Trustees of the Public Employees' Retirement System;

Whereas, pursuant to Title 25, Chapter 14 of the Mississippi Code Annotated, and Section 457 of the Internal Revenue Code of 1986, as amended, the plan document was adopted and subsequently amended and restated to comply with the Code;

Whereas, there have been certain changes in the governing Mississippi statutes, as well as additional federal law changes and guidance, particularly issuance of final and proposed Treasury regulations and model language;

Whereas, effective March 1, 2007, the Board on behalf of the State of Mississippi did amend and completely restate the Mississippi Government Employees' Deferred Compensation Plan and Trust.

Whereas, effective August 1, 2011, the Board on behalf of the State of Mississippi did amend and completely restate the Mississippi Government Employees' Deferred Compensation Plan and Trust.

Whereas, effective July 1, 2012, the Board on behalf of the State of Mississippi did amend and completely restate the Mississippi Government Employees' Deferred Compensation Plan and Trust.

Therefore, effective October 1, 2014, the Board on behalf of the State of Mississippi hereby amends and completely restates the Mississippi Government Employees' Deferred Compensation Plan and Trust. The Plan consists of the provisions set forth in this document, as amended and restated.

The Plan is established pursuant to applicable state law and is intended to comply with the provisions of Section 457(b) of the Internal Revenue Code of 1986, as amended, regulations there under and applicable law. The Plan is effective with respect to each Eligible Individual on the date the Plan is effective or on the date the Eligible Individual becomes a Participant by executing a Participation Agreement, whichever is later. The plan document is effective October 1, 2014, except as otherwise noted, as approved by the Board of Trustees, and supersedes all previous plan documents.

ARTICLE I DEFINITIONS

As used in this Plan, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context.

- 1.1. **"Age 50 Plus Catch-Up Contribution"** means the catch-up contribution for Participants who attain age 50 by the end of the calendar year, as permitted under Code Section 414(v) pursuant to Section 4.4.
- 1.2. **"Annual Deferral"** means the amount of Compensation deferred, exclusive of any contributions under Sections 4.3 or 4.4, in any year pursuant to Sections 4.1 and 4.2 and deposited with the Board.
- 1.3. **"Beneficiary"** means the person, persons, or trust designated by a Participant on a form prescribed by the Board to receive any benefit payable upon the Participant's death, or if none, the Participant's estate. The Participant may designate more than one Beneficiary or primary and secondary Beneficiaries, or may change the designation of a Beneficiary. If two or more, or less than all, designated Beneficiaries survive the Participant, payments shall be made equally to all such Beneficiaries, unless otherwise provided on the form designating such beneficiary. Elections made by a Participant in his beneficiary designation form shall be binding on any such Beneficiary or Beneficiaries. A Beneficiary may, after the death of the member, designate his own Beneficiary. If none are designated by the Beneficiary, then his estate will be deemed the Beneficiary. Any beneficiary designation form must be received by the Third Party Administrator prior to the Participant's or Beneficiary's death.
- 1.4. **"Board"** means the Board of Trustees of the Public Employees' Retirement System of Mississippi, who shall hold assets in trust or custodial accounts or annuity contracts and administer such assets under the terms and provisions of the Plan.
- 1.5. **"Code"** means the Internal Revenue Code of 1986, as now in effect or as hereafter amended or recodified. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.
- 1.6. **"Compensation"** means for an Employee 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 Sections 125, 132(f), 401(k), 403(b) or 457(b) (including an election to defer compensation under Article IV). For purposes of an Independent Contractor, "Compensation" shall mean all amounts payable to a Participant from the Employer as remuneration for services rendered which would be includible in income for federal tax purposes, if not deferred under this Plan, subject to the provisions of the current Code. Compensation that would otherwise be paid for a payroll period that begins before

Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment.

Compensation also includes payments to an individual who does not currently perform services for the Employer by reason of qualified military service (as that term is used in Code Section 414(u)(1)) to the extent those payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

- 1.7. **"Deferred Compensation"** means the amount of Compensation not yet earned, as designated in the Participation Agreement which is made a part hereof, which the Participant and the Employer mutually agree shall be deferred in accordance with the provisions of this Plan, subject to the limitations as described in this plan document. For purposes of the Plan, Deferred Compensation shall include any Employer Contributions made hereunder.
- 1.8. **"Eligible Individual"** means any individual to include those appointed, elected, or under contract, who performs services for the Employer as an Employee or Independent Contractor for which Compensation is paid, and who meets the criteria set forth in Section 2.1. Individuals who do not perform services for the Employer may not defer Compensation under the Plan.
- 1.9. **"Employee"** means any common law employee who is employed by the Employer and who performs services for the Employer for which Compensation is payable.
- 1.10. **"Employer"** means the state or, upon execution of a Joinder Agreement, any political subdivision of the state, or any agency or instrumentality of the state, which satisfies the definition of Code Section 457(e)(1)(A) (together with any other entity required to be aggregated with such governmental employer under Code Sections 414(b), (c), (m) or (o)).
- 1.11. **"Employer Contributions"** means amounts which may be contributed to the Plan for actively contributing Participants who are Employees of the Employer pursuant to the consent of the Board and/or statutory authority.
- 1.12. **"Includible Compensation"** means an Employee's actual wages in box 1 of Internal Revenue Service Form W-2, *Wage and Tax Statement*, for the Employer, salaries, and fees for professional services and other amounts payable for personal services actually rendered to the Employer to the extent that the amounts are includible in gross income, but increased (up to the dollar maximum) by any Compensation reduction election under Section 125, 132(f), 401(k), 403(b) or 457(b) of the Code. Pursuant to Section 1.457-4(d)(1) of the Income Tax Regulations, Includible Compensation will include any payments made to a Participant who has had a Severance from Employment, provided that the Includible Compensation is paid by the later of 2½ months after the Participant's Severance from Employment or the end of the calendar year that contains the date of such Participant's Severance from Employment. In addition, pursuant to Section 1.457-4(d)(1) of the Income Tax Regulations, Includible Compensation will include payments

made to an individual who does not currently perform services for the Employer by reason of qualified military service (as defined in Section 414(u)(5) of the Code) to the extent those payments do not exceed the amount the individual would have received if the individual had continued to perform services for the Employer rather than enter qualified military service. Includible Compensation will not include Employee pick-up contributions described in Section 414(h)(2) of the Code. In no event may Includible Compensation exceed the maximum limit established under Code Section 401(a)(17) for the applicable calendar year being tested.

- 1.13. **"Independent Contractor"** means any person to whom Compensation from the Employer is payable for services rendered pursuant to one or more written or oral contracts, if such person is not a common-law employee.
- 1.14. **"Investment Options"** means group or individual annuity contracts or such other investment arrangements or funds issued by or offered through the Provider as selected and monitored by the Board and used to hold assets of the Plan.
- 1.15. **"Joinder Agreement"** means the contract between an Employer that is a political subdivision and the Board to permit participation in the Plan.
- 1.16. **"Normal Retirement Age"** shall be age 70½, unless prior to that time another Normal Retirement Age is elected in writing by the Participant. In selecting an alternate Normal Retirement Age, a Participant can choose any age, which is (1) not earlier than the earliest age at which the Participant has the right to retire and receive unreduced retirement benefits from the Employer's basic pension plan and (2) no later than the date the Participant attains age 70½.
- 1.17. **"Participant"** means any individual who has entered into a Participation Agreement and for whom a Participant Account is maintained under the Plan. A Participant must be an Eligible Individual.
- 1.18. **"Participant Account"** means that total of the Participant Deferral Account, the Participant 457 Rollover Account (including any earnings and losses attributable thereon), and the Participant Non-457 Rollover Account (including any earnings and losses attributable thereon) for each Participant, or if applicable, Beneficiary under the Plan. If the Beneficiary is an irrevocable trust, one separate Account may be established for the trust regardless of the number of beneficiaries of the trust, at the Third Party Administrator's discretion, or the Third Party Administrator may establish separate Accounts for each separate beneficiary of the trust.
- 1.19. **"Participant Deferral Account"** means that portion of the Participant Account (including any earnings and losses attributable thereon) established and maintained by the Board for each Participant with respect to his deferral of Compensation to the Plan, including any amounts transferred in accordance with Section 8.1.
- 1.20. **"Participant 457 Rollover Account"** means that portion of the Participant Account (including any earnings and losses attributable thereon) established and maintained by the

Board for each Participant with respect to Rollover Contributions received from another Employer's Code Section 457(b) plan in accordance with Section 9.1.

- 1.21. **"Participant Non-457 Rollover Account"** means that portion of the Participant Account (including any earnings and losses attributable thereon) established and maintained by the Board for each Participant with respect to Rollover Contributions rolled over from all rollover eligible plans other than from another employer's Code Section 457(b) plan in accordance with Section 9.1.
- 1.22. **"Participation Agreement"** means the applicable form prescribed by the Board completed by an Eligible Individual to participate in the Plan.
- 1.23. **"Plan"** means a deferred compensation plan under Code Section 457(b) as adopted by the Board and known as the Mississippi Government Employees' Deferred Compensation Plan and Trust and this instrument, including all amendments thereto, governing participation and administration thereof.
- 1.24. **"Plan Year"** means the Plan's 12-consecutive month accounting year beginning on July 1 of each year, or as otherwise elected by the Board.
- 1.25. **"Provider"** means any entity that has been approved by the Board to provide Investment Options(s) under the Plan.
- 1.26. **"Regulations"** means the federal income tax Regulations, as promulgated by the Secretary of the Treasury or his delegate, and as amended from time to time.
- 1.27. **"Rollover Contribution"** means contributions made by a Participant (or, if applicable, Eligible Individual) pursuant to Article IX of "eligible rollover distributions" in accordance with Code Section 402(c)(4).
- 1.28. **"Severance from Employment"** means the date on which the Participant dies, retires or otherwise has a severance from employment with the Employer as determined by the Board. Except in case of death of the Participant, such severance shall mean the absence of any employment in any capacity (Employee or Independent Contractor) with a covered Employer.

In the event that a Participant changes his employment from the State of Mississippi or any member agency or political subdivision, which is covered by this Plan, to another Employer also covered by this Plan, the Participant is not considered to have satisfied the provisions for a distribution in accordance with Section 7.1(a)(i). The benefits conferred and protected hereunder shall be continued in full force and effect, and the transfer of the Employee from one covered Employer to another shall have no adverse effect upon the Participant rights as pursuant to the Plan.

An Independent Contractor shall be considered to have a Severance from Employment upon the expiration of all of the contracts under which services are performed for the Employer, if the expiration constitutes a good faith and complete termination of the contractual relationship. An expiration of such contractual relationship shall not be

considered to be a good faith and complete termination if: a) the Employer anticipates a renewal of such contractual relationship, b) the Independent Contractor anticipates being engaged as an independent contractor with another Employer, or c) the Independent Contractor becomes an Employee.

- 1.29. **"Special Section 457 Retirement Catch-up Contributions"** means the catch-up contribution for a Participant in the three consecutive years prior to the year in which the Participant reaches Normal Retirement Age, as permitted under Code Section 457(b)(3) and pursuant to Section 4.3.
- 1.30. **"Third Party Administrator"** means the entity with which the Board has contracted to perform such administrative duties as delegated by the Board.
- 1.31. **"Trust"** means the trust established by the Board pursuant to the amendment to the provisions of the Plan effective December 1, 1998.
- 1.32. **"Trust Fund"** means the assets of the Trust invested in all Investment Options selected by the Board.
- 1.33. **"Unforeseeable Emergency"** means an extraordinary and unforeseeable circumstance arising as a result of events beyond the control of the Participant resulting in a severe financial hardship in accordance with Section 7.10.

Other capitalized terms may be used in this plan document to refer to specific forms that have been adopted by the Board or the Third Party Administrator and must be used as described in this plan document.

ARTICLE II ELIGIBILITY

2.1. CONDITIONS OF ELIGIBILITY TO PARTICIPATE

Any Eligible Individual who performs services for the Employer for which Compensation is paid and who executes a Participation Agreement with the Employer is eligible to participate in the Plan.

A Board member who is an Eligible Individual shall be eligible to participate in the Plan, but such a member, as a member of the full Board or as a member of any committee designated by the Board, shall not be entitled to participate in decisions relating to such member's own participation in the Plan.

2.2. DETERMINATION OF ELIGIBILITY AND EFFECTIVE DATE OF PARTICIPATION

- a. The Board, or its designated person(s), committee or entity, shall determine whether each Employee and, if applicable, Independent Contractor, is an Eligible Individual and has satisfied the eligibility requirements, as stated in Section 2.1, based upon information furnished by the Employer. Such determination shall be conclusive and binding and the criteria for such determination shall be applied uniformly to all Participants.
- b. An Eligible Individual shall elect to participate and become a Participant by signing a Participation Agreement pursuant to Section 2.4 and filing such agreement with the Third Party Administrator.
- c. The Participant shall provide investment direction for contributions made to the Investment Options on such forms as may be required by the Board.

2.3. TERMINATION OF ELIGIBILITY

In the event a Participant shall go from a classification of an Eligible Individual to a non-Eligible Individual, such non-Eligible Individual shall be considered an inactive Participant. The Participant Account of such inactive Participant shall continue to allocate any attributable earnings based on the investment direction supplied by the Participant.

2.4. PARTICIPATION AGREEMENTS

- a. In order to participate in the Plan, an Eligible Individual must complete and file a Participation Agreement in a manner and method determined by the Board. The Participation Agreement must be entered into before the first day of the month in which Compensation is paid or made available and shall be effective no earlier than the first day of the following month in which Compensation is paid or made available, and shall specify:

- (i) The amount (expressed either as a dollar amount or as a percentage) of the Eligible Individual's Compensation which the Employer and the Eligible Individual agree to defer, subject to the limitations of Article IV;
 - (ii) The date as of which reduction and deferral of Compensation pursuant to the Participation Agreement shall begin.
- b. An Eligible Individual may defer Compensation payable in the calendar month during which the individual first becomes an Eligible Individual if the Participation Agreement providing for such deferral is entered into on or before the first day of the month in which the Compensation is paid or becomes available.
- c. Notwithstanding subsection (b), a new Employee or Independent Contractor may defer Compensation payable in the calendar month during which the Eligible Individual first becomes an Employee or Independent Contractor if a Participation Agreement providing for the deferral is entered into on or before the first day on which the Eligible Individual performs services for the Employer.
- d. A Participant may, by amendment of a Participation Agreement or by any manner as the Board may prescribe, do any of the following:
 - (i) change the specification of the investment of any contributions of the Account under the Investment Options; or
 - (ii) change prospectively the amount of Compensation to be deferred.

An amendment to the Participation Agreement shall be effective as early as administratively practicable, but not earlier than the first day of the following calendar month in which the Compensation is paid or made available.

- e. A Participant may at anytime terminate the Participation Agreement to defer Compensation with respect to any calendar month, and the Participant's full Compensation will be thereupon restored in the month subsequent to the effective date of such termination. However, the Participant must notify the Third Party Administrator in writing of such termination prior to the beginning of the calendar month for which such revocation is to be effective. Amounts previously deferred shall be paid only as provided by the Plan.
- f. A Participant who has withdrawn from the Plan, or revoked the Participation Agreement as set forth in subsection (e) above, or who returns to perform services for the Employer after a Severance from Employment, may again become a Participant in the Plan and agree to defer Compensation not yet earned by entering into a new Participation Agreement prior to the first day of the calendar month for which it is to become effective.

ARTICLE III EMPLOYER PARTICIPATION

3.1. STATE AND STATE ENTITIES

This Plan is available to Employees and Independent Contractors of the following Employers: the State of Mississippi, state universities, community and junior colleges, public schools, political subdivisions and instrumentalities of the State.

3.2. ADOPTION BY POLITICAL SUBDIVISION

Any county, municipality, or other political subdivision or instrumentality of the state may make the Plan available to its employees pursuant to Miss. Code Ann. Section 25-14-1 et seq., if it takes the following actions:

- a. The governing body of the political subdivision must be authorized to participate in the Mississippi Government Employees' Deferred Compensation Plan and Trust as reflected in the official minutes of the political subdivision or authorizing resolution.
- b. The resolution or minutes must indicate the effective date of adoption.
- c. The governing body must agree to abide by the rules and conditions established by the Board for the proper administration of the Plan, including the exclusive authority of the Board to designate and establish the duties of the Third Party Administrator.
- d. Employer must submit a completed Joinder Agreement to the Board.

The Board or its designee shall determine whether the requesting Employer is a qualifying political subdivision, and whether the resolution and Employer actions comply with this section and, if they do, shall accept the Joinder Agreement and provide appropriate forms for the Employer and Employees to implement the participation.

The political subdivision must agree that Participants may only make contributions to this Plan, not to additional 457 plans sponsored by that subdivision. Upon entry into participation in this Plan, a political subdivision with an existing 457 plan must terminate the existing plan and transfer all assets to the Board. In addition, the political subdivision must provide sufficient information regarding each former Participant and his or her account balance as is needed to allow the Third Party Administrator to establish accounts in this Plan.

3.3. PLAN TERMINATION BY A POLITICAL SUBDIVISION

- a. A political subdivision that becomes a Participating Employer may terminate its participation in the Plan if it takes the following actions:

- (i) The governing body of the political subdivision must adopt a resolution terminating their participation in the Plan.
- (ii) The resolution must specify when the right to participate in the Plan shall end.
- (iii) The Joinder Agreement may be terminated by executing a Termination Agreement form as prescribed by the Board.

The Board shall determine whether the resolution complies with this section and all applicable federal and state laws, shall determine an appropriate effective date and shall provide the appropriate forms to the Participating Employer and the Participants to terminate ongoing participation.

- b. The Board may at any time terminate the Joinder Agreement for failure of the Employer to comply, in full, with the terms of the Plan and Participation Agreement or for any lawful cause.
- c. In the event of a termination of an employer's participation, the Participants in the Plan will be deemed to have withdrawn from future participation in the Plan as of the date of such termination. The Participant's full Compensation on a non-deferred basis will thereupon be restored. Plan benefits shall not be distributed at the time of such termination; rather benefits shall be paid in accordance with the terms of the Plan. If the Employer chooses to transfer assets of active employees from the Plan under the direction of the Board, to another plan, the Employer must provide satisfactory documentation and evidence to the Board that the rights of the Participants to Plan benefits will not be adversely affected, and documentation that the Board has been released from all obligations with respect to these benefits under the Plan.
- d. Only those assets of Participants who are active employees of the Employer as of the date of termination of the Joinder Agreement are eligible for transfer from the Plan. In addition, transfers from the Plan under this section will only be authorized by the Board for those Participants who make an affirmative election to transfer the assets representing their entire account from the Plan to another plan sponsored by their Employer, and are made in such form and manner as prescribed by the Board.

**ARTICLE IV
CONTRIBUTIONS AND ALLOCATIONS**

4.1. BASIC ANNUAL DEFERRALS

Except as provided in Sections 4.3 and 4.4 and subject to any applicable law, the maximum amount which may be deferred by a Participant in any taxable year shall not exceed the lesser of (i) the applicable dollar amount provided under Code Section 457(b)(2) (adjusted for cost of living under Section 457(e)(15)(B) of the Code) or (ii) 100% of the Participant's Includible Compensation for the calendar year.

4.2. EMPLOYER CONTRIBUTIONS

- a. If allowed by state law, the Employer may elect to make contributions to the Plan by executing an Employer Contribution Agreement Form. Such Employer contributions when combined with Participant contributions may not exceed the basic annual deferral limitations set forth in Section 4.1. Each Employer Contribution Agreement Form shall expressly provide the following:
 - (i) That the Employer has the budgetary and statutory authority to make Employer Contributions to the Plan on behalf of actively contributing Participants who are Employees of the Employer;
 - (ii) That, if an election is made, the Employer Contributions will be available to all such actively contributing Participants who are Employees of the Employer on a uniform basis subject to the basic annual deferral limitations;
 - (iii) The basis for making Employer Contributions, *i.e.*, whether Employer Contributions will be based on a specific dollar amount or a percentage of Compensation, etc.; and
 - (iv) That the Employer Contributions will be transferred as part of the regular payroll, included with the Employee's contribution.
- b. Employer Contributions shall immediately become a part of the Participant's Account subject to the same limitations and rights as contributions made by the Participant and subject to the investment directions of the Participant.

4.3. SPECIAL 457 RETIREMENT CATCH-UP CONTRIBUTIONS

- a. In any one or more of a Participant's last three calendar years ending before the year in which the Participant attains Normal Retirement Age, as defined in Section 1.16, and the amount determined under this Section 4.3 exceeds the amount computed under Sections 4.1 and 4.2, then the Participant may elect to defer an amount not exceeding the lesser of:

- (i) twice the dollar amount permitted as a general deferral under Section 4.1 for the current calendar year, or
- (ii) the sum of the maximum deferral permitted under Section 4.1 for the current calendar year and as much of the applicable deferral limit under Code Section 457(b)(2) in prior years before the current calendar year that had not previously been used ("underutilized amount").

For purposes of this section, a prior year shall be taken into account only if such year began on or after January 1, 1979, and the Participant was eligible to participate in the Plan during all or a portion of the prior year. A Participant may only make this election under this subsection (a) once with respect to any Code Section 457(b) deferred compensation plan of the Employer.

- b. In determining a Participant's underutilized amount, the Plan shall take into consideration:
 - (i) Prior to 2002, if a Participant made deferrals to the Plan and deferrals to any other Code Section 457(b) plan, salary reduction contributions made to Code Section 401(k) plans, Code Section 403(b) plans, Code Section 402(h)(1) simplified employee pension (SARSEP) plans, Code Section 408(p) simple retirement accounts, and amounts deferred under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), such deferrals to the other plans will be taken into account in determining a Participant's underutilized amount under Section 457(b)(2). In addition, Includible Compensation shall be limited to the limitation in effect in the calendar year in which the deferrals were made. If such deferrals cumulatively exceed the then-applicable dollar amount in Section 457(b)(2) in the year that such amounts were deferred, then there will be no underutilized amount for that year.
 - (ii) To the extent that the Employer did not maintain a Code Section 457(b) plan, no underutilized limitation is available to a Participant for that prior year.
 - (iii) After 2001, only deferrals to Code Section 457(b) plans will be taken into account for purposes of determining the underutilized amount.
 - (iv) Age 50 Plus Catch-Up Contributions will not be taken into account for purposes of determining a Participant's underutilized amount.
 - (v) In no event will the deferred amount be more than the Participant's Compensation for the calendar year.

4.4. AGE 50 PLUS CATCH-UP CONTRIBUTIONS

A Participant who will attain age 50 before the close of the calendar year may elect Age 50 Plus Catch-up Contributions and commence making such contributions to his Participant Deferral Account. Such contributions are not subject to the limitations of Code Section 457(b) of the Code, but instead are subject to other limitations of Code Section 457(b) of the Code. The maximum dollar amount of the Age 50 Plus Catch-up Contributions for a calendar year is adjusted for cost of living under Section 414(v)(2)(C) of the Code.

4.5. MAXIMUM AMOUNT OF CATCH-UP CONTRIBUTIONS

Any catch-up contributions made by a Participant pursuant to Section 4.3 or Section 4.4 may not exceed the greater of (i) the amount that the Participant is eligible to defer under Section 4.3 or (ii) the amount that the Participant is eligible to defer under Section 4.4.

4.6. EXCESS DEFERRALS COORDINATION OF LIMITS

- a. If a Participant is or has been a participant in one or more other Code Section 457(b) plans in the same calendar year, then this Plan and all such other plans shall be considered as one plan for purposes of applying the limitations of this Article IV. For this purpose, the Board shall take into account contributions of any other such Code Section 457(b) plan maintained by the Employer and, to the extent the Participant provides the Board with sufficient information concerning his or her participation, any such other Code Section 457(b) plans in which the individual participated in the same calendar year.
- b. For years prior to 2002, if a Participant made deferrals to the Plan and deferrals to any other Code Section 457 (b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 401(h) (1) (B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in section 501(c) (18) of the Code, including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services, the total of such contributions may not exceed the aggregated limit referred to in Section 457(b) (2) of the Code for that year in determining whether an excess deferral has been made.
- c. For 2002 and thereafter, any amounts contributed by the Participant to a tax-sheltered annuity pursuant to Code Section 403(b) or to a 401(k) plan pursuant to Code Section 402(e)(3) shall not reduce the maximum Annual Deferral under 4.1, 4.2, 4.3, and 4.4 above.
- d. If the Employer elects to make contributions to the Plan on behalf of actively contributing Participants, the Employer Contributions shall be deemed made by the Participant as additional Annual Deferrals. For purposes of administering Sections 4.1, 4.2, 4.3, and 4.4 of this Plan, Employer Contributions shall be

processed as payroll deferrals, shall apply toward the maximum deferral limits and in the taxable year that they are made, and must comply with any procedure established by the Board.

- e. In the event that the limit on deferral contributions is exceeded pursuant to Article IV, the Board shall apply the proper correction method permissible under applicable law, including calculation of any earnings or losses and the proper tax reporting with respect to such distributions as soon as administratively practicable after the Board determines that the amount is an excess deferral.
- f. A Participant who participates in the Plan and another 457(b) plan of another employer shall be responsible for complying with the deferral limits of this Article IV. In the event an excess amount has been deferred, the Participant shall notify the Board so that the excess may be distributed as soon as practicable after the Board determines that the amount is an excess deferral.

4.7. MINIMUM DEFERRAL

The Board may establish a minimum Annual Deferral and/or minimum deposit amount, and may change such minimums from time to time. The current minimum deferral is \$300 per year or \$25.00 per month.

4.8. EFFECT OF LEAVE OF ABSENCE ON CONTRIBUTIONS

- a. If a Participant is on an approved leave of absence from the Employer, with Compensation, his participation in this Plan will continue unless he discontinues such participation in writing to the Third Party Administrator.
- b. If a Participant is on an approved leave of absence without Compensation, said Participant thereby achieves an inactive status under this Plan. A Participant with inactive status is one for whom no deferrals are currently being made. Severance from Employment does not occur when a Participant achieves inactive status.

4.9. DEFERRALS AFTER SEVERANCE FROM EMPLOYMENT, INCLUDING SICK, VACATION AND BACK PAY UNDER AN ELIGIBLE PLAN

A Participant who has not had a Severance From Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay if the requirements of Code Section 457(b) are satisfied. These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amount would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment. In addition, deferrals may be made for former Employees with respect to Compensation described in Section 1.6 of the Plan provided that such amounts are payable within the later of 2½ months after the

Participant's Severance from Employment or the end of the calendar year that includes the date of the Participant's Severance from Employment.

4.10 VOLUNTARY AUTO-ESCALATION OF CONTRIBUTIONS

A Participant may elect to participate in a voluntary auto-escalation feature and may schedule automatic annual increases in contribution amounts so long as the increased contributions do not exceed the basic annual deferral limitations set forth in Section 4.1.

**ARTICLE V
ACCOUNTS AND REPORTS**

5.1. PARTICIPANT ACCOUNT

The Third Party Administrator shall maintain a Participant Account with respect to each Participant, and that account shall be credited with the Participant's annual deferral for each pay period. The balance of such account shall be adjusted daily to reflect any distribution to the Participant and all interest, dividends, account charges and changes of market value resulting from the investment of the Participant's contributions. All Plan records, including individual information, that are maintained by the Third Party Administrator shall be the exclusive property of the Board. Participant Account includes any account established under Article VIII for plan-to-plan transfers made for a Participant and Article IX for Rollover Contributions.

5.2. STATEMENT OF ACCOUNT TO PARTICIPANTS

A written report of the status of each Participant's Account shall be furnished by the Third Party Administrator within twenty (20) days after the end of each Plan quarter. All reports to Participants shall be based on the fair market value of investments credited to their Accounts as of the reporting dates. Participant reports shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is received by the Third Party Administrator within thirty (30) days after the mailing or distribution of a report to the Participant.

5.3. VALUATION

The Third Party Administrator and/or the managers of each investment Provider shall value the investments in their Fund each business day based on acceptable industry practices. All daily transactions shall be based on that day's closing market values. The Third Party Administrator shall apply such values, including earnings and losses, to appropriate Participant Accounts.

5.4. DEPOSITS

In all cases, deposits of deferrals shall be treated as actually made only as of the date the funds are accepted as in good order by the Third Party Administrator. Such deposits received by the Third Party Administrator before 3:00 p.m. Central Time will be processed on the next business day the New York Stock Exchange is open.

5.5. RECORDS AND REPORTS

The Third Party Administrator shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and

reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by law.

ARTICLE VI INVESTMENT OF CONTRIBUTIONS

6.1. INVESTMENT OPTIONS AND GROUP TRUSTS

The Board shall screen and approve any insurance company or other entity seeking to provide an Investment Option or otherwise operate as a Provider under this Plan for the investment of deferred amounts by Participants or their Beneficiaries. The Board shall monitor and evaluate at least annually the available investment options as well as the appropriateness of continued offerings by the Plan. The Board shall determine, in its sole discretion, whether to add additional investment options and/or to terminate options that are determined to be no longer appropriate for offering.

These investment options, unless restricted by law, may include collective investment trusts or common group trusts that provide for the pooling of assets of employee benefits trusts, that meet all the conditions as permitted under Revenue Rulings 81-100 and 2011-1, or subsequent guidance, and that are operated or maintained exclusively for the commingling and collective investment of funds from other trusts. This investment authority is granted on the condition that such funds in a group trust must consist exclusively of trust assets held under plans qualified under Code Section 401(a), that are exempt or treated as exempt under Code Section 501(a); funds from individual retirement accounts that are exempt under Code Section 408(e); funds from eligible governmental plan trusts or custodial accounts under Code Section 457(b) that are exempt under Code Section 457(g); and funds from Code Section 401(a)(24) governmental retiree benefit plans that are not subject to Federal income taxation; and, if permitted by the group trust, funds that consist of assets of a custodial account under Code Section 403(b)(7) are invested in the group trust, all assets of the group trust, including the Code Section 403(b)(7) custodial accounts, are solely permitted to be invested in stock of regulated investment companies. For this purpose, a trust includes a custodial account that is treated as a trust under Code Sections 401(f), 403(b)(7), 408(h) or 457(g)(3). The provisions of the documents governing such collective investments trusts or group trusts, as amended from time to time, shall govern any investments therein and are hereby made a part of this Trust Agreement and its corresponding plan document.

6.2. DIRECTION BY PARTICIPANT

Amounts deferred under the Plan shall be invested in an Investment Options. Participants will direct the investment of their Participant Accounts among the Investment Options offered under the Plan. The Employer, Board of Trustees, and the Third Party Administrator shall be under no duty to question any investment direction of a Participant or to make suggestions to the Participant regarding such investment, nor shall they be held responsible in any manner for investment loss or depreciation in asset value of any such investment.

6.3. REMITTANCE OF DEFERRALS

All amounts of Compensation deferred under the Plan shall be transferred by the Employers to the Trust following the effective date of the deferral under Section 2.4. Compensation deferred under the Plan shall be transferred by the Employer to the Plan no later than seven (7) business days after the effective date of the deferral.

6.4. INVESTMENT DEFAULT

All deferrals will be returned to the Employer if a Participant does not have a valid form specifying the manner in which deferrals are to be invested. No funds shall be invested unless such investment direction is on file.

6.5. CONFLICTS

If any provision of an Investment Options agreement is not consistent with the Plan provisions, the terms of the Plan shall control.

6.6. EXCESSIVE TRADING

The Third Party Administrator shall administer any excessive trading policy, and restrictions on such excessive trading, that is applicable to each Provider of an Investment Option offered by the Plan.

6.7. DISCONTINUANCE OF INVESTMENT OPTIONS

If an Investment Option ceases to be eligible to receive deferrals under the Plan, the Board may direct that both existing amounts under Participant Accounts that were invested with such Investment Option and any future contributions be transferred to the remaining Investment Options that are approved to receive deferrals under the Plan.

ARTICLE VII BENEFITS

7.1. WHEN BENEFITS ARE PAYABLE

- a. A Participant Deferral Account may not be paid to a Participant (or, if applicable, the Beneficiary) until one of the following events has occurred:
 - (i) upon the Participant's Severance from Employment or death;
 - (ii) an Unforeseeable Emergency, within the meaning of and subject to Section 7.10;
 - (iii) the election of a voluntary in-service distribution within the meaning of and subject to Section 7.11; or
 - (iv) the election of a small account distribution within the meaning of and subject to Section 7.12.
- b. A Participant 457 Rollover Account shall be paid to a Participant in accordance with sub-section (a) above.
- c. A Participant Non-457 Rollover Account that is separately accounted for under the Plan may be distributed at any time, pursuant to the Participant's request.

7.2. BENEFIT PAYMENTS

Benefits shall be paid from the Trust Fund in accordance with this Article following one of the events noted in Section 7.1. Benefits payable to a Participant or a Beneficiary shall be based upon the value of the Participant's Account.

Payment of benefits under this Plan and Trust shall be made only to the extent of amounts that are available under the Plan as measured by the elections made by the Participant pursuant to the Participation Agreement, and no responsibility is assumed for the investments or performance results thereof. The value of any benefit shall be determined by the actual value of the Participant's account at the time of benefit payment unaffected by an independent or arbitrary standard of calculation with respect thereto.

7.3. APPLICATION FOR BENEFITS

Upon a Participant's application for benefits, the Third Party Administrator shall direct the distribution of a Participant Account in accordance with this Article VII. Benefit payments to a Participant or Beneficiary, if applicable, shall be made according to the manner and method of payments as elected in the Participant Systematic Distribution Form or Lump Sum/Partial Lump Sum Form. Such an election, with the exception of an annuity elected under Section 7.4, may be changed by a Participant as appropriate and as allowed by the

Plan pursuant to Code Section 457. The election will be effective only if made on the aforementioned forms and received in the office designated by the Board in accordance with such procedures as the Board may establish.

For purposes of interpreting the provisions of the Plan, except as otherwise provided, the Board shall only consider the Participant Systematic Distribution Form or Lump Sum/Partial Lump Sum Form signed by the Participant or Beneficiary, as appropriate, and submitted to the Third Party Administrator.

7.4. PAYMENT OPTIONS

A Participant or Beneficiary may choose from the following benefit distribution options subject to the requirements of Code Section 457 and 401(a)(9).

- a. Lump Sum Payment
- b. Partial Lump Sum Payment
- c. Systematic Withdrawal Option

7.5. SPECIAL TAX EXCLUSION FOR QUALIFIED INSURANCE DEDUCTIONS

- a. Section 845 of the Pension Protection Act of 2006 amends Internal Revenue Code §402 to allow an Eligible Retired Public Safety Officer to make an election to exclude from federal gross income an amount not to exceed \$3,000 of his or her retirement plan benefits if such amount is deducted from the retired member's benefit and is used to pay qualified health insurance premiums. Qualified health insurance premiums include premiums for accident and health insurance or qualified long-term care insurance. Amounts deducted from the retirement benefit payable from the Plan must be paid directly to the insurer to qualify for the exclusion. For this purpose, all eligible retirement plans, including this Plan, must be treated as a single plan.

The income exclusion is only available if and to the extent the Plan agrees to deduct and then remit qualifying premiums directly to the insurance provider.

- b. The election is only available to an Eligible Retired Public Safety Officer who, by reason of disability or attainment of normal retirement age, retired from service as a public safety officer with the Employer who maintains this Plan.
- c. An Eligible Retired Public Safety Officer means an individual who served and retired from public service by reason of disability or attainment of normal retirement age with a public agency in an official capacity as a law enforcement officer, as a firefighter, as a fire or police department chaplain, or as a member of a rescue squad or ambulance crew, as may be defined from time to time by the Department of Justice.

The Internal Revenue Service shall have the final determination as to whether an individual is an Eligible Retired Public Safety Officer.

- d. To be eligible for the tax exclusion, insurance premiums must be withheld from the retirement benefit of the Eligible Retired Public Safety Officer. Such premiums may be for the benefit of the retiree and his or her spouse and/or dependents. Only the Eligible Retired Public Safety Officer may elect to have the insurance premiums excluded from taxation.
- e. An Eligible Retired Public Safety Officer may elect to have the tax exclusion apply in any taxable year to eligible premiums withheld from his or her retirement or disability retirement benefit and paid by the retirement plan directly to the insurance provider. To the extent allowed by law, the retiree may make such election prospectively for the current and future taxable years.
- f. In administering the tax exclusion, the Plan is only responsible for performing the administrative functions associated with the deduction and payment of qualifying insurance premiums. The retired member is and remains responsible for income tax liability for retirement benefits paid by the Plan. The Plan has no responsibility for tax liability, including interest and penalties, that may arise from an Eligible Retired Public Safety Officer's participation in this tax exclusion.

By making the election provided in this Section, the Eligible Retired Public Safety Officer acknowledges that changes in the availability of this tax exclusion by the Internal Revenue Service could affect the Retired Public Safety Officer's eligibility for the exclusion. By making the election, the Retired Public Safety Officer agrees that any benefit or privilege granted under this election is subject to change or revocation, and that the Plan is not responsible for any consequence of any change in the availability of the exclusion, including unexpected tax liability, interest and penalties.

7.6. MINIMUM DISTRIBUTION RULES

Notwithstanding any provisions in the Plan to the contrary, any distribution under the Plan shall be made in accordance with Code Sections 401(a)(9) and 457(d) and the regulations established there under as they are amended. No payment option may be selected by a Participant unless the amounts payable to the Participant are expected to be at least equal to the minimum distribution required under Section 401(a)(9) of the Code. The amounts payable also must satisfy the minimum distribution incidental benefit requirements of Section 401(a)(9)(G) of the Code if applicable.

Payment of the Accounts of a Participant shall begin no later than the "required beginning date." For purposes of this Section, "required beginning date" means April 1 of the calendar year following the later of (i) the calendar year in which the Participant reaches age seventy and one-half (70½), or (ii) the calendar year in which the Participant retires. For purposes of this Section, "first distribution year" means the calendar year described in the preceding sentence. Except as otherwise required by Code Section 457(d)(2), the

amount to be distributed each year, beginning with the distributions attributable to the first distribution year, shall not be less than the quotient obtained by dividing the Participant's account balance by the lesser of (i) the applicable life expectancy, or (ii) if the Participant's spouse is not the designated beneficiary, the applicable divisor specified in Code Section 401(a)(9) or the regulations promulgated there under. Distributions after the death of the Participant to the spouse shall be distributed using the applicable life expectancy as the applicable divisor.

Required minimum distributions will be determined under this section beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death. If the Participant dies before receiving the minimum distribution payable for the distribution calendar year in the year of the Participant's death, such amount shall be distributed to the Participant's Beneficiary.

The "distribution calendar year" means the calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

The Participant is responsible for coordinating between any other 457 plans he or she has and this Plan to meet the minimum distribution rules.

Notwithstanding the foregoing, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) 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. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

In addition, notwithstanding Section 9.2 of this Plan, the 2009 RMDs and Extended 2009 RMDs will be treated as eligible rollover distributions in 2009.

7.7. PAYMENTS TO BENEFICIARY

- a. Upon the death of a Participant the Board shall direct that the deceased Participant's Participant Account be distributed to the Beneficiary in accordance with the provisions of this Section 7.7.

- b. The designation of a Beneficiary shall be made on a form satisfactory to the Board and must be received in the office of the Third Party Administrator prior to the Participant's death. A Participant, or after the death of the Participant, a Beneficiary may at any time revoke his designation of a Beneficiary or change his Beneficiary by filing written notice of such revocation or change with the Board. In the event no valid designation of Beneficiary exists at the time of the Participant's, or surviving Beneficiary's death, the death benefit shall be payable to the Participant's or Beneficiary's estate.
- c. The Board may require such proper proof of death and such evidence of the right of any person to receive payment of the value of the Participant Account of a deceased Participant, or Beneficiary, as the Board may deem appropriate. The Board's determination of death and of the right of any person to receive payment shall be conclusive.
- d. Death benefits payable to a Beneficiary shall be made in a form as selected by the Beneficiary in accordance with the available options as indicated in Section 7.4. In the event a Beneficiary fails to make an election as to a benefit distribution option, any benefit payable to such Beneficiary shall be distributed in a lump sum payment in accordance with Code Section 401(a)(9). The terms of any annuity contract purchased and distributed by the Plan to a Beneficiary shall comply with the requirements of the Plan.
- e. Notwithstanding any provision in the Plan to the contrary, distributions upon the death of a Participant, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations there under.
- f. In accordance with the Beneficiary's election, if minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant and the designated Beneficiary is not the Participant's surviving spouse, death benefit payments must:
 - (i) begin to be distributed to the designated Beneficiary no later than the December 31 of the calendar year immediately following the calendar year of the Participant's death payable over a period not to exceed the life expectancy of the Beneficiary; or
 - (ii) be distributed no later than the December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- g. In accordance with the Beneficiary's election, if the designated Beneficiary is the Participant's surviving spouse and minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant, minimum payments to the surviving spouse as the designated Beneficiary must begin by the later of the:
 - (i) December 31 of the calendar year immediately following the calendar year in which the Participant dies, or

- (ii) December 31 of the calendar year in which the Participant would have attained age 70½.

The payments to the surviving spouse as the designated Beneficiary must be made over a period not to exceed the surviving spouse's life expectancy.

- h. If no Beneficiary is designated or if no Beneficiary survives the Participant, then payment shall be made to the estate of the Participant in a single lump sum amount equal to the current value of such remaining payments.
- i. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, distributions shall be based on the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary.
- j. Life expectancies calculations will be computed using the factors in the Single Life Table set forth in Section 1.401(a)(9)-9, A-1 of the Regulations, as follows:
 - (i) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (ii) If the Participant's surviving spouse is the Participant's sole, primary designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (iii) If the Participant's surviving spouse is not the Participant's sole, primary designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
 - (iv) If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant Account by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

7.8. DISTRIBUTION FOR INCOMPETENT OR MINOR BENEFICIARY

In the event a distribution is to be made to a minor Beneficiary, then the Board may direct that such distribution be paid to the legal guardian, or if none, to a custodial parent of such Beneficiary, or to the legal custodian for such Beneficiary. Such a payment to the legal guardian, parent or guardian of a minor Beneficiary shall fully discharge the Provider, any other providers of the Plan, Board, Employer, and Plan from further liability on account thereof.

In the event a distribution is to be made to an incompetent as declared by a physician, then the Board may direct that such distribution be paid to the court appointed and currently acting conservator of the incompetent or to other such individual who is legally responsible for the incompetent as permitted by the laws of the state in which the incompetent resides. Such a payment to the conservator or other such individual who is legally responsible for the incompetent shall fully discharge the Provider, any other providers of the Plan, Board, Employer, and Plan from further liability on account thereof.

7.9. LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant, or Beneficiary hereunder shall remain unpaid solely by reason of the inability of the Third Party Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or Beneficiary the amount so distributable shall be held within the Investment Options as had been designated by the Participant or Beneficiary under the Plan.

7.10. UNFORESEEABLE EMERGENCY WITHDRAWALS

- a. A Participant may request a lump sum distribution in the form of an Unforeseeable Emergency withdrawal subject to the following requirements:
 - (i) The request for an Unforeseeable Emergency withdrawal will be subject to review and approval based on the Participant's relevant facts and circumstances.
 - (ii) The request for an Unforeseeable Emergency may be made only to the extent that such emergency is or may not be relieved through:
 - reimbursement or compensation from insurance or otherwise;
 - liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or
 - cessation of the Participant's deferrals under the Plan.
 - (iii) Distributions due to an Unforeseeable Emergency must be limited to 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).

- b. An unforeseeable emergency is a severe financial hardship resulting from:
 - (i) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse or of a Participant's or Beneficiary's dependent [as defined in Code Section 152(a)];
 - (ii) loss of the Participant's or 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));
 - (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary.
- c. A Participant may request an Unforeseeable Emergency withdrawal by submitting that request in writing on the Plan's approved form(s) to the Board, or committee appointed by the Board, who will review the request. If the request is denied, a request for review of the determination may be made in writing. If a request of an Unforeseeable Emergency withdrawal is approved, a lump sum distribution from the Participant's Account will be made in an amount as approved to meet the Unforeseeable Emergency.
- d. Upon the application of a Participant for an Unforeseeable Emergency withdrawal of funds prior to termination of employment, the Participant shall be required to cease deferrals in the Plan for six (6) calendar months after the Unforeseeable Emergency request. Should a Participant request a subsequent Unforeseeable Emergency withdrawal within three years from the date of such original request, the Participant shall be required to cease deferrals in the Plan for a period of twelve (12) months beginning with the month following the date in which the Unforeseeable Emergency withdrawal was requested.
- e. In no event shall the amount of a withdrawal for an Unforeseeable Emergency exceed the amount of benefits that would have been available to the Participant at the time of such withdrawal. Notwithstanding any other provision of this Plan, if a Participant makes a withdrawal hereunder, the value of benefits under the Plan shall be appropriately reduced to reflect such withdrawal, and the remainder of any benefits shall be payable in accordance with otherwise applicable provisions of the Plan.

7.11. VOLUNTARY IN-SERVICE DISTRIBUTION

Upon proper written request, a Participant who has attained the age of 70 ½ or older may elect to receive an in-service distribution provided that the Participant cancels all deferrals of compensation into the Plan before receiving such distribution.

7.12. VOLUNTARY IN-SERVICE SMALL ACCOUNT DISTRIBUTION

Upon proper written request, a Participant who has not yet attained the age of 70 ½ may elect to receive a small account distribution payable in a lump sum if the following requirements as described in Code Section 457(e)(9) are met:

- a. the Participant Deferral Account value does not exceed \$5,000.00 (or the dollar limit under section 411(a)(11) of the Code, if greater);
- b. the Participant has not previously received an in-service distribution of the Deferral Account under Code Section 457(e)(9)(A); and
- c. no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution.

**ARTICLE VIII
PLAN TO PLAN TRANSFERS**

8.1. TRANSFERS FROM OTHER CODE SECTION 457(b) PLANS

- a. If an Employer adopts the Mississippi Government Employees' Deferred Compensation Plan and Trust offered by the Board, as an amendment and restatement to its "eligible" 457 plan, the Plan will accept transfers of amounts previously deferred under another Code Section 457(b) plan maintained by another Employer under the following conditions:
 - (i) The transfer is from an eligible governmental plan to another eligible governmental plan of the same employer;
 - (ii) The transferring plan provides for the transfer of such amounts;
 - (iii) The value of the Participant's account immediately after the transfer is at least equal to the value of the Participant's account immediately before the transfer.
- b. The Board may require such documentation from the transferring plan as it deems necessary to effectuate the transfer in accordance with Regulation Section 1.457-10(b) and to confirm that the transferring plan is an eligible government plan as defined in Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant Deferral Account and shall be held, accounted for, administered and otherwise treated in the same manner as amounts deferred under Section 4.1, except that the transferred amounts shall not be taken into consideration for purposes of Code Section 457(b)(2).

8.2. TRANSFERS TO OTHER CODE SECTION 457(b) PLANS UPON SEVERANCE FROM EMPLOYMENT

- a. Upon a Participant's Severance from Employment, a Participant, or at the death of the Participant, a spousal Beneficiary, may elect to have all or a portion of the Participant Account transferred to the Code Section 457(b) plan of their employer. Such amounts shall be transferred at the Participant's or spousal Beneficiary's election, provided:
 - (i) The Code Section 457(b) plan to which the Participant's or spousal Beneficiary's benefit is being transferred provides for the acceptance of such amounts;
 - (ii) The value of the Participant's or spousal Beneficiary's account immediately after the transfer is at least equal to the value of the Participant's account immediately before the transfer; and

- (iii) In the case of a transfer made on behalf of a Participant, such individual has had a Severance from Employment with the Employer and is performing services for the Employer maintaining the receiving plan.
- b. Upon the transfer of amounts under subsection (a), the Plan's liability to pay benefits to the Participant or spousal Beneficiary under the Plan shall be discharged to the extent of the amount so transferred on behalf of the Participant or spousal Beneficiary. The Board may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 8.2 or effectuate the transfer pursuant to Regulation Section 1.457-10(b).

**ARTICLE IX
ROLLOVERS TO AND FROM THE PLAN**

9.1. ROLLOVERS TO THIS PLAN

- a. Amounts that are considered Eligible Rollover Distributions as defined in Code Section 402(c)(4) may be rolled over by a Participant, from an Eligible Retirement Plan, as defined in subsection (b) below. A Participant who is a surviving spouse beneficiary of another Eligible Retirement Plan (as defined in subsection (b) below) may roll over Eligible Rollover Distributions as defined in Code Section 402(c)(4) from such Eligible Retirement Plan. The amounts rolled over from an Eligible Retirement Plan other than a Code Section 457(b) plan maintained by an Employer shall be allocated to the Participant Non-457 Rollover Account. The amounts rolled over from another Code Section 457(b) plan maintained by an Employer shall be allocated to the Participant 457 Rollover Account. Amounts in the Participant Non-457 Rollover Account shall be accounted for separately from amounts in the Participant 457 Rollover Account.
- b. For purposes of this Section, the term "Eligible Retirement Plan" means any other Code Section 457(b) plan maintained by an Employer, a Code Section 403(b) program, a Code Section 401(a) plan, an individual retirement account as described in Code Section 408(a), and an individual retirement annuity as described in Code Section 408(b). For purposes of this Section 9.1, the term "amounts rolled over from an Eligible Retirement Plan" means:
 - (i) amounts rolled to the Plan directly from another Eligible Retirement Plan on behalf of a Participant; and
 - (ii) Eligible Rollover Distributions received by a Participant from another Eligible Retirement Plan that are rolled over by the Participant to the Plan within sixty (60) days, following his receipt thereof.

9.2. ROLLOVERS FROM THIS PLAN

- a. Notwithstanding any provision of the Plan to the contrary, a Participant shall be permitted to elect to have any Eligible Rollover Distribution as defined in Code Section 402(c)(4) paid directly to an Eligible Retirement Plan (as defined in Section 9.1(b)) specified by the Participant. The Participant shall, in the time and manner prescribed by the Board, specify the amount to be rolled over and the Eligible Retirement Plan to receive such rollover.
- b. The election described in subsection (a) also applies to the surviving spouse who is the designated Beneficiary of the Participant, provided that such spouse directs the transfer of an Eligible Rollover Distribution [as defined in Section 9.1(a) into an Eligible Retirement Plan (as defined in Section 9.1(b))] in which such spouse is a participant.

- c. To the extent allowed by law, a distribution from this Plan payable to a non-spouse Beneficiary may be rolled over via a trust-to-trustee transfer to an individual retirement account or individual retirement annuity established for the purpose of receiving such distribution, provided the distribution is an eligible rollover distribution. Any amount rolled over to such accounts will be treated as an inherited individual retirement account or annuity, subject to applicable minimum distribution rules.
- d. An Eligible Rollover Distribution made after December 31, 2007, can be rolled over directly to a Roth IRA as provided by IRC Section 408A(e), as amended by the Pension Protection Act of 2006. Such direct rollover is subject to the rules that apply to rollovers from a traditional IRA to a Roth IRA.
- e. For tax years beginning prior to January 1, 2010, restrictions imposed on rollovers as provided under IRC Section 408A(c)(3)(b), as amended by the Pension Protection Act of 2006, shall apply.

9.3. PURCHASING SERVICE CREDITS UNDER A STATE OR LOCAL RETIREMENT SYSTEM

A Participant may direct the Board to transfer amounts under his Participant Account tax-free under the Plan in accordance with Code Section 457(e)(17) to the fiduciary of a state or local retirement system in order to enable the Participant to purchase years of service credits under the system or repay amounts previously cashed out under the system even if the Participant is not eligible for a distribution under Section 7.1. The Board shall take such reasonable measures as required to ensure that the intended recipient plan will accept such transferred amounts.

**ARTICLE X
ADMINISTRATION**

10.1. POWERS AND RESPONSIBILITIES OF THE BOARD

- a. This Plan will be administered by the Board for the benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan. The Board shall represent the Employer in all matters concerning the administration of this Plan. Board vacancies will be filled in accordance with Section 25-11-15 of the Mississippi Code of 1972, as amended. By way of illustration and not limitation, the Board is empowered and authorized:
- (1) The Board shall have full power and authority to adopt rules and regulations for the administration of the Plan, and interpret and construe the Plan in a manner consistent with its terms and provisions and with Code Section 457, including Regulations there under and to establish practices and procedures conforming to those provisions;
 - (2) to alter, amend or revoke any rules and regulations so adopted;
 - (3) to enter into contracts on behalf of the Employer with respect to this Plan;
 - (4) to make discretionary decisions under this Plan;
 - (5) to contract with a Provider to issue an Investment Options(s) or other investment services;
 - (6) to contract with a third party administrator to provide services under the Plan including, but not limited to, the enrollment of eligible individuals as Participants, the maintenance of individual or other accounts and other records, the making of periodic reports and the disbursements of benefits to Participants and Beneficiaries;
 - (7) to appoint or employ such agents, attorneys, actuaries, accountants, auditors, investment counsel, and clerical assistants, and other persons as the Board deems necessary or desirable in connection with the administration of this Plan.
 - (8) and to perform any and all administrative duties under this Plan.
- b. Consistent with the authority noted above, the Board's determination shall be final and conclusive upon all persons affected thereby. It is recognized that unusual circumstances may occur and questions may arise that are not specifically covered by any provision of the Plan, and the Board shall have the right to resolve all such questions. Notwithstanding the above, the Board's power and responsibility under the Plan shall not extend to, nor have any control over, those responsibilities and

duties of the Provider.

- c. The Employer, Providers, the Board of Trustees and the persons they designate to carry out or help carry out their duties or responsibilities, are fiduciaries under the Plan. Each fiduciary has only those duties or responsibilities specifically assigned to him under the Plan or Trust, or delegated by another fiduciary. Each fiduciary may assume that any direction, information or action of another fiduciary is proper and need not inquire into the propriety of any such action, direction or information. Except as provided by law, no fiduciary will be responsible for the malfeasance, misfeasance or nonfeasance of any other fiduciary.
- d. The Board of Trustees and all other fiduciaries shall discharge their duties with respect to this Trust solely in the interest of the Participants and Beneficiaries of the Plan. Such duties shall be discharged for the exclusive purpose of providing benefits to the Participants and Beneficiaries and defraying expenses of the Plan. The Board of Trustees' powers and duties shall be those defined for the Board of Trustees under applicable Mississippi State Statutes.
- e. The Board shall periodically review the performance of any person to whom duties have been delegated or allocated by it under the provisions of this Plan or pursuant to procedures established hereunder. This requirement may be satisfied by formal periodic review by the Board or by a qualified person specifically designated by the Board, through day-to-day conduct and evaluation, or through other appropriate ways.

10.2. RELIANCE ON INFORMATION FROM EMPLOYER

To enable the Board or its designee to perform their functions, the Employer shall supply the necessary information to the Board on a timely basis regarding the Participants under the plan, including but not limited to Compensation, date of hire, date of death, Severance from Employment, and such other pertinent facts and data as the Board may require. The Board may rely upon such information as is supplied by the Employer and shall have no duty or responsibility to verify such information.

10.3. PAYMENT OF EXPENSES

All expenses of administration will be paid by fees assessed to the Participants.

ARTICLE XI TRUST

11.1. TRUST STATUS

All assets held in connection with the Plan, including all amounts of Compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts, and all income attributable to such amounts, property or rights shall be held and invested in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to purposes other than for the exclusive benefit of the Participants and their Beneficiaries and for defraying reasonable expenses of the Plan.

11.2. TRUST FUND

Effective December 1, 1998, to the extent required by Section 457(g) of the Code, all amounts of Compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts, and all income attributable to such amounts, property or rights held as part of the Plan, shall be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be transferred by the Employers to the Trust pursuant to Section 6.3. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to Article VII.

11.3. TRUSTEE

The Board of Trustees of the Public Employees' Retirement System is the trustee for assets of the Trust Fund.

ARTICLE XII
NONASSIGNABILITY/ANTI-ALIENATION

12.1. NONASSIGNMENT

- a. Subject to applicable state law (and Code Section 401(g) if the Investment Options consists of an annuity contract) no benefit which shall be payable to any person (including a Participant or his Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall be subject to attachment or legal process for or against such person.

- b. Notwithstanding Section 12.1(a), the Third Party Administrator may, upon the Participant's or Beneficiary's being eligible for a distribution from the Plan, pay from a Participant's or Beneficiary's Deferral Account the amount that the Third Party Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

ARTICLE XIII MILITARY SERVICE

13.1. GENERAL USERRA COMPLIANCE

Notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA") (as codified at Chapter 43, Title 38, of the United States Code); Code Section 414(u); and, effective January 1, 2007, Code Section 401(a)(37), as amended from time to time. For purposes of this section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

13.2. ADDITIONAL DEFERRALS

A Participant whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional contributions under Article IV upon resumption of employment with the Employer. Such additional contribution shall be equal to the maximum amount that the Participant could have deferred during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by any amounts deferred on behalf of the Employee during the period of the interruption or leave. Such additional contribution shall be made no later than five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

13.3. DEATH IN MILITARY SERVICE

Effective January 1, 2007, to the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefits rights provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then terminated employment the next day on account of death.

13.4. DIFFERENTIAL WAGE

Effective January 1, 2009, a Participant who is receiving a differential wage payment within the meaning of Code Section 414(u)(12)(D) from the Employer shall be treated as an Employee of the Employer and the differential wage payment shall be treated as Compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

13.5. POSSIBLE DISTRIBUTIONS

A Participant shall be treated as having a Severance from Employment for purposes of electing to take a distribution from the Plan during any period the individual is performing service in the uniformed services described in Code Section 3401(h)(2)(A) (*i.e.*, any period during which the individual is performing service in the uniformed services (as defined under USERRA) while on active duty for a period of more than 30 days). A Participant who elects a distribution from his or her account by reason of the preceding sentence may not defer any Compensation pursuant to Article IV during the 6-month period beginning on the date of the distribution.

**ARTICLE XIV
NO LOANS**

No loans are available under this Plan.

**ARTICLE XV
AMENDMENT**

The Board shall have the right at any time to amend this Plan subject to the limitations of this Code Section 457 and applicable state law. Any such amendment shall become effective as provided therein upon its execution.

Provided however, no amendment to the Plan shall be effective if it authorizes or permits any part of the Plan assets (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or Beneficiaries; or causes or permits any portion of the Plan assets to revert to or become property of the Employers.

ARTICLE XVI
PLAN TERMINATION AS TO ALL EMPLOYERS

Pursuant to Miss. Code Ann. § 25-14-1, et. seq., the Mississippi legislature may terminate this Plan as to all Employers at any time, with or without prior notice to governmental bodies that have adopted the Plan, provided however, no termination shall affect the rights of a Participant or a Beneficiary to the receipt of benefits with respect to any Compensation deferred before the time of the termination as adjusted for the investment experience of the Investment Options prior to or subsequent to the termination.

**ARTICLE XVII
MISCELLANEOUS**

17.1. COMPLIANCE WITH CODE SECTION 457(b)

The intention of the Employers is that the Plan shall comply with the provisions of Code Section 457(b) and the corresponding provisions of any subsequent laws. This Trust is intended to be exempt from taxation under Code Section 501(a). The provisions of the Plan shall be construed to effectuate such intention.

In the event any provision shall be determined to be illegal or invalid for any reason, the illegal or invalid provision shall not affect the remaining parts of the Plan and the Board and the Third Party Administrator may perform such alternative acts which most clearly carry out the intent and purpose of the Plan.

17.2. PARTICIPANT RIGHTS

This Plan shall not be deemed to constitute a contract between an Employer and any Participant or to be a consideration or an inducement for the employment of any Participant, Employee, or Independent Contractor. Nothing contained in this Plan shall be deemed to give any Participant, Employee, or Independent Contractor the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant, Employee or Independent Contractor at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

17.3. PRE-1979 ACCOUNTS

Any amounts held by the Employer as a result of deferrals made by a Participant prior to January 1, 1979 shall be held under this Plan from and after the latest of (a) the Effective Date; (b) the date on which the Participant elects to have this Plan apply to such amount; or (c) the date on which such Participant exercises any right or power available under this Plan but not under the Plan agreement pursuant to which such deferral was made. All such persons who were Participants in any prior plan, who exercise any such right or privilege and who have not yet received a distribution of the amounts to which they are entitled under such prior plan shall be deemed to be Participants under this Plan for all purposes.

17.4. GENDER AND NUMBER

Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in one other form in all cases where they would so apply.

17.5. [RESERVED]

17.6. RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, Beneficiary, or to any guardian or conservator appointed for such individual in accordance with the provisions of this Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Board, Provider, and Employer.

17.7. DELAY OF BENEFIT PAYMENTS

The Third Party Administrator may delay payment of a distribution to a Participant or Beneficiary for any of the following reasons:

- a. if a dispute arises as to the proper payee;
- b. if the paperwork is not in good order to enable it to be processed by the Third Party Administrator;
- c. if notice of legal proceeding involving the Participant's Account has been received and restricts payments from such Account; or
- d. for any other lawful purpose.

17.8. PAYMENTS TO MINOR BENEFICIARIES

If a payment is to be made to a minor Beneficiary, payment shall be made to a person or entity determined by the Third Party Administrator to be a proper recipient for the Beneficiary under applicable state law. This may include a duly appointed and currently acting legal guardian or conservator over the Beneficiary's estate, an adult who is a relative of the Beneficiary or with whom the Beneficiary resides, or to a court having jurisdiction over the estate of the Beneficiary. The Third Party Administrator has no duty to supervise or inquire into the application of any amounts so paid.

17.9. PAYMENTS TO INCOMPETENTS

To the extent the Employer or Third Party Administrator determines that the following procedure meets applicable state or local law, if a Participant or Beneficiary entitled to receive any benefits hereunder is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, benefits will be paid to such person as the Third Party Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

17.10. BINDING CONTRACT

This Plan, and any amendments hereto, shall be binding on the parties hereto and their respective heirs, administrators, trustees, successors, and assignees and on all Participants and Beneficiaries.

17.11. DISPUTES

If a dispute as to the proper payee arises, the Third Party Administrator may delay payment until after the dispute is resolved by a court of competent jurisdiction or is settled by the parties involved.

17.12. ASSUMPTION OF RISK

Each Participant and Beneficiary assumes all risk in connection with the investment decisions made and any decrease in the value of their Accounts. Neither the Board, the Third Party Administrator, an Employer, nor the Plan shall be liable or responsible for any investment losses under the Plan.

17.13. CONSTRUCTION OF PLAN

This Plan shall be construed and governed in accordance with the laws of the State of Mississippi and venue for the resolution of any dispute shall be Jackson, Hinds County, Mississippi.