



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
DRINKING WATER AND ENVIRONMENTAL HEALTH DIVISION



PHILLIP D. ROOS
DIRECTOR

TO: Community Water Supply Owners, Administrators, and Operators
FROM: Michigan Department of Environmental Quality (EGLE)
Drinking Water and Environmental Health Division
DATE: October 23, 2025
SUBJECT: 2025 Service Line Notification Reminder

If your water supply has lead service lines, galvanized previously connect to lead (GPCL) service lines, or service lines of unknown lead status, review the notification requirements below. If **all** service lines in your water supply are **known** not to contain lead or GPCL, the following does not apply to you, and you may disregard this reminder.

Since Michigan revised its lead and copper regulations in 2018, water supplies have been required to notify owners and occupants of premises served by a lead or GPCL service line. Federal Lead and Copper Rule Revisions expanded these requirements to include notices to homes served by a service line of unknown lead status. Additionally, it is now required that notification be reissued **annually until the service line is replaced or known not to contain lead or GPCL.**

Please review the attached [notification requirements summary](#) to confirm your water supply has met all notification requirements. If not, this is a reminder to do so by the end of the 2025 calendar year, December 31, 2025. Also make necessary plans to ensure notices are repeated annually until the service line is known not to contain lead or GPCL.

Notification templates are available at Michigan.gov/LCR.

By July 1 of each year, water supplies will be required to certify they have completed these notifications for the previous calendar year. The certification form is attached and also available at Michigan.gov/LCR.

If you have any questions, please contact Tyler Postma, Lead and Copper Unit, Drinking Water and Environmental Health Division; PostmaT@Michigan.gov; 517-388-1833 or Katie Stroh, Lead and Copper Unit, Drinking Water and Environmental Health Division; StrohK@Michigan.gov; 517-914-3619.



MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Drinking Water and Environmental Health Division

Service Line Material Notification Requirements

The lead and copper provisions of the administrative rules promulgated under the Michigan Safe Drinking Water Act, 1976 PA 399, as amended, were revised in June 2018. These revisions include requirements for community water supplies to notify the owner(s) and occupants of premises served by a service line made of lead or galvanized previously connected to lead (GPCL). Federal Lead and Copper Rule Revisions expanded these requirements to include notification to premises served by a service line where the lead status is unknown and to require annual notification until the service line is known to no longer contain lead or GPCL. Note: A lead service line (LSL) is a service line in which any portion contains lead. This includes any portion of the service line that is customer owned or water supply owned, including lead goosenecks or pigtails.

Who must be notified?

Notification is REQUIRED to all persons served by a service line characterized as follows:

- The service line is known/presumed to contain lead.
- The service line is known/presumed to be GPCL.
- The service line lead status is unknown (pipe material has not been demonstrated to be a lead, GPCL, or a non-lead service line).

When must customers be notified?

Michigan's 2018 rule revisions required owner(s) and occupants to be notified within 30 days of determining the premises is served by a line that contains lead or GPCL, or any time a new account is opened at one of these premises. Recent federal regulations added additional requirements. Water supplies must now notify customers as follows:

- Provide initial notification within 30 days of determining the premises is served by a line that contains lead or GPCL or lead status unknown.
- Provide notification to new owners and occupants at the time-of-service initiation.
- Repeat notification annually until the entire service connection is no longer a lead, GPCL, or lead status unknown service line.

What must be included in the notification?

Notice to persons served by a **lead** service line must include:

- A statement that the person's service line is lead.
- An explanation of the health effects of lead.
- Steps persons can take to reduce exposure to lead in drinking water.
- Information about opportunities to replace lead service lines.
- Language encouraging customers to have a home plumbing evaluation to identify potential sources of lead in premise plumbing.

Notice to persons served by a **GPCL** service line must include:

- A statement that the person's service line is GPCL.
- An explanation of the health effects of lead.

- Steps persons can take to reduce exposure to lead in drinking water.
- Information about opportunities to replace GPCL service lines.
- Language encouraging customers to have a home plumbing evaluation to identify potential sources of lead in premise plumbing.

Notice to persons served by a **lead status unknown** service line must include:

- A statement that the person's service line material is unknown but may be lead.
- An explanation of the health effects of lead.
- Steps persons can take to reduce exposure to lead in drinking water.
- Information about opportunities to verify the material of the service line.
- Language encouraging customers to have a home plumbing evaluation to identify potential sources of lead in premise plumbing.

How must the notice be delivered?

The notice must be provided to persons by U.S. mail, or another method approved by the State.

Where can I get notification templates and additional information?

Visit Michigan.gov/LCR for service line notification letters/templates, as well as information about other service line requirements.

Service Line Material Notification Templates

- [LSL Template](#)
- [GPCL Template](#)
- [Unknown Template](#)

How do I submit the service line material notification certification form?

Visit Michigan.gov/LCR and use the [NEW: Service Line Material Notification Certification Form](#) to submit the notification certification.

- Create a “Distribution System Materials Inventory” activity in MiEHDWIS
- Upload the document using the “Service Line Material Notification and Certification” file type
- Submit the service line material notification certification by July 1st each year, for the notifications of the previous year

If I have updates to my Complete Distribution System Materials Inventory (CDSMI) before the next regulatory deadline, how do I submit a CDSMI update?

Visit Michigan.gov/LCR and use the [CDSMI Summary Form](#) and [CDSMI: Line-by-line Inventory Form](#) to submit updated information about your inventory. If you have a water supply with a distribution system limited in extent, use the [CDSMI for Water Supplies with Distribution Systems Limited in Extent Form](#).

- Create a “Distribution System Materials Inventory” activity in MiEHDWIS
- Upload the document using the “DSMI Summary” and “Distribution System Materials Inventory” file type. Include “Revised and updated CDSMI” in the file description



MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

Drinking Water and Environmental Health Division

SERVICE LINE MATERIAL NOTIFICATION

CERTIFICATION OF REQUIREMENTS

Authorized under the authority of 40 CFR 141.90(f)(4)

Community water supplies must deliver a Service Line Material Notification to persons served by a lead, galvanized previously connected to lead (GPCL), or lead status unknown service line within 30 days of completing the Complete Distribution System Materials Inventory. The notification must be repeated annually until the service line is known to contain no lead or to never have been connected to lead. New customers must be notified at the time-of-service initiation. This form must be completed and submitted to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) by July 1 each year certifying prior year notification requirements were met.

Water Supply: _____ **PWSID MI00** _____

Calendar Year (January 1 – December 31) covered by this report: _____

Initial each requirement to verify it was completed:

_____ Notice(s) sent to all applicable customers.

_____ Notice(s) sent on or before November 15, 2024.

_____ Notice(s) sent after November 15, 2024.

_____ Date Notice(s) sent: _____

_____ Delivery was by mail, hand delivery, or another method approved by EGLE.

_____ Notification met content requirements of 40 CFR 141.85(e)(3).

_____ A sample copy of each type of notification sent to residents is attached.

Certification:

I certify the information above is accurate and complete to the best of my knowledge and information.

Name: _____ **Title:** _____

Signature: _____ **Date:** _____

People with disabilities may request this material in an alternate format by emailing EGLE-Accessibility@Michigan.gov or calling 800-662-9278.

EGLE does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations.

This form and its contents are subject to the Freedom of Information Act and may be released to the public.



Marquette County Health Department
Division of Environmental Health
 US 41 East, Negaunee, MI 49866
 Telephone: (906) 475-4195
 Fax: (906) 475-6500

Subdivision/Condominium Site Review Application

Name of Proposed Development: National Mine Site Housing Redevelopment

Subdivision X Site Condominium _____ Number of Proposed Units _____

Road/Street 800 Co. Rd. P D J Township Tilden County Marquette

Tax ID(s) 52-16-360-005-00

Section 21 Town 47N Range 27W

Site Developer Tilden Township

Mailing Address 3145 Co Rd PG

City ISHPEMING State MI Zip 49849

Subdivision/Condominium Site Review Fees (circle one)

Onsite Water Only
\$450 + \$25/lot

Onsite Sewage Only
\$450 + \$25/lot

Onsite Water and Sewage
\$845 + \$85/lot

Chloe
Applicant Signature

11/7/25
Date

Other Materials to Include with Application Submittal:

- Notice of Intent to Establish Condominium Project
- Subdivision and Condominium Site Report
- Three copies of engineered site plans

See http://www.co.marquette.mi.us/departments/health_department/environmental_health/land_divisions_subdivisions_and_site_condominiums.php for more information

For office use only:

Total Fee Due _____ Receipt Number _____ Received by _____ Date _____

Tara aho

From: Amy Stakvel <amy.mcswma@gmail.com>
Sent: Thursday, October 30, 2025 12:13 PM
Subject: Fwd: \$6 million in EGLE grant funding available for expanding recycling and advancing climate priorities

Follow Up Flag: Follow up
Flag Status: Flagged

Hello,

If any of the municipalities want to apply for recycling grants, this is your opportunity. These grants can be used for a wide variety of recycling infrastructure including carts.

Thank you,
Amy Stakvel
Marquette County Solid Waste Management Authority
600 County Rd. NP, Marquette, MI 49855
Phone: (906) 249-4125 ext. 301

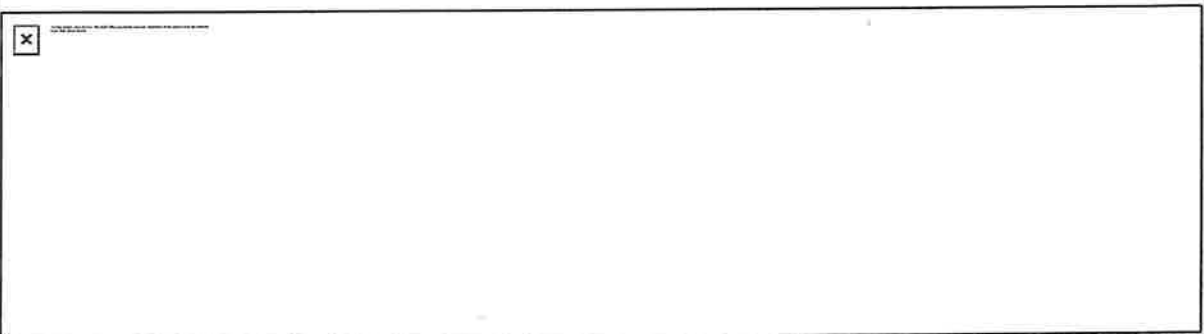
mcswma.com

recycle906.com - Use the materials wizard to search if an item should be recycled or disposed of another way.

----- Forwarded message -----

From: MI Dept. of Environment, Great Lakes, and Energy <EGLE@govsubscriptions.michigan.gov>
Date: Wed, Oct 29, 2025 at 9:32 AM
Subject: \$6 million in EGLE grant funding available for expanding recycling and advancing climate priorities
To: <opssupervisor906@gmail.com>

[Share or view as a webpage](#) | [Update preferences](#)



\$6 million in EGLE grant funding available for expanding recycling and advancing climate priorities

The Michigan Department of Environment, Great Lakes, and Energy (EGLE) is announcing its [Recycling Infrastructure Grant Request for Proposal \(RFP\)](#). \$6 million is available as matching, reimbursement-based grants supporting Governor Gretchen Whitmer's climate priorities by supplementing efforts to grow the statewide recycling rate, ensure diversity, equity, and inclusion, and increase access to recycling.

Michigan Recycling Infrastructure Grants target projects that:

- Increase access to recycling infrastructure while building diversity, equity, and inclusion across Michigan.
- Increase collection and processing capacity of recyclable materials.
- Increase participation rate in existing recycling programs.

Fundable projects include *but are not limited to*:

The transition from recycling bins to carts, new or improved public drop-off recycling, new or improved recycling processing infrastructure, school recycling projects, collection vehicles, multi-family recycling projects, and foam recycling projects that leverage financial support from the foodservice packaging industry.

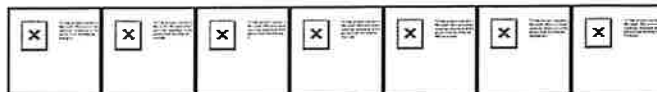
Eligible public sector applicants include non-profit organizations, tribal governments, school districts, universities/colleges, local health departments, regional planning agencies, cities, villages, townships, charter townships, counties, municipal solid waste authorities, and resource recovery authorities located in Michigan.

Deadline for the Recycling Infrastructure Grant is January 28, 2026

Applicants are highly encouraged to discuss potential projects with their local [Recycling Specialist](#). The [RFP](#) and other recycling grant information can be viewed at Michigan.gov/MiRecycles. For more information about the RFP, please contact Emily Freeman, Recycling Unit Manager FreemanE@Michigan.gov.

People with disabilities may request this material in an alternate format by emailing EGLE-Accessibility@Michigan.gov or calling 800-662-9278.

EGLE does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations.





Marquette County Solid Waste Management Authority
600 COUNTY ROAD NP • MARQUETTE MI 49855
PHONE: (906) 249-4125

October 29, 2025

The Constituent Municipalities
of Marquette County

All,

It is our understanding that some of the constituent municipalities are in the process of signing new contracts for hauling waste and recycling. Many of these contracts include clauses that all waste must come to the Marquette County Solid Waste Management Authority (MCSWMA) facility but not all recycling. As many of you are aware, it is a lack of material that is keeping the Materials Recovery Facility (MRF) from being self-sustaining.

Marquette County as a whole is currently recycling at a rate of 10 percent. We know that the area can do much better than this. For those municipalities that already have flow control of recycling to the MRF, we thank you for your assistance. Respectfully, we would like to ask all municipalities that don't have recycling flow control to Recycle 906 in their current waste hauler contracts to please consider incorporating it in your next contract.

When the MRF becomes self-sustaining and not reliant on landfill tipping fees, we anticipate the probability of reducing landfill fees to ease the financial burden of the residents of the County. Thank you for your consideration of this request.

Mike Stannard
Director of Operations
MCSWMA
906-249-4125 Ext. 305

Cc: Randy Yelle, Board Chairman
Josh Wales, Materials Management Supervisor

AGENDA
TILDEN TOWNSHIP MONTHLY MEETING

DATE: November 18, 2025

CALL TO ORDER:

PLEDGE OF ALLEGIANCE

ROLL CALL: SUPERVISOR	CLERK	TREASURER	TRUSTEES
VANLUVEN	AHO	FILBRANDT	MARIETTI/THIBEAULT

ACCEPTANCE OF AGENDA: Motion By: Supported By:

APPROVAL OF MINUTES: Motion By: Supported By

PUBLIC COMMENTS:

APPROVAL OF BILLS: Motion By: Supported By:

TREASURER'S REPORT: Placed on file.

COMMUNICATIONS: EGLE Lead and Copper Service Lines
 MCSWMA Recycling Contracts
 Recycling Grants

SUPERVISOR'S COMMENTS:

WATER BUSINESS:

UNFINISHED BUSINESS: National Mine School Site Review

NEW BUSINESS: Document Destruction
 SBAM Rate and Provider Change
 Nationwide Plan Changes
 BCBSM Renewal Information/Updated 2026 Rates
 Public Act 152 Opt out
 HSA Distributions for Part-Time employees
 Tilden Township Annual Christmas Party

PUBLIC COMMENT:

ADJOURNMENT:

TIME:

User: TARA

DB: Tilden

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 101 - GENERAL						
Revenues						
Dept 000						
101-000-360.000	ARPA DEFERRED INFLOWS	0.00	0.00	0.00	0.00	0.00
101-000-403.000	CURRENT PROPERTY TAX	63,750.00	1,101.17	148.40	62,648.83	1.73
101-000-404.000	PLANNING & ZONING FEES	200.00	0.00	0.00	200.00	0.00
101-000-405.000	COMMERCIAL FOREST	1,284.00	1,187.51	0.00	96.49	92.49
101-000-417.000	DELINQUENT PROPERTY TAX	39,000.00	38,938.38	0.00	61.62	99.84
101-000-424.000	SPECIFIC ORE TAX	180,000.00	0.00	0.00	180,000.00	0.00
101-000-425.000	SWAMP TAX PILT	37,200.00	0.00	0.00	37,200.00	0.00
101-000-445.000	PENALTIES/INTEREST	0.00	0.00	0.00	0.00	0.00
101-000-449.000	TAX ADMINISTRATION FEE	77,000.00	61,619.90	1,543.18	15,380.10	80.03
101-000-528.000	FEDERAL GRANT ARPA	0.00	0.00	0.00	0.00	0.00
101-000-575.000	SALES TAX REVENUE SHARING	130,000.00	56,200.63	0.00	73,799.37	43.23
101-000-578.000	STATE ELECTION REFUNDS	1,000.00	0.00	0.00	1,000.00	0.00
101-000-664.000	INTEREST ON INVESTMENTS	45,000.00	57,151.29	10,711.16	(12,151.29)	127.00
101-000-670.000	HALL RENTAL	4,000.00	2,260.01	635.01	1,739.99	56.50
101-000-672.000	INSURANCE REIMBURSEMENTS	0.00	602.70	602.70	(602.70)	100.00
101-000-677.000	EARLY VOTING REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
101-000-680.000	METRO ACT REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
101-000-692.000	MISCELLANEOUS	257,000.00	257,406.44	598.66	(406.44)	100.16
101-000-693.000	HOUSE WASHING - CLIFFS	25,000.00	0.00	0.00	25,000.00	0.00
Total Dept 000		860,434.00	476,468.03	14,239.11	383,965.97	55.38
TOTAL REVENUES		860,434.00	476,468.03	14,239.11	383,965.97	55.38
Expenditures						
Dept 000						
101-000-716.000	EMPLOYEE HEALTH INSURANCE	23,100.00	5,588.80	0.00	17,511.20	24.19
101-000-717.000	EMPLOYEE LIFE INSURANCE	1,000.00	1,668.03	0.00	(668.03)	166.80
101-000-719.000	STATE UNEMPLOYMENT	0.00	0.00	0.00	0.00	0.00
Total Dept 000		24,100.00	7,256.83	0.00	16,843.17	30.11
Dept 101 - TOWNSHIP BOARD						
101-101-702.000	SALARIES	4,500.00	3,085.00	700.00	1,415.00	68.56
101-101-715.000	PAYROLL TAXES	450.00	236.00	53.55	214.00	52.44
101-101-810.000	DUES	1,500.00	1,332.01	198.00	167.99	88.80
101-101-860.000	TRAVEL	200.00	0.00	0.00	200.00	0.00
101-101-900.000	PRINTING & PUBLISHING	1,700.00	1,676.85	0.00	23.15	98.64
101-101-962.000	MISCELLANEOUS	100.00	2,018.40	2,018.40	(1,918.40)	2,018.40
Total Dept 101 - TOWNSHIP BOARD		8,450.00	8,348.26	2,969.95	101.74	98.80
Dept 171 - SUPERVISOR						
101-171-702.000	SALARIES	11,500.00	6,358.38	908.34	5,141.62	55.29
101-171-703.000	DEPUTY WAGES	0.00	0.00	0.00	0.00	0.00
101-171-715.000	PAYROLL TAXES	1,150.00	486.39	69.48	663.61	42.29
101-171-860.000	TRAVEL	100.00	0.00	0.00	100.00	0.00
101-171-962.000	MISCELLANEOUS	1,300.00	1,249.34	0.00	50.66	96.10
Total Dept 171 - SUPERVISOR		14,050.00	8,094.11	977.82	5,955.89	57.61

User: TARA

DB: Tilden

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 101 - GENERAL						
Expenditures						
Dept 215 - CLERK						
101-215-702.000	SALARIES	15,430.00	8,100.75	1,157.25	7,329.25	52.50
101-215-703.000	DEPUTY WAGES	18,772.00	4,440.50	674.50	14,331.50	23.65
101-215-715.000	PAYROLL TAXES	3,420.00	959.38	140.13	2,460.62	28.05
101-215-727.000	OFFICE SUPPLIES	2,000.00	34.16	0.00	1,965.84	1.71
101-215-860.000	TRAVEL	100.00	0.00	0.00	100.00	0.00
101-215-962.000	MISCELLANEOUS	100.00	0.00	0.00	100.00	0.00
Total Dept 215 - CLERK		39,822.00	13,534.79	1,971.88	26,287.21	33.99
Dept 247 - BOARD OF REVIEW						
101-247-702.000	SALARIES	1,500.00	220.00	0.00	1,280.00	14.67
101-247-715.000	PAYROLL TAXES	150.00	16.83	0.00	133.17	11.22
101-247-727.000	OFFICE SUPPLIES	100.00	0.00	0.00	100.00	0.00
101-247-962.000	MISCELLANEOUS	200.00	0.00	0.00	200.00	0.00
Total Dept 247 - BOARD OF REVIEW		1,950.00	236.83	0.00	1,713.17	12.15
Dept 250 - PLANNING & ZONING						
101-250-702.000	SALARIES	5,000.00	2,610.00	310.00	2,390.00	52.20
101-250-715.000	PAYROLL TAXES	500.00	199.68	23.71	300.32	39.94
101-250-740.000	OPERATING SUPPLIES	500.00	0.00	0.00	500.00	0.00
101-250-820.000	TRAINING	500.00	0.00	0.00	500.00	0.00
101-250-962.000	MISCELLANEOUS	200.00	0.00	0.00	200.00	0.00
Total Dept 250 - PLANNING & ZONING		6,700.00	2,809.68	333.71	3,890.32	41.94
Dept 253 - TREASURER						
101-253-702.000	SALARIES	15,430.00	8,100.75	1,157.25	7,329.25	52.50
101-253-703.000	DEPUTY WAGES	18,772.00	9,195.25	1,605.50	9,576.75	48.98
101-253-715.000	PAYROLL TAXES	3,420.00	1,323.12	211.35	2,096.88	38.69
101-253-727.000	OFFICE SUPPLIES	4,865.00	1,643.46	0.00	3,221.54	33.78
101-253-860.000	TRAVEL	100.00	0.00	0.00	100.00	0.00
101-253-962.000	MISCELLANEOUS	235.00	230.60	0.00	4.40	98.13
Total Dept 253 - TREASURER		42,822.00	20,493.18	2,974.10	22,328.82	47.86
Dept 257 - ASSESSOR						
101-257-727.000	OFFICE SUPPLIES	7,000.00	0.00	0.00	7,000.00	0.00
101-257-805.000	CONTRACTUAL SERVICES	42,000.00	8,761.09	0.00	33,238.91	20.86
101-257-860.000	TRAVEL	0.00	0.00	0.00	0.00	0.00
Total Dept 257 - ASSESSOR		49,000.00	8,761.09	0.00	40,238.91	17.88
Dept 262 - ELECTIONS						
101-262-702.000	SALARIES	8,000.00	0.00	0.00	8,000.00	0.00
101-262-715.000	PAYROLL TAXES	1,300.00	0.00	0.00	1,300.00	0.00
101-262-740.000	OPERATING SUPPLIES	2,300.00	0.00	0.00	2,300.00	0.00
101-262-742.000	EARLY VOTING	1,200.00	0.00	0.00	1,200.00	0.00
101-262-805.000	CONTRACTUAL SERVICES	1,000.00	0.00	0.00	1,000.00	0.00
101-262-860.000	TRAVEL	1,000.00	59.08	0.00	940.92	5.91

User: TARA

DB: Tilden

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 101 - GENERAL						
Expenditures						
101-262-962.000	MISCELLANEOUS	100.00	0.00	0.00	100.00	0.00
Total Dept 262 - ELECTIONS		14,900.00	59.08	0.00	14,840.92	0.40
Dept 265 - TOWNSHIP HALL						
101-265-704.000	HOURLY WAGES	103,800.00	49,309.89	6,709.37	54,490.11	47.50
101-265-715.000	PAYROLL TAXES	10,500.00	3,769.50	510.52	6,730.50	35.90
101-265-718.000	EMPLOYEE RETIREMENT	10,500.00	5,390.76	577.52	5,109.24	51.34
101-265-719.000	STATE UNEMPLOYMENT	100.00	19.99	0.82	80.01	19.99
101-265-727.000	OFFICE SUPPLIES	12,000.00	5,620.95	50.15	6,379.05	46.84
101-265-740.000	OPERATING SUPPLIES	5,800.00	3,186.65	161.59	2,613.35	54.94
101-265-860.000	TRAVEL	100.00	23.80	0.00	76.20	23.80
101-265-920.000	UTILITIES	6,500.00	778.91	304.10	5,721.09	11.98
101-265-925.000	TELEPHONE	4,700.00	5,394.37	446.10	(694.37)	114.77
101-265-930.000	REPAIRS & MAINTENANCE	4,000.00	1,982.84	0.00	2,017.16	49.57
101-265-962.000	MISCELLANEOUS	500.00	122.48	55.48	377.52	24.50
101-265-970.000	CAPITAL OUTLAY	120,000.00	3,000.00	0.00	117,000.00	2.50
Total Dept 265 - TOWNSHIP HALL		278,500.00	78,600.14	8,815.65	199,899.86	28.22
Dept 268 - GARAGE & VEHICLE						
101-268-704.000	HOURLY WAGES	4,500.00	5,660.00	614.90	(1,160.00)	125.78
101-268-715.000	PAYROLL TAXES	350.00	432.99	47.05	(82.99)	123.71
101-268-718.000	EMPLOYEE RETIREMENT	600.00	735.83	79.95	(135.83)	122.64
101-268-719.000	STATE UNEMPLOYMENT	0.00	0.00	0.00	0.00	0.00
101-268-735.000	VEHICLE EXPENSE	10,500.00	2,661.37	169.62	7,838.63	25.35
101-268-740.000	OPERATING SUPPLIES	3,500.00	728.81	66.80	2,771.19	20.82
101-268-920.000	UTILITIES	4,200.00	1,330.45	177.76	2,869.55	31.68
101-268-925.000	TELEPHONE	4,300.00	1,729.14	450.00	2,570.86	40.21
101-268-930.000	REPAIRS & MAINTENANCE	3,000.00	1,495.41	0.00	1,504.59	49.85
101-268-962.000	MISCELLANEOUS	500.00	309.82	0.00	190.18	61.96
101-268-970.000	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
Total Dept 268 - GARAGE & VEHICLE		31,450.00	15,083.82	1,606.08	16,366.18	47.96
Dept 448 - STREET LIGHTING						
101-448-805.000	CONTRACTUAL SERVICES	17,500.00	7,405.51	1,493.77	10,094.49	42.32
Total Dept 448 - STREET LIGHTING		17,500.00	7,405.51	1,493.77	10,094.49	42.32
Dept 751 - PARKS & RECREATION						
101-751-704.000	HOURLY WAGES	32,550.00	18,443.92	2,979.77	14,106.08	56.66
101-751-715.000	PAYROLL TAXES	3,800.00	1,410.93	227.94	2,389.07	37.13
101-751-718.000	EMPLOYEE RETIREMENT	3,800.00	2,272.46	375.75	1,527.54	59.80
101-751-719.000	STATE UNEMPLOYMENT	100.00	4.42	0.41	95.58	4.42
101-751-740.000	OPERATING SUPPLIES	6,000.00	8,377.59	1,040.75	(2,377.59)	139.63
101-751-920.000	UTILITIES	1,000.00	467.56	79.81	532.44	46.76
101-751-930.000	REPAIRS & MAINTENANCE	6,000.00	14,173.35	70.00	(8,173.35)	236.22
101-751-962.000	MISCELLANEOUS	100.00	0.00	0.00	100.00	0.00
101-751-970.000	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 101 - GENERAL						
Expenditures						
Total Dept 751 - PARKS & RECREATION		53,350.00	45,150.23	4,774.43	8,199.77	84.63
Dept 999 - OTHER						
101-999-801.000	LEGAL FEES	4,300.00	709.83	0.00	3,590.17	16.51
101-999-802.000	AUDIT FEES	9,500.00	6,000.00	0.00	3,500.00	63.16
101-999-813.000	CONTRACTUAL - LIBRARY	2,000.00	0.00	0.00	2,000.00	0.00
101-999-815.000	CONTRACTUAL- U.P.S.E.T	5,000.00	5,000.00	0.00	0.00	100.00
101-999-821.000	HOUSE WASHING COST-REIMBURSABLE	25,000.00	24,956.60	2,135.00	43.40	99.83
101-999-910.000	INSURANCE & BONDS	20,200.00	21,727.00	110.00	(1,527.00)	107.56
101-999-950.000	BANK SERVICE FEES	0.00	314.00	159.00	(314.00)	100.00
101-999-962.000	MISCELLANEOUS	2,500.00	1,042.73	0.00	1,457.27	41.71
101-999-963.000	TRAINING-MTA CONFERENCES	1,000.00	0.00	0.00	1,000.00	0.00
Total Dept 999 - OTHER		69,500.00	59,750.16	2,404.00	9,749.84	85.97
TOTAL EXPENDITURES		652,094.00	275,583.71	28,321.39	376,510.29	42.26
Fund 101 - GENERAL:						
TOTAL REVENUES		860,434.00	476,468.03	14,239.11	383,965.97	55.38
TOTAL EXPENDITURES		652,094.00	275,583.71	28,321.39	376,510.29	42.26
NET OF REVENUES & EXPENDITURES		208,340.00	200,884.32	(14,082.28)	7,455.68	96.42

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 203 - ROADS						
Revenues						
Dept 000						
203-000-403.000	CURRENT PROPERTY TAX	55,500.00	127.11	127.11	55,372.89	0.23
203-000-405.000	COMMERCIAL FOREST	75.00	72.01	0.00	2.99	96.01
203-000-417.000	DELINQUENT PROPERTY TAX	34,100.00	33,184.57	0.00	915.43	97.32
203-000-424.000	SPECIFIC ORE TAX	154,000.00	0.00	0.00	154,000.00	0.00
203-000-445.000	PENALTIES/INTEREST	0.00	0.00	0.00	0.00	0.00
203-000-540.000	MCRC GRANT REIMBURSEMENT	122,000.00	0.00	0.00	122,000.00	0.00
203-000-664.000	INTEREST ON INVESTMENTS	30,000.00	33,887.16	4,134.34	(3,887.16)	112.96
203-000-680.000	METRO ACT REIMBURSEMENT	7,800.00	7,759.14	0.00	40.86	99.48
203-000-692.000	MISCELLANEOUS	122,000.00	121,543.17	0.00	456.83	99.63
Total Dept 000		525,475.00	196,573.16	4,261.45	328,901.84	37.41
TOTAL REVENUES		525,475.00	196,573.16	4,261.45	328,901.84	37.41
Expenditures						
Dept 446 - ROAD EXPENDITURES						
203-446-740.000	OPERATING SUPPLIES	1,000.00	0.00	0.00	1,000.00	0.00
203-446-805.000	CONTRACTUAL - MCRC	300,000.00	0.00	0.00	300,000.00	0.00
203-446-808.000	CONTRACTUAL - SHERIFF	63,000.00	31,404.94	0.00	31,595.06	49.85
203-446-865.000	DUST CONTROL	2,500.00	2,409.46	0.00	90.54	96.38
203-446-962.000	MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
203-446-970.000	CAPITAL OUTLAY	141,000.00	308,730.07	164,713.97	(167,730.07)	218.96
Total Dept 446 - ROAD EXPENDITURES		507,500.00	342,544.47	164,713.97	164,955.53	67.50
TOTAL EXPENDITURES		507,500.00	342,544.47	164,713.97	164,955.53	67.50
Fund 203 - ROADS:						
TOTAL REVENUES		525,475.00	196,573.16	4,261.45	328,901.84	37.41
TOTAL EXPENDITURES		507,500.00	342,544.47	164,713.97	164,955.53	67.50
NET OF REVENUES & EXPENDITURES		17,975.00	(145,971.31)	(160,452.52)	163,946.31	812.08

User: TARA

DB: Tilden

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 206 - FIRE-GARBAGE						
Revenues						
Dept 000						
206-000-401.000	FIRE-AD VALOREM TAXES	19,500.00	44.70	44.70	19,455.30	0.23
206-000-402.000	FIRE-SPECIFIC ORE TAXES	55,000.00	0.00	0.00	55,000.00	0.00
206-000-403.000	CURRENT PROPERTY TAX	0.00	0.00	0.00	0.00	0.00
206-000-406.000	COMMERCIAL FOREST-FIRE	56.00	47.03	0.00	8.97	83.98
206-000-407.000	COMMERCIAL FOREST TAX-GARB	48.00	25.32	0.00	22.68	52.75
206-000-408.000	GARBAGE-AD VALOREM TAXES	36,000.00	83.01	83.01	35,916.99	0.23
206-000-409.000	GARBAGE-SPECIFIC ORE TAXES	100,000.00	0.00	0.00	100,000.00	0.00
206-000-411.000	DELINQUENT TAXES-GARBAGE	21,700.00	21,658.05	0.00	41.95	99.81
206-000-412.000	DELINQUENT TAXES-FIRE	11,700.00	11,661.42	0.00	38.58	99.67
206-000-446.000	PENALTIES/INTEREST -GARBAGE	0.00	0.00	0.00	0.00	0.00
206-000-447.000	PENTALTIES/INTEREST-FIRE	0.00	0.00	0.00	0.00	0.00
206-000-665.000	INTEREST INVEST-FIRE 35%	21,000.00	18,200.32	2,663.07	2,799.68	86.67
206-000-667.000	INTEREST INVES-GARBAGE 65%	39,000.00	33,800.57	4,945.70	5,199.43	86.67
206-000-675.000	REIMBURSEMENTS-LANDFILL	7,000.00	8,544.98	752.83	(1,544.98)	122.07
206-000-692.000	MISCELLANEOUS	122,500.00	122,229.25	0.00	270.75	99.78
Total Dept 000		433,504.00	216,294.65	8,489.31	217,209.35	49.89
TOTAL REVENUES		433,504.00	216,294.65	8,489.31	217,209.35	49.89
Expenditures						
Dept 336 - FIRE EXPENDITURES						
206-336-740.000	OPERATING SUPPLIES	1,000.00	0.00	0.00	1,000.00	0.00
206-336-805.000	CONTRACTUAL- ISHP TWP	60,000.00	34,531.00	4,933.00	25,469.00	57.55
206-336-807.000	FIRST RESPONDERS-ELY TWP	25,153.00	25,152.52	0.00	0.48	100.00
206-336-808.000	CONTRACTUAL SERVICES	2,000.00	0.00	0.00	2,000.00	0.00
206-336-945.000	HYDRANT RENTAL	12,000.00	7,000.00	1,000.00	5,000.00	58.33
206-336-946.000	DRY HYDRANT	500.00	0.00	0.00	500.00	0.00
206-336-962.000	MISCELLANEOUS	500.00	0.00	0.00	500.00	0.00
206-336-970.000	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
Total Dept 336 - FIRE EXPENDITURES		101,153.00	66,683.52	5,933.00	34,469.48	65.92
Dept 528 - GARBAGE EXPENDITURES						
206-528-740.000	OPERATING SUPPLIES	3,000.00	0.00	0.00	3,000.00	0.00
206-528-800.000	CONTRACTUAL SERVICES-NORTH COUNRTY	65,000.00	40,756.52	5,822.36	24,243.48	62.70
206-528-809.000	LANDFILL - MQT CO. SOLID W	114,000.00	113,907.89	0.00	92.11	99.92
206-528-811.000	TRANSFER STATION-W. MQT CO	36,000.00	11,196.00	0.00	24,804.00	31.10
206-528-812.000	TRANSFER STATION TICKETS	12,600.00	10,000.00	0.00	2,600.00	79.37
206-528-962.000	MISCELLANEOUS	100.00	0.00	0.00	100.00	0.00
206-528-970.000	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
Total Dept 528 - GARBAGE EXPENDITURES		230,700.00	175,860.41	5,822.36	54,839.59	76.23
TOTAL EXPENDITURES		331,853.00	242,543.93	11,755.36	89,309.07	73.09
Fund 206 - FIRE-GARBAGE:						
TOTAL REVENUES		433,504.00	216,294.65	8,489.31	217,209.35	49.89
TOTAL EXPENDITURES		331,853.00	242,543.93	11,755.36	89,309.07	73.09

REVENUE AND EXPENDITURE REPORT FOR TILDEN TOWNSHIP

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 206 - FIRE-GARBAGE						
NET OF REVENUES & EXPENDITURES		101,651.00	(26,249.28)	(3,266.05)	127,900.28	25.82

User: TARA

DB: Tilden

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 591 - WATER						
Revenues						
Dept 000						
591-000-530.000	EGLE GRANT REIMBURSEMENT	21,000.00	37,720.62	5,831.90	(16,720.62)	179.62
591-000-651.000	WATER CHARGES - FLAT	90,000.00	42,864.93	7,163.92	47,135.07	47.63
591-000-652.000	WATER CHARGES - USAGE	38,000.00	15,736.71	2,338.11	22,263.29	41.41
591-000-653.000	LATE PAYMENT FEES	2,000.00	651.00	112.00	1,349.00	32.55
591-000-654.000	TURN OFF/ON FEES	100.00	125.00	50.00	(25.00)	125.00
591-000-656.000	HYDRANT RENTAL	12,000.00	7,000.00	1,000.00	5,000.00	58.33
591-000-664.000	INTEREST ON INVESTMENTS	540.00	694.85	66.06	(154.85)	128.68
591-000-669.000	RECONCILIATION DISCREPANCIES	1.00	0.60	0.00	0.40	60.00
591-000-692.000	MISCELLANEOUS	200.00	0.00	0.00	200.00	0.00
Total Dept 000		163,841.00	104,793.71	16,561.99	59,047.29	63.96
TOTAL REVENUES		163,841.00	104,793.71	16,561.99	59,047.29	63.96
Expenditures						
Dept 536 - WATER EXPENDITURES						
591-536-702.000	SALARIES	1,890.00	2,167.76	309.68	(277.76)	114.70
591-536-704.000	HOURLY WAGES	32,600.00	14,433.49	3,358.29	18,166.51	44.27
591-536-715.000	PAYROLL TAXES	3,500.00	1,270.05	280.59	2,229.95	36.29
591-536-718.000	EMPLOYEE RETIREMENT	3,500.00	1,876.46	436.60	1,623.54	53.61
591-536-719.000	STATE UNEMPLOYMENT	100.00	0.00	0.00	100.00	0.00
591-536-740.000	OPERATING SUPPLIES	5,000.00	0.00	0.00	5,000.00	0.00
591-536-801.000	LEGAL FEES	0.00	0.00	0.00	0.00	0.00
591-536-804.000	WATER TESTING	7,000.00	2,186.48	75.00	4,813.52	31.24
591-536-805.000	CONTRACTUAL SERVICES	22,400.00	28,145.12	0.00	(5,745.12)	125.65
591-536-810.000	DUES	1,000.00	700.00	285.00	300.00	70.00
591-536-820.000	TRAINING	2,000.00	360.00	360.00	1,640.00	18.00
591-536-860.000	TRAVEL	1,500.00	363.20	0.00	1,136.80	24.21
591-536-915.000	DEPRECIATION	0.00	0.00	0.00	0.00	0.00
591-536-920.000	UTILITIES	10,500.00	3,242.47	669.65	7,257.53	30.88
591-536-922.000	TELEPHONE - MISS DIG	2,300.00	719.75	165.00	1,580.25	31.29
591-536-930.000	REPAIRS & MAINTENANCE	40,000.00	(3,179.04)	896.33	43,179.04	(7.95)
591-536-940.000	EQUIPMENT RENTAL	2,500.00	0.00	0.00	2,500.00	0.00
591-536-950.000	BANK SERVICE FEES	0.00	95.90	50.95	(95.90)	100.00
591-536-960.000	INTEREST ON WATER LOAN	19,000.00	0.00	0.00	19,000.00	0.00
591-536-962.000	MISCELLANEOUS	150.00	0.00	0.00	150.00	0.00
591-536-970.000	CAPITAL OUTLAY	30,000.00	0.00	0.00	30,000.00	0.00
Total Dept 536 - WATER EXPENDITURES		184,940.00	52,381.64	6,887.09	132,558.36	28.32
TOTAL EXPENDITURES		184,940.00	52,381.64	6,887.09	132,558.36	28.32
Fund 591 - WATER:						
TOTAL REVENUES		163,841.00	104,793.71	16,561.99	59,047.29	63.96
TOTAL EXPENDITURES		184,940.00	52,381.64	6,887.09	132,558.36	28.32
NET OF REVENUES & EXPENDITURES		(21,099.00)	52,412.07	9,674.90	(73,511.07)	248.41

REVENUE AND EXPENDITURE REPORT FOR TILDEN TOWNSHIP

PERIOD ENDING 10/31/2025

GL NUMBER	DESCRIPTION	2025-26 AMENDED BUDGET	YTD BALANCE 10/31/2025	ACTIVITY FOR MONTH 10/31/2025	AVAILABLE BALANCE	% BDGT USED
Fund 703 - TAX						
Revenues						
Dept 000						
703-000-664.000	INTEREST	0.00	0.00	0.00	0.00	0.00
Total Dept 000		0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES		0.00	0.00	0.00	0.00	0.00
Fund 703 - TAX:						
TOTAL REVENUES		0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES - ALL FUNDS						
		1,983,254.00	994,129.55	43,551.86	989,124.45	50.13
TOTAL EXPENDITURES - ALL FUNDS						
		1,676,387.00	913,053.75	211,677.81	763,333.25	54.47
NET OF REVENUES & EXPENDITURES						
		306,867.00	81,075.80	(168,125.95)	225,791.20	26.42



Marquette County Health Department
Division of Environmental Health
 US 41 East, Negaunee, MI 49866
 Telephone: (906) 475-4195
 Fax: (906) 475-6500

Subdivision/Condominium Site Review Application

Name of Proposed Development: National mine Site Housing Redevelopment

Subdivision X Site Condominium _____ Number of Proposed Units _____

Road/Street 800 Co. Rd. P D J Township Tilden County Marquette

Tax ID(s) 52-16-360-005-00

Section 21 Town 47N Range 27W

Site Developer Tilden Township

Mailing Address 3145 Co Rd PG

City ISHPEMING State MI Zip 49849

Subdivision/Condominium Site Review Fees (circle one)

Onsite Water Only
\$450 + \$25/lot

Onsite Sewage Only
\$450 + \$25/lot

Onsite Water and Sewage
\$845 + \$85/lot

Chloe
Applicant Signature

11/7/25
Date

Other Materials to Include with Application Submittal:

- Notice of Intent to Establish Condominium Project
- Subdivision and Condominium Site Report
- Three copies of engineered site plans

See http://www.co.marquette.mi.us/departments/health_department/environmental_health/land_divisions_subdivisions_and_site_condominiums.php for more information

For office use only:

Total Fee Due _____ Receipt Number _____ Received by _____ Date _____

**GOVERNMENTAL 457(b) PLAN
BASIC PLAN DOCUMENT**

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**SECTION 1
PLAN DEFINITIONS**

This Section contains definitions for common terms that are used throughout the Plan. All capitalized terms under the Plan are defined in this Section or in the relevant section of the Plan document where such term is used.

1.01 **Account.** The separate Account that the Plan Administrator maintains for each Participant under the Plan. A Participant may have any (or all) of the following separate Accounts under the Plan:

- Pre-tax Deferral Account
- Roth Deferral Account
- Employer Contribution Account
- Matching Contribution Account
- Rollover Contribution Account
- Roth Rollover Contribution Account
- In-plan Roth Conversion Account
- Transfer Account

The Plan Administrator will maintain separate Accounts for the vested and non-vested portions of any Account.

The Plan Administrator may establish other Accounts, as it deems necessary, for the proper administration of the Plan.

1.02 **Account Balance.** Account Balance shall mean a Participant's (or Beneficiary's) balances in all of the Accounts that the Plan Administrator maintains for the Participant (or Beneficiary) under the Plan.

1.03 **Adoption Agreement (“Agreement” or “AA”).** The Adoption Agreement contains the elective provisions that an Employer may complete to supplement or modify the provisions under the Plan. Each adopting Employer must complete and execute the Adoption Agreement. Employers adopting the Plan (other than the Employer that executes the Signature Page of the Adoption Agreement) must execute a Participating Employer Adoption Page under the Adoption Agreement (“Participating Employer Adoption Page”). An Employer may adopt more than one Adoption Agreement associated with this Plan document. Each executed Agreement is treated as a separate Plan.

1.04 **Age 50 Catch-Up Contributions.** Salary Deferrals made to the Plan that are in excess of an otherwise applicable Plan limit and that are made by Participants who are age 50 or over by the end of their taxable years. See Section 3.03(d).

1.05 **Age 50 Catch-Up Contribution Limit.** The annual limit applicable to Age 50 Catch-Up Contributions as set forth in Section 3.03(d)(1).

1.06 **Alternate Payee.** A person designated to receive all or a portion of the Participant's benefit pursuant to a QDRO. See Section 11.06.

1.07 **Anniversary Years.** An alternative period for measuring Eligibility Computation Periods (under Section 2.03(a)(2)) and Vesting Computation Periods (under Section 7.04). An Anniversary Year is any 12-month period which commences with the Employee's Employment Commencement Date or which commences with the anniversary of the Employee's Employment Commencement Date.

1.08 **Annuity Starting Date.** The date a Participant commences distribution from the Plan. If a Participant commences distribution with respect to a portion of such Participant's Account Balance, a separate Annuity Starting Date applies to any subsequent distribution. If distribution is made in the form of an annuity, the Annuity Starting Date may be treated as the first day of the first period for which annuity payments are made.

1.09 **Beneficiary.** A person designated by the Participant (or by the terms of the Plan) to receive a benefit under the Plan upon the death of the Participant.

1.10 **Code.** The Internal Revenue Code of 1986, as amended.

1.11 **Collectively Bargained Employee.** An Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining. Such Employees may be excluded from the Plan if designated under AA §3-1(b). See Section 2.02(b)(1) for additional requirements related to the exclusion of Collectively Bargained Employees.

- 1.12 **Computation Period.** The 12-consecutive month period used for measuring whether an Employee completes a Year of Service for eligibility or vesting purposes.
- (a) **Eligibility Computation Period.** The 12-consecutive month period used for measuring Years of Service for eligibility purposes. See Section 2.03(a)(2).
- (b) **Vesting Computation Period.** The 12-consecutive month period used for measuring Years of Service for vesting purposes. See Section 7.04.
- 1.13 **Custodian.** The company(ies) that hold custodial accounts held under the Plan.
- 1.14 **Designated Beneficiary.** A Beneficiary who is designated by the Participant (or by the terms of the Plan) for purposes of the required minimum distribution rules under Code §401(a)(9).
- 1.15 **Differential Pay.** Certain payments made by the Employer to an individual while the individual is performing service in the Uniformed Services.
- 1.16 **Direct Rollover.** A rollover, at the Participant’s direction, of all or a portion of the Participant’s vested Account Balance directly to an Eligible Retirement Plan.
- 1.17 **Disabled.** An individual is considered Disabled for purposes of applying the provisions of this Plan if the individual meets the definition of Disabled elected by the Employer under AA §2-7 or as defined in separate administrative procedures. If the Plan references a third-party determination of a Participant being Disabled, the Plan Administrator may rely on such determination. A Disabled Participant may make Salary Deferrals to the extent such Participant has eligible Plan Compensation to defer and has not had a Severance from Employment.
- 1.18 **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. See Section 9.
- 1.19 **Effective Date.** The date this Plan, including any restatement or amendment of this Plan, is effective. (See the Employer Signature Page of the Adoption Agreement (“Employer Signature Page”).
- 1.20 **Elapsed Time.** A special method for crediting service for eligibility or vesting. See Section 2.03(a)(5) for more information on the Elapsed Time method of crediting service for eligibility purposes and Section 7.03(b) for more information on the Elapsed Time method of crediting service for vesting purposes. Also see Section 3.06 for information on the Elapsed Time method for allocation conditions.
- 1.21 **Eligible Employee.** An Employee who is not excluded from participation under Section 2.02 of the Plan or AA §3-1.
- 1.22 **Eligible Rollover Distribution.** An amount distributed from the Plan that is eligible for rollover to an Eligible Retirement Plan, as defined under Section 8.09(a) of the Plan.
- 1.23 **Eligible Retirement Plan.** A plan described under Section 8.09(b) of the Plan.
- 1.24 **Employee.** An Employee is any individual employed by the Employer (including any Related Employer). An Independent Contractor is not an Employee. An Employee is not eligible to participate under the Plan if the individual is not an Eligible Employee under Section 2.02. The term Employee does not include a leased employee.
- 1.25 **Employer.** Except as otherwise provided, Employer means the Employer that adopts this Plan and any Related Employer. (See Section 16 of the Plan for rules that apply to Employers that execute a Participating Employer Adoption Page.) The Employer must be a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, as provided under Code §457(e)(1)(A).
- 1.26 **Employer Contributions.** Contributions the Employer makes pursuant to AA §6. See Section 3.02.
- 1.27 **Employment Commencement Date.** The date the Employee first performs an Hour of Service for the Employer.
- 1.28 **Entry Date.** The date on which an Employee becomes a Participant upon satisfying the Plan’s minimum age and service conditions. See Section 2.03(b).
- 1.29 **Equivalency Method.** An alternative method for crediting Hours of Service for purposes of eligibility and vesting. See Section 2.03(a)(4) for eligibility provisions and Section 7.03(a)(2) for vesting provisions.

- 1.30 **Excess Amount.** Amounts which exceed the Code §457(b) Maximum Contribution Limit.
- 1.31 **FICA Replacement Plan.** This Plan may qualify as a FICA Replacement Plan under Code §3121(b)(7)(F) if the requirements under Section 3.08 are satisfied.
- 1.32 **Governmental Plan.** A Governmental Plan is a Plan established and maintained for its Employees by a State, and any agency or instrumentality of a State or political subdivision of a State as described in Code §457(e)(1)(A).
- 1.33 **Hour of Service.** Each Employee of the Employer will receive credit for each Hour of Service such Employee works for purposes of applying the eligibility, vesting and allocation rules under the Plan. An Employee will not receive credit for the same Hour of Service under more than one category listed below.
- (a) **Performance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer. These hours will be credited to the Employee for the computation period in which the duties are performed.
 - (b) **Nonperformance of duties.** Hours of Service include each hour for which an Employee is paid, or entitled to payment, by the Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 hours of service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single Computation Period). Hours under this paragraph will be calculated and credited pursuant to §2530.200b-2 of the Department of Labor Regulations which is incorporated herein by this reference.
 - (c) **Back pay award.** Hours of Service include each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Employer. The same Hours of Service will not be credited both under subsection (a) or subsection (b), as the case may be, and under this subsection (c). These hours will be credited to the Employee for the Computation Period(s) to which the award or agreement pertains rather than the Computation Period in which the award, agreement or payment is made.
 - (d) **Related Employers.** Hours of Service will be credited for employment with any Related Employer.
- 1.34 **Includible Compensation.** As used under this Plan, the term Includible Compensation has the same meaning as Total Compensation, as defined in Section 1.61 of the Plan.
- 1.35 **Independent Contractor.** An individual that provides goods or services to the Employer under terms specified in a contract or within some other type of agreement. Generally, an individual is an Independent Contractor if the Employer has the right to control or direct only the result of the individual's work and not what will be done and how it will be done. An Independent Contractor is not an Employee unless designated otherwise under AA §3-2.
- 1.36 **Matching Contributions.** Matching Contributions are contributions made by the Employer on behalf of a Participant on account of Salary Deferrals made by such Participant, as designated under AA §6B.
- 1.37 **Maximum Contribution Limit.** The limit on contributions made to the Plan as described under Section 5 of the Plan.
- 1.38 **Normal Retirement Age.** The age selected under AA §7-1.
- 1.39 **Part-Time Employee.** Unless defined otherwise under AA §3-1(l), a Part-Time Employee is an Employee who is normally scheduled to work 20 or fewer hours per week. Notwithstanding the foregoing, if the Employer is a post-secondary educational institution, an Employee who is a teacher shall not be considered a Part-Time Employee if such Employee normally has classroom hours of one-half or more of the number of classroom hours designated by the Employer as constituting full-time employment, provided that such designation is reasonable under all of the facts and circumstances.
- 1.40 **Participant.** Except as provided under AA §3-1, a Participant is an Employee (or former Employee) who has satisfied the conditions for participating under the Plan, as described in Section 2.03 and AA §4-1. A Participant also includes any Employee (or former Employee) who has an Account Balance under the Plan, including an Account Balance derived from a rollover or transfer from another plan or IRA. A Participant is entitled to share in an allocation of contributions or forfeitures under the Plan for a given year only if the Participant is an Eligible Employee as defined in Section 2.02, and satisfies the allocation conditions set forth in Section 3.06.

An Employee is treated as a Participant with respect to Salary Deferrals once the Employee has satisfied the eligibility conditions under AA §4-1 for making such contributions, even if the Employee chooses not to actually make such contributions

to the Plan. An Employee is treated as a Participant with respect to Matching Contributions once the Employee has satisfied the eligibility conditions under AA §4-1 for receiving such contributions, even if the Employee does not receive a Matching Contribution because of the Employee's failure to make contributions eligible for the Matching Contribution.

- 1.41 **Participating Employer.** An Employer that adopts this Plan by executing the Participating Employer Adoption Page. See Section 16 for the rules applicable to Participating Employers.
- 1.42 **Period of Severance.** A continuous period of time during which the Employee is not employed by the Employer, and which is used to determine an Employee's Participation under the Elapsed Time method. See Section 2.03(a)(5) for rules regarding eligibility and Section 7.03(b) for rules regarding vesting.
- 1.43 **Plan.** The Plan is the deferred compensation plan, established or continued by the Employer for the benefit of its Employees under this Plan document, which is to be interpreted and operated in compliance with the requirements of Code §457(b) and applicable regulations. The Employer must be an eligible employer under Code §457(e)(1)(A) to establish the Plan and the Plan must satisfy the requirements of Treas. Reg. 1.457(b). The Plan consists of the Basic Plan Document (BPD) and the elections made under the Adoption Agreement. The Basic Plan Document is the portion of the Plan that contains the non-elective provisions. The Employer may supplement or modify the Basic Plan Document through its elections in the Adoption Agreement or by separate governing documents. If the Employer adopts more than one Adoption Agreement under this Plan, then each executed Adoption Agreement represents a separate Plan.
- 1.44 **Plan Administrator.** The Plan Administrator is the person designated to be responsible for the administration and operation of the Plan. Unless otherwise designated by the Employer, the Plan Administrator is the Employer. If another Employer has executed a Participating Employer Adoption Page, the Employer referred to in this Section is the Employer that executes the Employer Signature Page.
- 1.45 **Plan Compensation.** Plan Compensation is Total Compensation, as modified under AA §5-3, which is actually paid to an Employee during the determination period (as defined in subsection (a) below). In determining Plan Compensation, the Employer may elect under AA §5-3 to exclude all Salary Deferrals, pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4). In addition, the Employer may elect under AA §5-3 to exclude other designated elements of compensation.
- Plan Compensation generally includes amounts an Employee earns with a Participating Employer and amounts earned with a Related Employer (even if the Related Employer has not executed a Participating Employer Adoption Page). However, the Employer may elect under AA §5-3(j) to exclude all amounts earned with a Related Employer that has not executed a Participating Employer Adoption Page.
- (a) **Determination period.** Unless designated otherwise under AA §5-4(a), Plan Compensation is determined based on the Plan Year. Alternatively, the Employer may elect under AA §5-4 to determine Plan Compensation on the basis of the calendar year ending in the Plan Year or any other 12-month period ending in the Plan Year. If the determination period is the calendar year or other 12-month period ending in the Plan Year, for any Employee whose date of hire is less than 12 months before the end of the designated 12-month period, Plan Compensation will be determined over the Plan Year.
- (b) **Partial period of participation.** If an Employee is a Participant for only part of a Plan Year, Plan Compensation may be determined over the entire Plan Year or over the period during which such Employee is a Participant. In determining whether an Employee is a Participant for purposes of applying this subsection (b), the Employee's status will be determined solely with respect to the contribution type for which the definition of Plan Compensation is being determined. Plan Compensation does not include any amounts paid for any period while an individual is not an Eligible Employee (as defined in Section 2.02).
- 1.46 **Plan Year.** The 12-consecutive month period designated under AA §2-4 on which the records of the Plan are maintained.
- 1.47 **Pre-Tax Deferrals.** Pre-Tax Deferrals are a Participant's Salary Deferrals that are not includible in the Participant's gross income at the time deferred.
- 1.48 **Predecessor Employer.** An employer that previously employed the Employees of the Employer.
- 1.49 **Qualified Domestic Relations Order (ODRO).** A domestic relations order that provides for the payment of all or a portion of the Participant's benefits to an Alternate Payee and satisfies the requirements under Code §414(p). See Section 11.06.
- 1.50 **Reemployment Commencement Date.** The first date upon which an Employee is credited with an Hour of Service following a break in employment service (or Period of Severance, if the Plan is using the Elapsed Time method of crediting service).

- 1.51 **Related Employer.** A Related Employer means a controlled group of employers under common control. This determination is made consistent with the principles set forth under Treas. Reg. §1.414(c)-5 and any other guidance issued by the IRS relating to control groups of tax-exempt or governmental employers. For purposes of applying the provisions under this Plan, the Employer and any Related Employers are treated as a single Employer, unless specifically stated otherwise. See **Section 16.05** for operational rules that apply when the Employer is a member of a Related Employer group. Also see **Section 2.02(c)** or **Section 16** for rules regarding participation of Employees of Related Employers.
- 1.52 **Required Beginning Date.** The date by which minimum distributions must commence under the Plan. See **Section 9.03(f)**.
- 1.53 **Rollover Contribution.** A contribution made by an Employee to the Plan attributable to an Eligible Rollover Distribution, as defined under **Section 8.09(a)** of the Plan. See Section 3.05 for rules regarding the acceptance of Rollover Contributions under this Plan.
- 1.54 **Roth Deferrals.** Roth Deferrals are Salary Deferrals that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Deferrals in the Participant's Salary Reduction Agreement. A Participant's Roth Deferrals will be maintained in a separate Account containing only the Participant's Roth Deferrals and gains and losses attributable to those Roth Deferrals.
- 1.55 **Salary Deferrals.** Amounts contributed to the Plan at the election of the Participant, in lieu of cash compensation, which are made pursuant to a Salary Reduction Agreement or other deferral mechanism, and which are not includible in the gross income of the Employee pursuant to Code §457. Salary Deferrals may include Roth Deferrals and Pre-Tax Deferrals.
- 1.56 **Salary Reduction Agreement.** A written agreement between a Participant and the Employer, whereby the Participant elects to have a specific percentage or dollar amount withheld from such Participant's Plan Compensation and the Employer agrees to contribute such amount into the 457(b) Plan. See Section 3.03(a).
- 1.57 **Seasonal Employee.** An Employee who normally works on a full-time basis less than five months during any year.
- 1.58 **Severance from Employment.** The Employee ceases to be employed by the Employer maintaining the Plan due to death, retirement or other severance from employment as provided under Treas. Reg. §1.457-6(b)(1). An Independent Contractor is considered to have a Severance from Employment upon the expiration of the contract under which the services are performed as provided under Treas. Reg. §1.457-6(b)(2). An Independent Contractor will be deemed to have a Severance from Employment if: (1) no amount will be paid from the Plan before a date that is at least 12 months after the contract expires, and (2) no amount payable to the Participant on the date described in (1) is paid if, before such date, the Participant performs services for the employer as an Independent Contractor or as an Employee.
- 1.59 **Special 457 Catch-Up Contributions.** A special catch-up contribution allowed for certain Employees as permitted under Code §457(b)(3) and described under **Section 5.04**.
- 1.60 **Temporary Employee.** Any Employee performing services under a contractual arrangement with the Employer of two years or less duration. Possible contract extensions may be considered in determining the duration of a contractual arrangement, but only if, under the facts and circumstances, there is a significant likelihood that the Employee's contract will be extended. Future contract extensions are considered significantly likely to occur for purposes of this rule if:
- (a) on average 80 percent of similarly situated Employees have had bona fide offers to renew their contracts in the immediately preceding two academic or calendar years; or
 - (b) the Employee with respect to whom the determination is being made has a history of contract extensions with respect to such Employee's current position.
- An Employee is not considered a Temporary Employee solely because such Employee is included in a unit of Employees covered by a collective bargaining agreement of two years or less duration.
- 1.61 **Total Compensation.** A Participant's compensation for services with the Employer. The term Total Compensation as used in this Plan has the same meaning as "includible compensation" as defined under Treas. Reg. §1.457-2(g). As used under this Plan, the terms Total Compensation and Includible Compensation have the same meaning. Total Compensation may be defined in AA §5-1 to be either W-2 Wages, Wages under Code §3401(a), or Code §415 Compensation. Each definition of Total Compensation includes Salary Deferrals, elective contributions to a cafeteria plan under Code §125 or to an eligible deferred compensation plan under Code §401(k) or Code §403(b), and elective contributions that are not includible in the Employee's gross income as a qualified transportation fringe under Code §132(f)(4). In the case of a Participant who for a taxable year excludes from gross income under Code §131 a qualified foster care payment which is a difficulty of care payment, the

Participant's Total Compensation shall be increased by the amount of the excludable difficulty of care payments made by the Employer.

For an Independent Contractor, Total Compensation means the income reportable by the Employer for services performed for the Employer by the Independent Contractor.

Unless described otherwise under AA §5-3(k), a reference to elective contributions under a Code §125 cafeteria plan includes any amounts that are not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that such Participant has other health coverage. Such "deemed §125 compensation" will be treated as an amount under Code §125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(a) **Definition of Total Compensation.** The Employer may elect under AA §5-1 to define Total Compensation as any of the following definitions:

- (1) **W-2 Wages.** Wages within the meaning of Code §3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code §6041(d), 6051(a)(3), and 6052, determined without regard to any rules under Code §3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed.
- (2) **Wages under Code §3401(a).** Wages within the meaning of Code §3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed.
- (3) **Code §415 Compensation.** Wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with the Employer (without regard to whether or not such amounts are paid in cash) to the extent that the amounts are includible in gross income. Such amounts include, but are not limited to, commissions, compensation for services on the basis of a percentage of profits, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. §1.62-2(c)), and excluding the following:
 - (i) Employer contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer contributions (other than Salary Deferrals) under a Simplified Employee Pension Plan (as described in Code §408(k)), or any distributions from a plan of deferred compensation.
 - (ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture.
 - (iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option.
 - (iv) Other amounts which received special tax benefits, or contributions made by the Employer (other than elective deferrals) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

(b) **Post-Severance Compensation.** Total Compensation includes compensation that is paid after an Employee severs employment with the Employer, provided the compensation is paid by the later of 2½ months after severance from employment with the Employer maintaining the Plan or the end of the calendar year that includes such date of severance from employment. For this purpose, compensation paid after severance of employment may only be included in Total Compensation to the extent such amounts would have been included as compensation if they were paid prior to the Employee's severance from employment.

For purposes of applying this subsection (b), unless designated otherwise under AA §5-2(a), the following amounts that are paid after a Participant's Severance from Employment are included in Total Compensation:

- (1) **Regular pay.** Compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments;

- (2) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued; and
- (3) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

Other post-severance payments (such as severance pay, parachute payments within the meaning of Code §280G(b)(2), or post-severance payments under a nonqualified unfunded deferred compensation plan that would not had been paid if the Employee had continued in employment) are not included as Total Compensation, even if such amounts are paid within the time period described in this subsection (b).

In determining the amount of a Participant's Employer Contributions, Matching Contributions or Salary Deferrals, Plan Compensation may not include any amounts that do not satisfy the requirements of this subsection (b) or subsection (c). If Total Compensation is defined to include post-severance compensation, the Employer may elect to exclude all such compensation paid after severance from employment from the definition of Plan Compensation under AA §5-3(l) or may elect to exclude any of the specific types of post-severance compensation defined in subsections (1), (2) and/or (3) above, by designating such compensation types under AA §5-3(n).

- (c) **Continuation payments for disabled Participants.** Unless designated otherwise under AA §5-2(b), Total Compensation does not include compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)). For this purpose, compensation is the compensation the Participant would have received for the year if the Participant was paid at the rate of compensation paid immediately before becoming permanently and totally disabled (if such compensation is greater than the Participant's compensation determined without regard to this subsection (c)), provided contributions made with respect to amounts treated as compensation under this subsection (c) are nonforfeitable when made.

If elected under AA §5-2(b), such amounts will be included as Total Compensation, notwithstanding the rules under subsection (b).

- (d) **Deemed §125 compensation.** A reference to elective contributions under a Code §125 cafeteria plan includes any amounts that are not available to a participant in cash in lieu of group health coverage because the Participant is unable to certify that such Participant has other health coverage. Such deemed §125 compensation will be treated as an amount under Code §125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan. If the Employer elects under AA §5-3(k) to exclude deemed §125 compensation from the definition of Plan Compensation, such exclusion also will apply for purposes of determining Total Compensation under this **Section 1.61**.
- (e) **Differential Pay.** In the case of an individual who receives Differential Pay from the Employer:
 - (1) such individual will be treated as an Employee of the Employer making the payment, and
 - (2) the Differential Pay shall be treated as wages and will be included in calculating an Employee's Total Compensation under the Plan.

If all Employees performing service in the Uniformed Services are entitled to receive Differential Pay on reasonably equivalent terms and are eligible to make contributions based on the payments on reasonably equivalent terms, the Plan shall not be treated as failing to meet the requirements of any provision described in Code §414(u)(1)(C) by reason of any contribution or benefit based on Differential Pay. The Employer may elect to exclude Differential Pay from the definition of Plan Compensation under AA §5-3(m).

For purposes of this subsection (d), Differential Pay means any payment which is made by an Employer to an individual while the individual is performing service in the Uniformed Services while on active duty for a period of more than 30 days and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing services for the Employer. In applying the provisions of this subsection (d), Uniformed Services are services as described in Code §3401(h)(2)(A).

- 1.62 Valuation Date.** The date or dates upon which Plan assets are valued. Plan assets will be valued as of the last day of each Plan Year. In addition, the Employer may elect under AA §10-1 to establish additional Valuation Dates. Notwithstanding any election under AA §10-1, the Trustee and the Employer and/or the Plan Administrator may agree to more frequent valuation dates.

1.63 **Year of Service.** A Year of Service is a 12-consecutive month period (“Computation Period”) during which an Employee completes 1,000 Hours of Service. For purposes of applying the eligibility rules under Section 2.03 of the Plan, an Employee will earn a Year of Service if such Employee completes 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in Section 2.03(a)(2)). For purposes of applying the vesting rules under Section 7.03, an Employee will earn a Year of Service if such Employee completes 1,000 Hours of Service with the Employer during a Vesting Computation Period (as defined in Section 7.04). The Employer may elect under AA §4-3(a) (for eligibility purposes) and AA §8-5(a) (for vesting purposes) to require the completion of any other number of Hours of Service to earn a Year of Service. Alternatively, the Employer may elect to apply the Elapsed Time method (for eligibility and/or vesting purposes) in calculating an Employee’s Years of Service under the Plan.

SECTION 2
ELIGIBILITY AND PARTICIPATION

- 2.01** **Eligibility.** In order to participate in the Plan, an Employee must be an Eligible Employee (as defined in Section 2.02) and must satisfy the Plan's minimum age and service conditions (as defined in Section 2.03). Once an Employee satisfies the Plan's minimum age and service conditions, such Employee shall become a Participant on the appropriate Entry Date (as selected in AA §4-2). An Employee who meets the minimum age and service requirements set forth herein, but who is not an Eligible Employee, will be eligible to participate in the Plan only upon becoming an Eligible Employee.
- (a) **Salary Deferrals.** An Employee who is not excluded from participation under Section 2.02(b) will become an Eligible Participant under the Plan for purposes of making Salary Deferrals as of the Entry Date elected in the Agreement following the satisfaction of the age and service conditions specified in AA §4-1. The Employer will contribute a Participant's Salary Deferrals to the Plan on behalf of the Participant. To be eligible to make Salary Deferrals, an Eligible Participant must complete a Salary Reduction Agreement. A Salary Reduction Agreement election is not effective unless the Participant enters into the Agreement before the Plan Compensation to which it applies is paid or made available.
- (b) **Employer Contributions and Matching Contributions.** An Employee who is not excluded from participation under Section 2.02(b) will become an Eligible Participant under the Plan for purposes of receiving Employer Contributions and Employer Matching Contributions (as applicable) as of the Entry Date elected in the Agreement following the satisfaction of the age and service conditions specified in AA §4-1.
- 2.02** **Eligible Employees.** Unless specifically excluded under AA §3-1 or this Section 2.02, all Employees of the Employer are Eligible Employees. AA §3-1 lists various classes of Employees that may be excluded from Plan participation. If an Employee is not an Eligible Employee (e.g., such Employee is a member of a class of Employees excluded under AA §3-1), that individual may not participate under the Plan, unless such Employee subsequently becomes an Eligible Employee.
- (a) **Only Employees or Independent Contractors may participate in the Plan.** To participate in the Plan, an individual must be an Employee or, if elected under the Adoption Agreement, an Independent Contractor. If an Employer elects to cover Independent Contractors, such Independent Contractors will be treated as an Employee under the Plan. The Employer may describe special rules applicable to Independent Contractors under AA §3-2(b). If an individual who is classified as a non-Employee is later determined by the Employer, or by a court or other government agency, to be an Employee of the Employer, the reclassification of such individual as an Employee will not create retroactive rights to participate in the Plan. A leased employee is not eligible to participate in the Plan.
- (b) **Excluded Employees.** The Employer may elect under AA §3-1 to exclude designated classes of Employees. The Employer may elect to exclude different classes of Employees for different contribution sources under the Plan.
- (1) **Collectively Bargained Employees.** The Employer may elect under AA §3-1(b) to exclude Collectively Bargained Employees, unless the Collective Bargaining Agreement provides otherwise. For this purpose, a Collectively Bargained Employee is an Employee who is included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives and whose retirement benefits are subject to good faith bargaining.
- (2) **Nonresident aliens.** The Employer may elect under AA §3-1(c) to exclude Employees who are nonresident aliens. For this purpose, a nonresident alien is neither a citizen of the United States nor a resident of the United States for U.S. tax purposes (as defined in Code §7701(b)), and who does not have any earned income (as defined in Code §911) for the Employer that constitutes U.S. source income (within the meaning of Code §861). If a nonresident alien Employee has U.S. source income, such Employee is treated as satisfying this definition if all of such Employee's U.S. source income from the Employer is exempt from U.S. income tax under an applicable income tax treaty.
- (3) **Employees who normally work fewer than a certain number of hours per week.** The Employer may elect under AA §3-1(d) to exclude Employees who normally work fewer than a certain number of hours per week.
- (c) **Employees of Related Employers.** If the Employer is a member of a Related Employer group, Employees of each member of the Related Employer group may participate under this Plan, provided the Related Employer executes a Participating Employer Adoption Page. If a Related Employer does not execute a Participating Employer Adoption Page, any Employees of such Related Employer are not eligible to participate in the Plan. See **Section 16** for rules regarding participation of Employees of Related Employers.
- (d) **Ineligible Employee becomes Eligible Employee.** If an Employee changes status from an ineligible Employee to an

Eligible Employee, such Employee will become a Participant immediately on the date such Employee changes status to an Eligible Employee, provided the Employee has satisfied the Plan's minimum age and service conditions (with respect to Employer Contributions) and has passed the Entry Date (as defined in AA §4-2) that would otherwise have applied had the Employee been an Eligible Employee. If the Employee's original Entry Date (determined as if the Employee was always an Eligible Employee) has not passed as of the date the Employee becomes an Eligible Employee, the Employee will not become a Participant until such Entry Date. If an ineligible Employee has not satisfied the Plan's minimum age and service conditions applicable to Employer Contributions at the time such Employee becomes an Eligible Employee, such Employee will become a Participant on the appropriate Entry Date following satisfaction of the Plan's minimum age and service requirements. The requirements for the timing of participation under this subsection (d) are deemed satisfied with respect to Salary Deferrals if the Employee is permitted to commence making Salary Deferrals under the Plan as soon as administratively feasible after the Employee is eligible to participate in the Plan. The Employer may modify these rules under AA §4-3(e) of the Plan or in separate written procedures.

- (e) **Eligible Employee becomes ineligible Employee.** If an Employee ceases to qualify as an Eligible Employee (i.e., the Employee changes status from an eligible class to an ineligible class of Employees), such Employee will immediately cease to participate in the Plan. If such Employee should subsequently become an Eligible Employee, such Employee will be able to participate in the Plan in accordance with subsection (d) above.

2.03 Minimum Age and Service Conditions. AA §4-1 contains specific elections as to the minimum age and service conditions which an Employee must satisfy prior to becoming eligible to participate under the Plan.

- (a) **Application of age and service conditions.** The Employer may elect under AA §4-1 to impose minimum age and service conditions that an Employee must satisfy in order to participate under the Plan.
 - (1) **Year of Service.** In applying the minimum service requirements under AA §4-1, an Employee will earn a Year of Service if the Employee completes at least 1,000 Hours of Service with the Employer during an Eligibility Computation Period (as defined in subsection (2) below). The Employer may modify the definition of Year of Service under AA §4-3(a) to require some other number of Hours of Service to earn a Year of Service. An Employee will receive credit for a Year of Service, as of the end of the Eligibility Computation Period during which the Employee completes the required Hours of Service needed to earn a Year of Service. An Employee need not be employed for the entire Eligibility Computation Period to receive credit for a Year of Service, provided the Employee completes the required Hours of Service during such period.
 - (2) **Eligibility Computation Periods.** In determining whether an Employee has earned a Year of Service for eligibility purposes, an Employee's initial Eligibility Computation Period is the 12-month period beginning on the Employee's Employment Commencement Date. Subsequent Eligibility Computation Periods will either be based on Plan Years or Anniversary Years (as set forth in AA §4-3).
 - (i) **Plan Years.** If the Employer elects under AA §4-3 to base subsequent Eligibility Computation Periods on Plan Years, the Plan will begin measuring Years of Service on the basis of Plan Years beginning with the first Plan Year commencing after the Employee's Employment Commencement Date. Thus, for the first Plan Year following the Employee's Employment Commencement Date, the initial Eligibility Computation Period and the first Plan Year Eligibility Computation Period may overlap.
 - (ii) **Anniversary Years.** If the Employer elects under AA §4-3 to base subsequent Eligibility Computation Periods on Anniversary Years, the Plan will measure Years of Service after the initial Eligibility Computation Period on the basis of 12-month periods commencing with the anniversaries of the Employee's Employment Commencement Date.
 - (3) **Hours of Service.** In calculating an Employee's Hours of Service for purposes of applying the eligibility rules under this Section 2.03, the Employer will count the actual Hours of Service an Employee works during the year. The Employer may elect under AA §4-3(c) or (d) to use the Equivalency Method or Elapsed Time method (instead of counting the actual Hours of Service an Employee works). (See subsections (4) and (5) below for a description of the Equivalency Method and Elapsed Time method of crediting service.)
 - (4) **Equivalency Method.** Instead of counting actual Hours of Service in applying the minimum service conditions under this Section 2.03, the Employer may elect under AA §4-3(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period or hours worked with the Employer.

- (i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.
 - (ii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.
 - (iii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.
 - (iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.
 - (v) **Hours worked.** Under the hours worked Equivalency method, 870 hours worked is treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service.
 - (vi) **Regular time hours.** Under the regular time hours Equivalency Method, 750 regular time hours is treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.
- (5) **Elapsed Time method.** Instead of counting actual Hours of Service in applying the minimum service requirements under this Section 2.03, the Employer may elect under AA §4-3(c) to apply the Elapsed Time method for calculating an Employee's service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee's first day of employment (or Reemployment Commencement Date, if applicable) and ending on the date the Employee begins a Period of Severance which lasts at least 12 consecutive months. In calculating an Employee's aggregate period of service, an Employee receives credit for any Period of Severance that lasts less than 12 consecutive months. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days or months, as the Plan Administrator determines operationally on a consistent basis.
- (i) **Period of Severance.** For purposes of applying the Elapsed Time method, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge.

In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child of the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.
 - (ii) **Related Employers.** For purposes of applying the Elapsed Time method, service will be credited for employment with any Related Employer.
- (6) **Amendment of age and service requirements.** If the Plan's minimum age and service conditions are amended, an Employee who is a Participant immediately prior to the effective date of the amendment is deemed to satisfy the amended requirements. This provision may be modified under the special Effective Date provisions under Appendix A of the Adoption Agreement.
- (b) **Entry Dates for Salary Deferrals, Employer Contributions and Matching Contributions.** Once an Eligible Employee satisfies the minimum age and service conditions (as set forth in AA §4-1), the Employee will be eligible to participate under the Plan as of such Employee's Entry Date (as set forth in AA §4-2). The Employer may elect different Entry Dates with respect to Salary Deferrals, Matching Contributions and Employer Contributions.

2.04 Participation on Effective Date of Plan. An Employee who has satisfied the minimum age and service conditions and reached such Employee's Entry Date as of the Effective Date of the Plan will be eligible to participate in the Plan as of such Effective Date. If an Employee has satisfied the minimum age and service conditions as of the Effective Date of the Plan but has not yet reached such Employee's Entry Date, the Employee will be eligible to participate on the appropriate Entry Date. The Employer

may modify this rule under AA §4-4 by electing to treat all Employees employed on the Effective Date of the Plan as Participants (regardless of whether they have satisfied the Plan's minimum age and service conditions) or by designating a specific date as of which all Eligible Employees will be deemed to be a Participant, (regardless of whether the Employee has otherwise satisfied the minimum age and service conditions).

- 2.05 Service with Predecessor Employers.** Unless the Employer elects otherwise, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for eligibility purposes under this Section 2, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer for eligibility. If the Employer takes into account service with a Predecessor Employer, such service will count for purposes of eligibility under this Section 2, vesting under Section 7 (see Section 7.06) and for purposes of the allocation conditions under Section 3.06 (see Section 3.07), as designated under AA §4-5.
- 2.06 Rehired Employees.** If a terminated Employee is subsequently rehired, such Employee will be eligible to participate in the Plan on such Employee's Reemployment Commencement Date, if the Employee is an Eligible Employee and the Employee had satisfied the Plan's minimum age and service conditions prior to such Employee's termination of employment. If a rehired Employee had not satisfied the Plan's minimum age and service conditions prior to termination of employment, such Employee is eligible to participate in the Plan on the appropriate Entry Date following satisfaction of the eligibility requirements under this Section 2. The Employer may modify the eligibility rules for rehired Employees under separate administrative procedures.

SECTION 3
PLAN CONTRIBUTIONS

This Section 3 describes the type of contributions that may be made to the Plan. The type of contributions that may be made to the Plan and the method for allocating such contributions may vary depending on the type of Plan involved. (See Section 5 for a discussion of the limits that apply to any contributions made under the Plan.)

3.01 Types and Timing of Contributions.

- (a) **Types of Contributions.** An Employer may designate under AA §6 the amount and type of contributions that may be made under this Plan. To share in a contribution under the Plan, an Employee must satisfy all of the conditions for being a Participant (as described in Section 2) and must satisfy any allocation conditions (as described in Section 3.06) applicable to the particular type of contribution.
- (b) **Timing of Contributions.** The Employer must make contributions to the Plan within a reasonable period of time for the proper administration of the Plan.
- (c) **Frozen Plan.** The Employer may designate under AA §2-6 that the Plan is a frozen Plan. As a frozen Plan, the Employer will not make any Employer Contributions or Matching Contributions with respect to Plan Compensation earned after the date identified in AA §2-6 and no Participant will be permitted to make Salary Deferrals to the Plan for any period after the date identified in AA §2-6. The Plan Administrator may establish administrative policies relating to a frozen plan, including the acceptance of Rollover Contributions into the Plan.

3.02 Employer Contribution Formulas. If elected under AA §6, the Employer may make an Employer Contribution to the Plan, in accordance with the contribution formula selected under AA §6-2. Any Employer Contribution authorized under the Plan must be allocated in accordance with a definite allocation formula as set forth in AA §6-3. To receive an allocation of Employer Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described in Section 3.06 below.

The Employer may elect under AA §6-2 to make any of the following Employer Contributions. If the Employer elects more than one Employer Contribution formula, each formula is applied separately. The Employer's aggregate Employer Contribution for a Plan Year will be the sum of the Employer Contributions under all such formulas.

- (a) **Discretionary Employer Contribution.** If elected in AA §6-2(a), the Employer may decide on an annual basis how much (if any) it wishes to contribute to the Plan as an Employer Contribution.
- (b) **Fixed Employer Contribution.** If elected in AA §6-2(b), the Employer will make a fixed contribution to the Plan as a designated percentage of Plan Compensation, as a uniform dollar amount or in accordance with a personal service contract, employment contract, or a Collective Bargaining Agreement.
- (c) **Service-based Employer Contribution.** If elected in AA §6-2(c), the Employer may make a contribution based on an Employee's service with the Employer during the Plan Year (or other period designated under AA §6-4(a)). The Employer may elect to make the service-based contribution as a discretionary contribution or as a fixed contribution.
- (d) **Other Employer Contributions.** The Employer may make other types of Employer Contributions, including FICA Replacement Contributions, as described in AA §§6-2(d) and (e).
- (e) **Optional treatment of Employer Contributions as Roth Deferrals.** As provided under §402A(a)(2) as added by the SECURE 2.0 Act of 2022 (SECURE 2.0), if elected by the Employer under AA §6-6, a Participant may elect to treat a nonforfeitable Employer Contribution as a Roth Deferral. The Plan Administrator may adopt administrative procedures consistent with Code §402A(a)(2) and applicable guidance.

3.03 Salary Deferrals. The Employer may elect under AA §6A to authorize Participants to make Salary Deferrals under the Plan. The Employer will transfer Salary Deferral amounts withheld from a Participant's Plan Compensation to the Trust within a reasonable period appropriate for the proper administration of Participant's Accounts. Such amounts withheld will be deposited into each Participant's Salary Deferral Account under the Plan.

- (a) **Salary Reduction Agreement.** In order to make Salary Deferrals under the Plan, a Participant must enter into a Salary Reduction Agreement which authorizes the Employer to withhold a specific dollar amount or a specific percentage from the Participant's Plan Compensation. The Salary Reduction Agreement election may permit a Participant to specify a different percentage or dollar amount be withheld from specified components of Plan Compensation, such as base pay, bonuses, commissions, etc. The Employer may apply special limits on the amount of Salary Deferrals that may be deferred from bonus payments under AA §6A-2(b) or may apply special deferral limits applicable to bonus payments

under the Salary Reduction Agreement, without regard to any limitations selected under the Adoption Agreement. In addition, the Salary Reduction Agreement may provide the conditions on which a Participant's affirmative Salary Reduction Agreement election will expire. If an Employee's Salary Reduction Agreement election expires, such Participant can always complete a new affirmative election and designate a new deferral percentage. If a Participant's affirmative election expires, the Salary Reduction Agreement may provide that the Participant's expiring Salary Reduction Agreement election remains in effect and may increase by a designated amount unless the Participant affirmatively elects otherwise. A Salary Reduction Agreement may only relate to Plan Compensation that is not currently available at the time the Salary Reduction Agreement is completed.

A Salary Reduction Agreement is not effective unless the Participant enters into the Agreement before the date the compensation subject to such Salary Reduction Agreement would otherwise be paid to the Participant.

With respect to rehired Employees who are eligible to participate in the Plan, such Employees must enter into a new Salary Reduction Agreement upon reemployment. The Plan Administrator may revise this requirement under its administrative procedures.

- (b) **Change in Salary Reduction Agreement election.** An Employee is permitted to enter into a new Salary Reduction Agreement or to modify or terminate an existing Salary Reduction Agreement as provided under administrative procedures or as specified in the Salary Reduction Agreement. A change in a Salary Reduction Agreement election is not effective unless the Participant changes the Salary Reduction Agreement before the Plan Compensation to which it applies is paid or made available.
- (c) **Automatic deferral election.** The Employer may elect under AA §6A-7 to provide for an automatic deferral election under the Plan. If the Employer elects to apply an automatic deferral election, the Employer will automatically withhold the amount designated under AA §6A-7 from Participants' Plan Compensation, unless the Participant completes a Salary Reduction Agreement electing a different deferral amount (including a zero deferral amount). If an automatic deferral election applies under the Plan, such election will not apply to Participants who have entered into a Salary Reduction Agreement for an amount equal to or greater than the automatic deferral amount designated under AA §6A-7. The Employer also may elect to apply the automatic deferral election only to Participants who become eligible to participate after a specified date. Any Salary Deferrals withheld pursuant to an automatic deferral election will be deposited into the Participant's Salary Deferral Account. If a Participant's Salary Reduction Agreement expires and the Participant fails to complete a new affirmative Salary Reduction Agreement subsequent to the prior Salary Reduction Agreement expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. (See AA §6A-7(a)(3)(iv).) Each year, the Participant may always complete a new affirmative election and designate a new deferral percentage.

The Plan may provide under AA §6A-7 that the automatic deferral amount will automatically increase by a designated percentage or dollar amount each Plan Year, as described below.

Prior to the time an automatic deferral election first goes into effect, the Participant must receive written notice concerning the effect of the automatic deferral election and such Participant's right to elect a different level of deferral under the Plan, including the right to elect not to defer. After receiving the notice, a Participant must have a reasonable time to enter into a new Salary Reduction Agreement before any automatic deferral election goes into effect.

- (1) **Eligible Automatic Contribution Arrangement (EACA).** To the extent an Automatic Contribution Arrangement satisfies the requirements of an EACA for a Plan Year, as set forth below, such Automatic Contribution Arrangement will automatically qualify as an EACA for purposes of applying the special rules applicable to EACAs described in subsection (3) below. If an Automatic Contribution Arrangement does not satisfy the requirement for an EACA for an entire Plan Year, the Automatic Contribution Arrangement will not be eligible for the special EACA provisions under subsection (3) for such Plan Year. However, the Automatic Contribution Arrangement continues to apply for such Plan Year.
- (2) **Definition of Eligible Automatic Contribution Arrangement (EACA).** The Plan will qualify as an EACA if the Plan provides for an automatic deferral election (as described in subsection (i)) and provides an annual written notice as described in subsection (iv) below. Any Salary Deferrals withheld pursuant to an automatic deferral election will be deposited into the Participant's Salary Deferral Account.
- (i) **Automatic deferral election.** To qualify as an EACA, each Employee eligible to participate in the Plan must have a reasonable opportunity after receipt of the notice described in subsection (iv) to make an affirmative election to defer (or an election not to defer) under the Plan before any automatic deferral election goes into effect. If an automatic deferral election applies under the Plan, such election will not apply to Participants who have entered into a Salary Reduction Agreement for an amount equal to or greater than the automatic deferral amount designated under AA §6A-7. The Employer also may elect to

apply the automatic deferral election only to Participants who become eligible to participate after a specified date.

An automatic deferral election ceases to apply with respect to any Participant who makes an affirmative election (that remains in effect) to make Salary Deferrals or to not have any Salary Deferrals made on such Participant's behalf. Salary Deferrals made pursuant to an automatic deferral election will cease as soon as administratively feasible after a Participant makes an affirmative deferral election.

Unless elected otherwise under AA §6A-7(a)(5)(i), a Participant's affirmative election to defer (or to not defer) will cease upon termination of employment. If a terminated Participant's affirmative election to defer (or to not defer) ceases upon termination of employment, the Participant will be subject to the automatic deferral provisions of this subsection (i) upon rehire, including the default election provisions and the notice requirements under subsection (iv) below.

- (ii) **Uniformity requirement.** If a newly eligible Participant does not make an affirmative deferral election, such Participant will be treated as having elected to make Salary Deferrals in an amount equal to a uniform percentage of Plan Compensation as set forth in AA §6A-7. For this purpose, an automatic deferral election will not fail to be a uniform percentage of Plan Compensation merely because:
- (A) The deferral percentage varies based on the number of years of participation in the Plan (e.g., due to the application of an automatic increase provisions);
 - (B) The automatic deferral election does not reduce a Salary Reduction Agreement election in effect immediately prior to the effective date of the automatic deferral election; or
 - (C) The rate of Salary Deferrals is limited so as not to exceed the limits of Code §457(b).
- (iii) **Automatic increase.** The Plan may provide under AA §6A-7 that the automatic deferral amount will automatically increase by a designated percentage each Plan Year. Unless designated otherwise under AA §6A-7, in applying any automatic deferral increase under AA §6A-7, the initial deferral amount will apply for the period that begins when the employee first participates in the automatic contribution arrangement and ends on the last day of the following Plan Year. The automatic increase will apply for each Plan Year beginning with the Plan Year immediately following the initial deferral period and for each subsequent Plan Year. For example, if a Participant makes such Participant's first automatic deferral for the period beginning July 1, 2020, and no special election is made under AA §6A-7, the first automatic increase would take effect on January 1, 2022 (assuming the Plan is using a calendar Plan Year) which is the first day of the Plan Year beginning after the first Plan Year following the period for which the Participant makes such Participant's first automatic deferral under the Plan.
- (iv) **Annual notice requirement.** Each Participant must receive a written notice describing the Participant's rights and obligations under the Plan which is sufficiently accurate and comprehensive to apprise the Participant of such rights and obligations and is written in a manner calculated to be understood by the average Plan Participant. The annual notice only needs to be provided to those Participants who are covered under the Automatic Contribution Arrangement. If it is impractical to provide the annual notice to a newly eligible Participant before the date such individual becomes eligible to participate under the Plan, the notice will be treated as timely if it is provided as soon as practicable after such date and the Participant is permitted to defer from Plan Compensation earned beginning on the date of participation.
- (A) **Contents of annual notice.** To qualify as an EACA, the annual notice must include a description of contributions under the Plan; the type and amount of Plan Compensation that may be deferred under the Plan; the administrative requirements for making and changing Salary Reduction Agreement elections; and the withdrawal and vesting provisions under the Plan. In addition, to qualify as an EACA, the annual notice must include a description of:
- (I) the level of Salary Deferrals which will be made on the Participant's behalf if such Participant does not make an affirmative election;
 - (II) the Participant's right under the EACA to elect not to have Salary Deferrals made on the Participant's behalf (or to elect to have such Salary Deferrals made in a different amount or percentage of Plan Compensation);
 - (III) how contributions under the EACA will be invested and, if the Plan provides for Participant direction of investment, how Salary Deferrals made pursuant to an automatic

deferral election will be invested in the absence of an investment election by the Participant; and

- (IV) the Participant's right to make a permissible withdrawal (as described under subsection (3)(i) below), if applicable, and the procedures to elect such a withdrawal.

In addition to any other election periods provided under the Plan, each eligible Participant may make or modify such Participant's Salary Reduction Agreement election during the 30-day period immediately following receipt of the annual notice.

- (v) **Timing of annual notice.** The annual notice must be provided within a reasonable period before the beginning of each Plan Year (or, in the year an Employee becomes an Eligible Employee, within a reasonable period before the Employee becomes an Eligible Employee). In addition, a notice satisfies the timing requirements only if it is provided sufficiently early so that the Employee has a reasonable period of time after receipt of the notice and before the first Salary Deferral made under the arrangement to make an alternative Salary Reduction Agreement election. The annual notice will be deemed timely if it is provided to each Eligible Employee at least 30 days (and no more than 90 days) before the beginning of each Plan Year. In the case of an Employee who does not receive the notice within such period because the Employee becomes an Eligible Employee after the 90th day before the beginning of the Plan Year, the timing requirement is deemed to be satisfied if the notice is provided no more than 90 days before the Employee becomes an Eligible Employee (and no later than the date the Employee becomes an Eligible Employee).
 - (vi) **Timing of automatic deferral.** Generally, the automatic deferral will commence as of the date the Employee is otherwise eligible to make Salary Deferrals under the Plan, if the Employee had completed a Salary Reduction Agreement. However, an automatic deferral will be treated as timely if the deferral is made pursuant to reasonable administrative procedures established by the Plan Administrator. If the Plan provides an Employee with a written notice as described above no later than 30 days after such Employee's Entry Date, provides the Employee with the opportunity to make an affirmative Salary Reduction Agreement up to 30 days after the notice is provided, and in the absence of the Employee's affirmative Salary Reduction Agreement, provides that automatic deferrals will commence as soon as administratively practicable following the last day of the 30 day period, then the Plan will be treated as having a reasonable administrative procedure.
- (3) **Special Rules for Eligible Automatic Contribution Arrangement (EACA).** If the Plan provides for an automatic deferral election provision under AA §6A-7 and such automatic deferral election qualifies as an EACA, the Employer may elect to offer special permissible withdrawals (as set forth in subsection (i) below). To qualify as an EACA, the Plan must satisfy the provisions of subsection (2) for the entire Plan Year.
- (i) **Permissible Withdrawals under EACA.** If so elected under AA §6A-7 of the Adoption Agreement, any Employee who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under an EACA may elect to withdraw such contributions (and earnings attributable thereto) in accordance with the requirements of this subsection (i). A permissible withdrawal under this subsection (i) may be made without regard to any elections under AA §9 and will not cause the Plan to fail the prohibition on in-service distributions.
 - (A) **Amount of distribution.** A distribution satisfies the requirement of this subsection (i) if the distribution is equal to the amount of Salary Deferrals made pursuant to the automatic deferral election through the effective date of the withdrawal election (as described in subsection (C)) adjusted for allocable gains and losses as of the date of the distribution.

The distribution amount determined under this subsection (A) may be reduced by any generally applicable fees. However, the Plan may not charge a greater fee for a permissible distribution under this subsection (i) than applies with respect to other Plan distributions.
 - (B) **Timing of permissive withdrawal election.** An election to withdraw Salary Deferrals under this subsection (i) must be made no later than 90 days after the date of the first default Salary Deferral under the EACA. The date of the first default Salary Deferral is the date that the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income. The Employer may designate an alternative period for making permissive withdrawals under AA §6A-7.

- (C) **Effective date of permissible withdrawal.** The effective date of a permissible withdrawal election cannot be later than the pay date for the second payroll period that begins after the election is made or, if earlier, the first pay date that occurs at least 30 days after the election is made. If a Participant does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to termination of employment), the Plan may allow such Participant to take a permissive withdrawal, but only with respect to default contributions made after the Participant's return to employment.
 - (D) **Consequences of permissible withdrawal.** Any amount distributed under this subsection (i) is includible in the Participant's gross income for the taxable year in which the distribution is made. However, the portion of any distribution consisting of Roth Deferrals is not included in a Participant's gross income a second time. Unless the Participant affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to stop having Salary Deferrals made on the Participant's behalf as of the date specified in subsection (C) above.
 - (E) **Forfeiture of Matching Contributions.** In the case of any withdrawal made under this subsection (i), any Matching Contributions made with respect to such withdrawn Salary Deferrals must be forfeited.
- (d) **Age 50 Catch-Up Contributions.** Unless elected otherwise under AA §6A-4, a Participant who is aged 50 or over by the end of such Participant's taxable year beginning in the calendar year may make Age 50 Catch-Up Contributions under the Plan, provided such Age 50 Catch-Up Contributions are in excess of an otherwise applicable limit under the Plan. For this purpose, an otherwise applicable Plan limit is a limit in the Plan that applies to Salary Deferrals without regard to Age 50 Catch-up Contributions.
- (1) **Age 50 Catch-Up Contribution Limit.** Age 50 Catch-Up Contributions for a Participant for a taxable year may not exceed the Age 50 Catch-Up Contribution Limit. The Age 50 Catch-Up Contribution Limit for taxable years beginning in 2023 is \$7,500. The Age 50 Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C). Effective for taxable years beginning after December 31, 2024, the Age 50 Catch-Up Contribution Limit is increased to the greater of \$10,000 or 150% of the regular Age 50 Catch-Up Contribution Limit for Employees who have attained ages 60, 61, 62 and 63. For taxable years beginning after 2025, the increased Catch-Up Contribution Limit will be adjusted for cost-of-living increases.
 - (2) **Age 50 Catch-Up Contributions not subject to Maximum Contribution Limit.** Age 50 Catch-up Contributions are not subject to the Maximum Contribution Limit, as described in **Section 5** of the Plan.
 - (3) **Treatment of certain Age 50 Catch-Up Contributions as Roth Deferrals.** Effective for taxable years beginning after December 31, 2025 (as provided for under IRS Notice 2023-62), in the case of a Participant whose wages (as defined in Code §3121(a) for the preceding calendar year from the Employer exceed \$145,000 (indexed for inflation), Age 50 Catch-Up Contributions must be Roth Deferrals made pursuant to an Employee election, as required under Code §414(v)(7)(A). In addition, any Eligible Employee regardless of wages must be allowed to make Age 50 Catch-Up Contributions.
 - (i) **Administrative transition period under IRS Notice 2023-62.** IRS Notice 2023-62 provides for an administrative transition period with respect to the requirements under Code §414(v)(7)(A) for taxable years beginning in 2024 and 2025. Specifically, until taxable years beginning after December 31, 2025, any Age 50 Catch-Up Contributions will be treated as satisfying the requirements of section 414(v)(7)(A), even if the contributions are not designated as Roth Deferrals, and a Plan that does not provide for Roth Deferrals will be treated as satisfying the requirements of section 414(v)(7)(B). During this administrative transition period, the Employer may apply the rules (or portion of the rules) under Code §414(v)(7), either by Plan amendment or administrative procedures, in any reasonable manner in order to transition into compliance with Code §414(v)(7) for taxable years beginning after December 31, 2025.
 - (ii) **Good-faith application of the rules under Code §414(v)(7).** The Employer and Plan Administrator may apply the rules of Code §414(v)(7), including during the administrative transition period under IRS Notice 2023-62, in a reasonable and good-faith manner pending further guidance from the IRS.
- (e) **Special 457 Catch-Up Contributions.** Unless elected otherwise under AA §6A-4, a Participant may make Special 457 Catch-Up Contributions as limited under **Section 5.04**.
- (f) **Deferral of sick, vacation, PTO and back pay.** Unless otherwise elected in AA §6A-2, a Participant may elect to defer accumulated sick pay, accumulated vacation pay, accumulated PTO or back pay if: (1) a Salary Reduction Agreement is

entered into before the amount become currently available, and (2) the Participant is an Employee in the month of deferral, as provided under Treas. Reg. §1.457-4(d). With respect to sick pay, vacation pay, PTO pay or back pay that is payable before a Participant has a Severance from Employment, the Salary Reduction Agreement may be entered into before the amount becomes currently available, even if that is the month in which such amounts become payable. If the deferral is automatic, the Salary Reduction Agreement requirement in (1) is deemed satisfied by the terms of the Plan.

- (g) **Roth Deferrals.** If elected under AA §6A-5, a Participant may designate all or a portion of such Participant's Salary Deferrals as Roth Deferrals. For this purpose, a Roth Deferral is a Salary Deferral that satisfies the following conditions.
- (1) **Irrevocable election.** The Participant makes an irrevocable election (at the time the Participant enters into a Salary Reduction Agreement) designating all or a portion of such Participant's Salary Deferrals as Roth Deferrals. The irrevocable election applies with respect to Salary Deferrals that are made pursuant to such election. A Participant may modify or change a Salary Reduction Agreement to increase or decrease the amount of Salary Deferrals designated as Roth Deferrals, provided such change or modification applies only with respect to Salary Deferrals made after such change or modification.
 - (2) **Subject to immediate taxation.** To the extent a Participant designates all or a portion of such Participant's Salary Deferrals as Roth Deferrals, such amounts will be includible in the Participant's income at the time the Participant would have received the contribution amounts in cash if the Employee had not made the Salary Reduction Agreement election.
 - (3) **Separate account.** Any amounts designated as Roth Deferrals will be maintained by the Plan in a separate Roth Deferral Account. The Plan will credit and debit all contributions and withdrawals of Roth Deferrals to such separate Account. The Plan will separately allocate gains, losses, and other credits and charges to the Roth Deferral Account on a reasonable basis that is consistent with such allocations for other Accounts under the Plan. However, in no event may the Plan allocate forfeitures under the Plan to the Roth Deferral Account. The Plan will separately track Participants' accumulated Roth Deferrals and the earnings on such amounts.
 - (4) **Satisfaction of Salary Deferral requirements.** Roth Deferrals are subject to the same requirements as apply to Salary Deferrals. Thus, Roth Deferrals are subject to the following requirements:
 - (i) Roth Deferrals are always 100% vested.
 - (ii) Roth Deferrals are subject to the contribution limits, as described in **Section 5**
 - (iii) Roth Deferrals are subject to the same distribution restrictions as apply to Salary Deferrals.
 - (iv) Roth Deferrals are subject to the required minimum distribution requirements under Code §401(a)(9).
 - (5) **Rollover of Roth Deferrals.**
 - (i) **Rollovers from this Plan.** For purposes of the rollover rules, a Direct Rollover of a distribution from a Participant's Roth Deferral Account will only be made to another Roth Deferral Account under a governmental 457(b) plan, a qualified plan described in Code §401(a) or an annuity contract or custodial account described in Code §403(b) or to a Roth IRA described in §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).
 - (ii) **Rollovers to this Plan.** Subject to the provisions under **Section 4**, a Participant may make a Rollover Contribution to a Roth Deferral Account only if the rollover is a Direct Rollover from another Roth Deferral Account only to the extent the rollover is permitted under the rules of Code §402(c). A rollover of Roth Deferrals may not be made to this Plan from a Roth IRA. Any rollover of Roth Deferrals to this Plan will be held in a separate Roth Rollover Contribution Account.
 - (iii) **Minimum rollover amount.** The Plan Administrator may decide whether or not to provide for a Direct Rollover (including an Automatic Rollover) for distributions from a Participant's Roth Deferral Account if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than \$200. In addition, the Plan Administrator may decide whether or not to take into account any distribution from a Participant's Roth Deferral Account in determining whether distributions from a Participant's other Accounts are reasonably expected to total less than \$200 during a year. For purposes of applying the Automatic Rollover provisions under **Section 8.09(f)**, a Participant's Roth Deferral Account and the Participant's other Accounts are treated as accounts held under separate plans.

- (iv) **Separate treatment of Roth Deferrals.** The provisions under **Section 8.09** that allow a Participant to elect a Direct Rollover of only a portion of an Eligible Rollover Distribution but only if the amount rolled over is at least \$500 is applied by treating any amount distributed from the Participant's Roth Deferral Account as a separate distribution from any amount distributed from the Participant's other Accounts in the Plan, even if the amounts are distributed at the same time.
- (h) **In-Plan Roth Conversions.** The Employer may elect under the Adoption Agreement to permit In-Plan Roth Conversions under the Plan. For this purpose, an In-Plan Roth Conversion is a conversion of amounts held in a Participant's Plan Account, other than a Roth Deferral Account or Roth Rollover Contribution Account, into the Participant's In-Plan Roth Conversion Account under the Plan, pursuant to Code §402A(c)(4). Any election to make an In-Plan Roth Conversion during a taxable year may not be changed after the In-Plan Roth Conversion is completed.

An In-Plan Roth Conversion may be elected by a Participant, a Spousal beneficiary, or an Alternate Payee who is a spouse or former spouse. To the extent the term "Participant" is used for purposes of determining eligibility to make an In-Plan Roth Conversion, such term will also include a Spousal beneficiary and an Alternate Payee who is a spouse or former spouse.

To permit In-Plan Roth Conversions §6A-5(c) of the Adoption Agreement must be completed. In addition, the Plan must provide for Roth Deferrals under AA §6A-5(a) as of the date the In-Plan Roth Conversion is permitted under the Plan. If In-Plan Roth Conversions are not specifically authorized under AA §6A-5(c) of the Adoption Agreement, Participants may not make an In-Plan Roth Conversion.

- (1) **Amounts Eligible for In-Plan Roth Conversion.** If elected under the Adoption Agreement, a Participant may convert any portion of such Participant's vested Account Balance (other than amounts attributable to Roth Deferrals or Roth Deferral rollovers) to an In-Plan Roth Conversion Account. Unless elected otherwise under the Adoption Agreement, a Participant need not be eligible to receive a distribution from the Plan at the time of the In-Plan Roth Conversion.

In addition, an In-Plan Roth Conversion will not be treated as a distribution for the following purposes:

- (i) **Participant loans.** A Participant loan directly transferred in an In-Plan Roth Conversion without changing the repayment schedule is not treated as a new loan. The Employer may elect to not permit Participant loans to be distributed as part of an In-Plan Roth Conversion.
- (ii) **Mandatory withholding.** An In-Plan Roth Conversion is not subject to 20% mandatory withholding under Code §3405(c).
- (2) **Effect of In-Plan Roth Conversion.** A Participant must include in gross income the taxable amount of an In-Plan Roth Conversion. For this purpose, the taxable amount of an In-Plan Roth Conversion is the fair market value of the distribution reduced by any basis in the converted amounts. If the distribution includes Employer securities, the fair market value includes any net unrealized appreciation within the meaning of Code §402(e)(4). If an outstanding loan is rolled over as part of an In-Plan Roth Conversion, the amount includible in gross income includes the balance of the loan.
- (3) **Contribution Sources.** Unless elected otherwise under the Adoption Agreement, an In-Plan Roth Conversion may be made from any contribution source under the Plan, other than a Roth Deferral Account or Roth Rollover Contribution Account. The Employer may elect to limit the contribution sources that are eligible for In-Plan Roth Conversion. In addition, the Employer may elect to limit In-Plan Roth Conversions to contribution accounts that are 100% vested.

3.04 **Matching Contributions.** The Employer may elect under AA §6B to authorize Matching Contributions under the Plan. If the Employer elects more than one Matching Contribution formula under AA §6B-2, each formula is applied separately. A Participant's aggregate Matching Contributions will be the sum of the Matching Contributions under all such formulas. Any Matching Contribution made under the Plan will be allocated to Participants' Matching Contribution Account. To receive an allocation of Matching Contributions, a Participant must satisfy any allocations conditions designated under the Plan, as described in Section 3.06 below.

- (a) **Contributions eligible for Matching Contributions.** The Matching Contribution formula(s) applies to Salary Deferrals, to the extent authorized under the Plan.
- (b) **Period for determining Matching Contributions.** AA §6B-5 sets forth the period for which the Matching Contribution formula(s) applies. The period designated in AA §6B-5 applies for purposes of determining the amount of

Salary Deferrals taken into account in applying the Matching Contribution formula(s) and in applying any limits on the amount of Salary Deferrals that may be taken into account under the Matching Contribution formula(s).

- (c) **True-up contributions.** If the Employer makes Matching Contributions more frequently than annually, the Employer may have to make “true-up” contributions for Participants. Such “true-up” contributions will be required if the Employer actually contributes Matching Contributions to the Plan on a more frequent basis than is used for purposes of determining the amount of Salary Deferrals taken into account under AA §6B-5. For example, if the Plan limits Matching Contributions on the basis of Salary Deferrals for the Plan Year, but the Employer contributes the Matching Contributions on a quarterly basis, the Employer may have to make a “true-up” contribution to any Participant based on Salary Deferrals for the Plan Year. If a “true-up” contribution is required under this subsection (c), the Employer may make such additional contribution as required to satisfy the contribution requirements under the Plan.
- (d) **Optional treatment of Matching Contributions as Roth contributions.** As provided under §402A(a)(2) as added by SECURE 2.0, if elected by the Employer under AA §6B-7, a Participant may elect to treat a nonforfeitable Matching Contribution as a Roth contribution. The Plan Administrator may adopt administrative procedures consistent with Code §402A(a)(2) and applicable guidance.
- (e) **Treatment of Qualified Student Loan Payments as Salary Deferrals for Matching Contributions.** Effective for Plan Years beginning after December 31, 2023, the Employer may elect under AA §6B-8 to treat “Qualified Student Loan Payments” as Salary Deferrals for purposes of receiving Matching Contributions.
 - (1) **Definition of Qualified Student Loan Payment.** The term Qualified Student Loan Payment means a payment made by an Eligible Employee in repayment of a Qualified Education Loan (as defined in Code §221(d)(1)) incurred by the Eligible Employee to pay Qualified Higher Education Expenses, but only:
 - (i) to the extent such payments in the aggregate for the year do not exceed an amount equal to:
 - (A) the limitation applicable under Code §457(e)(15) for the year (or, if lesser, the Eligible Employee’s Total Compensation for the year), reduced by:
 - (B) the elective deferrals made by the Eligible Employee for such year, and
 - (ii) if the Eligible Employee certifies annually to the Employer that such payment has been made on such loan.
 - (2) **Definition of Qualified Higher Education Expenses.** The term Qualified Higher Education Expenses means the cost of attendance (as defined in §472 of the Higher Education Act of 1965, as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an Eligible Educational Institution (as defined in Code §221(d)(2)).
 - (3) **Conditions for Treatment of Qualified Student Loan Payments as Salary Deferrals for Matching Contributions.** A Matching Contributions made to the Plan on account of a Qualified Student Loan Payment shall be treated as a Matching Contribution under the Plan if:
 - (i) the Plan provides Matching Contributions on account of Salary Deferrals at the same rate as contributions on account of Qualified Student Loan Payments,
 - (ii) the Plan provides Matching Contributions on account of Qualified Student Loan Payments only on behalf of Eligible Employees otherwise eligible to receive Matching Contributions on account of Salary Deferrals,
 - (iii) all Eligible Employees who receive Matching Contributions on account of Salary Deferrals are eligible to receive Matching Contributions on account of Qualified Student Loan Payments, and
 - (iv) the Plan provides that Matching Contributions on account of Qualified Student Loan Payments vest in the same manner as Matching Contributions on account of Salary Deferrals.

3.05 **Rollover Contributions.** If elected under AA Appendix C or under separate administrative procedures, the Plan may accept Rollover Contributions. The requirements applicable to Rollover Contributions are set forth under **Section 4**.

3.06 **Allocation Conditions.** In order to receive an allocation of Employer Contributions (other than Salary Deferrals) or an allocation of Matching Contributions, a Participant must satisfy any allocation conditions designated under AA §6-5 or AA

§6B-6, as applicable. If the Employer elects under AA §6-5(c) or AA §6B-6(c) to apply a minimum service requirement, the Employer may elect to base such minimum service requirement on the basis of Hours of Service or on the basis of consecutive days or months of employment under the Elapsed Time method. If an Employee's aggregate period of service includes fractional years, such fractional years are expressed in terms of days or months, as the Plan Administrator determines operationally on a consistent basis.

- (a) **Application to designated period.** Instead of applying the allocation conditions on the basis of the Plan Year, the Employer may apply the allocation conditions on the basis of designated periods, if the Employer describes the methodology under the Special Rules under AA§6-4 or 6B-6.
- (b) **Special rule for year of Plan termination.** A last day employment condition automatically applies for any Plan Year in which the Plan is terminated, regardless of whether the Employer has elected to apply a last day employment condition under the Agreement. Thus, the Employer will not be obligated to make an Employer Contribution or Matching Contribution for the Plan Year in which the Plan terminates, unless the Employer provides for an Employer Contribution and/or Matching Contribution in its Plan termination amendment. If there are unallocated forfeitures at the time of Plan termination, such forfeitures will be allocated to Participants under the Plan's procedures for allocating forfeitures.

3.07 **Service with Predecessor Employers.** Unless otherwise designated under the Adoption Agreement, if the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the allocation conditions under Section 3.06. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for purposes of applying the allocation conditions under Section 3.06, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer.

3.08 **FICA Replacement Plan.** An Employee who satisfies the requirements as a Qualified Participant under subsection (b) will be exempt from FICA tax as provided under Code §3121(b)(7)(F) if the requirements under this Section 3.08 are satisfied. The Plan may be identified as a FICA Replacement Plan under AA §2-2.

- (a) **Minimum retirement benefit requirement.** The Plan must provide a minimum retirement benefit as set forth under this subsection (a). For this purpose, the Plan satisfies the minimum retirement benefit requirement with respect to an Employee if allocations to the Employee's Account (without regard to any earnings allocated to the Employee's Account) are at least 7.5% of the Employee's Plan Compensation for service with the Employer. Matching Contributions by the Employer may be taken into account for this purpose.
 - (1) **Definition of Plan Compensation.** The definition of Plan Compensation used in determining whether the minimum retirement benefit requirement under this subsection (a) is satisfied must be at least equal to the Employee's base pay, provided such designation is reasonable under all the facts and circumstances. Thus, the Employer may elect under AA §5-3 to exclude items such as overtime pay, bonuses, or fringe benefits.
 - (2) **Reasonable rate of earnings.** An Employee's Account must be credited with a reasonable rate of earnings. This requirement is satisfied if Employees' Accounts are held in a separate trust that is subject to general fiduciary standards and are credited with actual earnings under the Plan.
 - (3) **Employee Contributions.** Contributions from both the Employer and Employee may be used to make up the 7.5% allocation requirement under subsection (a). If the Plan only provides for Employee Contributions, the Plan will satisfy the minimum benefit requirement under subsection (a) if the total Employee Contributions are at least 7.5% of Plan Compensation.
- (b) **Qualified Participant.** An Employee is a Qualified Participant under the Plan with respect to the services performed on a given day if, on that day, the Employee has satisfied all conditions (other than vesting) for receiving an allocation under the Plan that meets the minimum retirement benefit requirement under subsection (a). An Employee will be a Qualified Participant on any day with respect to compensation earned during a period ending on that day and beginning on or after the beginning of the Plan Year, regardless of whether the allocations were made or accrued before the effective date of Code §3121(b)(7)(F).
 - (1) **Part-Time, Seasonal and Temporary Employees.** A Part-Time, Seasonal, or Temporary Employee is not a Qualified Participant on a given day unless any benefit relied upon to meet the minimum benefit requirement under subsection (a) is 100% vested. A Part-Time, Seasonal or Temporary Employee's benefit is considered 100% vested on a given day if on that day the Employee is unconditionally entitled to a single-sum distribution on account of death or separation from service of an amount that is at least equal to 7.5% of Plan Compensation for all periods of service taken into account in determining whether the Employee's benefit meets the minimum retirement benefit requirement under subsection (a).

- (2) **Alternative lookback rule.** The Employer may elect to apply the alternative lookback rule described in Treas. Reg. §31.3121(b)(7)-2(d)(3) in determining whether an Employee is a Qualified Participant. Under the alternative lookback rule, an Employee may be treated as a Qualified Participant throughout a calendar year if the Employee is a Qualified Participant at the end of the Plan Year ending in the previous calendar year. For this purpose, if the alternative lookback rule is used, an Employee may be treated as a Qualified Participant on any given day during the first Plan Year of participation if it is reasonable on such day to believe that the Employee will be a Qualified Participant on the last day of such Plan Year.
- (c) **Special rule for short period.** An Employee may not be treated as a Qualified Participant if Plan Compensation for less than a full plan year or other 12-month period is regularly taken into account in determining allocations to the Employee's Account for the Plan Year unless, under all of the facts and circumstances, such arrangement is not a device to avoid the imposition of FICA taxes. For example, an arrangement under which Plan Compensation taken into account under AA §5-3 is limited to the contribution base described in Code §3121(x)(1) is not considered a device to avoid FICA taxes by reason of such limitation.

SECTION 4
ROLLOVER CONTRIBUTIONS, TRANSFERS AND AUTOMATIC PORTABILITY TRANSACTIONS

This Section provides the rules regarding Rollover Contributions and transfers that may be made under this Plan. The Plan Administrator has the authority under Section 11 to accept Rollover Contributions under this Plan and to enter into transfer agreements concerning the transfer of assets from another plan to this Plan.

4.01 **Rollover Contributions.** As allowed under applicable law and regulations, an Employee may make a Rollover Contribution to this Plan from an Eligible Retirement Plan, if the special accounting rule is satisfied and the acceptance of rollovers is elected under the Adoption Agreement or if the Plan Administrator adopts administrative procedures regarding the acceptance of Rollover Contributions. The Employee’s Rollover Contributions are always 100% vested. If Rollover Contributions are permitted, an Employee may make a Rollover Contribution to the Plan even if the Employee is not an eligible Participant with respect to any or all other contributions under the Plan, unless otherwise prohibited under separate administrative procedures adopted by the Plan Administrator. An Employee who makes a Rollover Contribution to this Plan prior to becoming an Eligible Participant shall be treated as a Participant only with respect to such Rollover Contributions but shall not be treated as an eligible Participant until such Employee otherwise satisfies the eligibility conditions under the Plan.

A Participant may make a Rollover Contribution to a Roth Deferral Account only if the rollover is a Direct Rollover from another Roth Deferral Account under an Eligible Retirement Plan and only to the extent the rollover is permitted under the rules of Code §402(c). A rollover of Roth Deferrals may not be made to this Plan from a Roth IRA. Any rollover of Roth Deferrals to this Plan will be held in a separate Roth Rollover Contribution Account.

Effective for years beginning after December 31, 2017, the period during which a Qualified Plan Loan Offset Amount may be contributed to the Plan as a Rollover Contribution is extended from 60 days after the date of the offset to the due date (including extensions) for filing the individual’s Federal income tax return for the taxable year in which the Plan loan offset occurs. A Qualified Plan Loan Offset Amount is a Plan loan offset amount that is treated as distributed from a tax-qualified retirement plan described in Code §401(a) or Code §403(a), a Code §403(b) plan, or a governmental plan under Code §457(b) solely by reason of termination of the Plan or failure to meet the repayment terms of the loan because of Severance from Employment.

Notwithstanding any other provision of the Plan, the Plan Administrator may accept any Rollover Contribution that satisfies the requirements, including the time period to make Rollover Contributions, under Code §402(c) and applicable IRS regulations and other guidance. Thus, for example, the Plan Administrator may accept a Rollover Contribution as provided under Revenue Procedure 2016-47 relating to the waiver of the 60-day rollover period and acceptable self-certification by an Employee.

A Participant may withdraw amounts from such Participant’s Rollover Contribution Account(s) at any time, in accordance with the distribution rules under Section 8, except as restricted under AA §9.

(a) **Special Accounting Rule for Rollovers.** The Plan must maintain two separate Rollover Contribution Accounts, if necessary. One Rollover Contribution Account may receive Rollover Contributions from:

- (1) a qualified plan described in §401(a) of the Code;
- (2) a tax sheltered annuity plan described in §403(b) of the Code;
- (3) an individual retirement account described in §408(a) of the Code; and
- (4) an individual retirement annuity described in §408(b) of the Code.

The other Rollover Account may receive Rollover Contributions only from a governmental 457 plan described in §457(b) of the Code. Neither Rollover Contribution Account may include any amount that is not attributable to a Rollover Contribution.

(b) **Refusal of Rollover Contributions.** The Plan Administrator may refuse to accept a Rollover Contribution if the Plan Administrator reasonably believes the Rollover Contribution: (a) is not being made from a proper plan or IRA; (b) is not being made timely after receipt of the amounts from another plan or IRA; (c) could jeopardize the Plan status under Code §457(b); or (d) could create adverse tax consequences for the Plan or the Employer. Prior to accepting a Rollover Contribution, the Plan Administrator may require the Employee to provide satisfactory evidence establishing that the Rollover Contribution meets the requirements of this Section and applicable rollover rules.

If the Plan accepts a Rollover Contribution that is later determined to be an invalid Rollover Contribution, the Plan Administrator must distribute the invalid amount, plus any earnings attributable thereto, to the Employee within a

reasonable time after such determination.

The Plan Administrator may use the criteria set forth in IRS Revenue Ruling 2014-9, as well as other evidence, in reasonably determining whether a Rollover Contribution is valid.

- 4.02** **Transfers to the Plan.** As allowed under applicable laws, regulations and other guidance, the Plan Administrator may accept a transfer of funds from another governmental 457(b) plan. Such transfers must meet the conditions set forth under Treas. Reg. §1.457-10(b), if applicable. The Plan Administrator may not accept a transfer from a 457(b) plan of a tax-exempt employer, a 403(b) plan or a 401(a) qualified plan.
- 4.03** **Automatic Portability Transactions.** The Employer, either in AA §10-4 or through administrative procedures, may elect to accept amounts pursuant to an automatic portability transaction as described in Code §4975(f)(12). The Employer is not responsible for meeting, or ensuring the satisfaction of, the requirements applicable to an automatic portability provider as defined under Code §4975(f)(12)(A)(ii).

**SECTION 5
LIMITS ON CONTRIBUTIONS**

- 5.01 Maximum Contribution Limit.** Annual contributions on behalf of a Participant for a taxable year may not exceed the Maximum Contribution Limit.
- (a) **Components of the Maximum Contribution Limit.** The Maximum Contribution Limit consists of one or more of the following - the Basic Annual Limit, the Age 50 Catch-Up Limit and the Special 457 Catch-Up Limit.
 - (b) **Limitation Period.** The relevant limitation period is the taxable year of the Participant.
 - (c) **Contributions Subject to the Maximum Contribution Limitation.** Contributions that are subject to the Maximum Contribution Limit include Salary Deferral Contributions and Employer Contributions, including Employer Matching Contributions. Rollover Contributions and transfers are not subject to the Maximum Contribution Limit. If a contribution is subject to a substantial risk of forfeiture, such contribution is not counted toward the Maximum Contribution Limit until the substantial risk of forfeiture lapses. Where an amount is subject to a substantial risk of forfeiture, gains or losses allocable to the amount deferred, through the date that the substantial risk of forfeiture lapses, are taken into account in determining the amount that is considered deferred in the year in which the substantial risk of forfeiture lapses.
- 5.02 Basic Annual Limit.** The Basic Annual Limit is the lesser of (i) the applicable dollar amount specified under Code §457(e)(15) for the relevant taxable year or (ii) 100% of the Participant’s Includible Compensation (without any adjustments, but subject to the maximum limitation as may apply under Code §401(a)(17)) for the taxable year. The applicable dollar amount under Code §457(e)(15) is \$22,500 for 2023 and will be adjusted for cost-of-living increases, if applicable.
- 5.03 Age 50 Catch-Up Limit.** The Age 50 Catch-Up Limit only applies to a Participant who attains age 50 by the end of the relevant taxable year. The Age 50 Catch-Up Limit is the applicable amount specified under Code §414(v) for the relevant taxable year. The Age 50 Catch-Up Contribution Limit for taxable years beginning in 2023 is \$7,500. The Age 50 Catch-Up Contribution Limit will be adjusted for cost-of-living increases under Code §414(v)(2)(C). The Age 50 Catch-Up Limit does not apply for any taxable year for which a higher limitation applies under the Special 457 Catch-Up Limit, if available under the Plan. If both the Age 50 Catch-Up Limit and the Special Catch-Up Limit apply, the applicable limit is determined under Treas. Reg. §1.457-4(c)(2)(ii).
- Effective for taxable years beginning after December 31, 2024, for Participants who have attained 60, 61, 62 or 63 before the close of the applicable taxable year, an adjusted Age 50 Catch-Up Limit applies. The adjusted limit is the greater of (a) \$10,000 (adjusted for inflation) or (b) an amount equal to 150% of the otherwise applicable Age 50 Catch-Up Limit for the taxable year.
- 5.04 Special 457 Catch-Up Limit.** For one or more of the Participant’s last three taxable years ending before the Participant’s Normal Retirement Age, the Maximum Contribution Limit is an amount not in excess of the lesser of (i) twice the dollar amount in effect under Code §457(e)(15) or (ii) the underutilization limitation.
- (a) **Underutilization Limitation.** The sum of (i) the Maximum Contribution Limit under the Basic Annual Limit for the relevant taxable year, plus the Maximum Contribution Limit for any prior taxable year or years, less the amount of contributions for such taxable year or years (disregarding any Age 50 Catch-Up Contributions).
 - (b) **Normal Retirement Age.** The Employer will elect a Normal Retirement Age under the Agreement. Normal Retirement Age may be any age that is on or after the earlier of age 65 or the age at which the Participant has the right to retire and receive, under the Employer’s pension plan (if any), immediate retirement benefits without actuarial reduction because of retirement before a specified date and that is not later than age 70 ½. Alternatively, the Employer may elect to allow the Participant to designate a Normal Retirement Age within these ages. If an Employer sponsors more than one 457(b) plan, any Participant may only have one Normal Retirement Age.
 - (c) **Special Rule for Qualified Police and Firefighters.** An Employer with a Plan that covers qualified police and firefighters (as defined under Code §415(b)(2)(H)(ii)(I)) may elect a Normal Retirement Age that is earlier than that specified under subsection (b), but in no event may the Normal Retirement Age be earlier than age 40. Alternatively, the Employer may elect to allow a qualified police or firefighter Participant to designate a Normal Retirement Age that is between age 40 and age 70 ½.
- 5.05 Excess Deferrals under the Plan.** If contributions, as described under **Section 5.01(c)**, to a Participant under the Plan exceed the Maximum Contribution Limit for a taxable year, the Plan must distribute the excess deferrals (i.e., the amounts that exceed the Maximum Contribution Limit) to the Participant, with allocable net income, as soon as administratively practicable after the

Plan determines that the amount is an excess deferral. For purposes of determining whether contributions exceed the Maximum Contribution Limit, all 457(b) plans of the Employer, including plans of Related Employers, are treated as a single plan.

5.06 **Excess Deferrals Arising from Application of the Individual Limitation.** The Plan may distribute excess deferrals that arise from application of the Individual Limitation. The Plan may distribute the excess deferrals to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. The Participant must inform the Plan Administrator of the excess deferrals.

- (a) **Individual Limitation.** The Individual Limitation (as set forth under Code §457(c)) equals the Basic Annual Limitation, plus the Age 50 Catch-Up Limitation or the Special 457 Catch-Up Limitation, applied by taking into account the combined annual contributions for the Participant for any taxable year under all Code §457(b) plans. For this purpose, contributions to all Code §457(b) plans, whether sponsored by a governmental employer or a tax-exempt employer, are counted toward the Individual Limitation.
- (b) **Special Rules for Catch-Up Amounts under Multiple 457(b) Plans.** For purposes of applying the Individual Limitation, the Special 457 Catch-Up is taken into account only to the extent that the annual contribution is made for a Participant under a 457(b) plan if permitted under the Special 457 Catch-Up rules. In addition, if a Participant has annual contributions under more than one 457(b) plan and the applicable catch-up amount under the Age 50 Catch-Up and the Special 457 Catch-Up rules is not the same for each such 457(b) plan for the taxable year, the Individual Limitation is determined using the catch-up amount under whichever plan has the largest catch-up amount applicable to the Participant.

SECTION 6
SPECIAL RULES AFFECTING THIS GOVERNMENTAL 457(b) PLAN

- 6.01** **Plan Adoption as Governmental Plan.** Only an Employer that is an eligible employer as defined under Code §457(e)(1)(A) may adopt this Plan. As a Governmental Plan, the Plan is not subject to the requirements under Title I of ERISA.
- 6.02** **Failure to Satisfy Requirements of Code §457(b) Applicable to Governmental Code §457(b) Plans.** If the Plan fails to satisfy any applicable requirement under Code §457(b) or applicable regulations, the Plan is treated as not meeting such requirement as of the first Plan Year beginning more than 180 days after the date of notification by the Internal Revenue Service, unless the Employer corrects the inconsistency before the first day of such Plan Year. The Employer may use any available IRS correction program to fix errors in the Plan’s compliance with the requirements under Code §457.
- 6.03** **Reporting to Internal Revenue Service and Participants.** The Employer will report contributions to the Plan and distributions from the Plan at the time and in the manner prescribed by the Internal Revenue Service.
- 6.04** **Taxation of Distributions.** Amounts deferred under the Plan are includible in gross income in the taxable year in which the amounts are actually paid from the Plan. See Treas. Reg. §1.457-7 for special rules applicable to Governmental Plans.

SECTION 7
PARTICIPANT VESTING AND FORFEITURES

7.01 **Vesting of Contributions.** A Participant’s vested interest in such Participant’s Employer Contribution Account and Matching Contribution Account is determined based on the vesting schedule elected in the Adoption Agreement. A Participant is always fully vested in such Participant’s Salary Deferral Account and Rollover Contribution Account.

The imposition of a vesting schedule creates a substantial risk of forfeiture with respect to the contributions subject to the vesting schedule. If a contribution is subject to a substantial risk of forfeiture, such contribution is not counted toward the Maximum Contribution Limit until the substantial risk of forfeiture lapses (i.e., the contributions are vested). Where an amount is subject to a substantial risk of forfeiture, gains or losses allocable to the amount deferred, through the date that the substantial risk of forfeiture lapses, are taken into account in determining the amount that is considered deferred in the year in which the substantial risk of forfeiture lapses.

7.02 **Vesting Schedules.** A Participant’s vested interest in such Participant’s Employer Contribution Account and/or Matching Contribution Account is determined by multiplying the Participant’s vesting percentage (determined under the applicable vesting schedule selected in AA §8) by the total amount under the applicable Account.

(a) **Vesting schedule.** The Employer may choose any of the vesting schedules described in this subsection (a) as the normal vesting schedule with respect to Employer Contributions.

- (1) **Full and immediate vesting schedule.** Under the full and immediate vesting schedule, the Participant is always 100% vested in such Participant’s Account Balance.
- (2) **3-year cliff vesting schedule.** Under the 3-year cliff vesting schedule, a Participant is 100% vested after 3 Years of Service. Prior to the third Year of Service, the vesting percentage is zero.
- (3) **6-year graded vesting schedule.** Under the 6-year graded vesting schedule, a Participant vests in such Participant’s Employer Contribution Account and/or Matching Contribution Account in the following manner:

After 2 Years of Service – 20% vesting
After 3 Years of Service – 40% vesting
After 4 Years of Service – 60% vesting
After 5 Years of Service – 80% vesting
After 6 Years of Service – 100% vesting

(4) **Modified vesting schedule.** Under the modified vesting schedule, the Employer may designate the vesting percentage that applies for each Year of Service.

(b) **Special vesting rules.**

- (1) **Separate Accounting.** The Plan Administrator will maintain separate accounting for the vested and non-vested portions of any Employer Contribution Account and/or Matching Contribution Account.
- (2) **100% vesting upon death, becoming Disabled, or attaining Normal Retirement Age.** The Employer may elect under AA §8-4 to allow a Participant’s vesting percentage to automatically increase to 100% if the Participant dies, terminates employment due to becoming Disabled, attains Normal Retirement Age and/or for other designated reasons.

7.03 **Year of Service.** An Employee’s position on the vesting schedule is dependent on the Employee’s Years of Service with the Employer. Generally, an Employee will earn a vesting Year of Service for each Vesting Computation Period during which the Employee completes at least 1,000 Hours of Service. Alternatively, the Employer may elect under AA §8-5(a) to modify the definition of Year of Service to require completion of any other number of Hours of Service or may elect to calculate Years of Service using the Elapsed Time method (as defined in subsection (b) below).

(a) **Hours of Service.** Unless the Employer elects to use the Elapsed Time method under AA §8-5(c), vesting Years of Service will be determined based on an Employee’s Hours of Service earned during the Vesting Computation Period.

- (1) **Actual Hours of Service.** In determining an Employee’s vesting Years of Service, the Employer will credit an Employee with the actual Hours of Service earned during the Vesting Computation Period, unless the Employer elects under AA §8-5(d) to determine Hours of Service using the Equivalency Method.

- (2) **Equivalency Method.** Instead of counting actual Hours of Service in applying the Plan’s vesting schedules, the Employer may elect under AA §8-5(d) to determine Hours of Service based on the Equivalency Method. Under the Equivalency Method, an Employee receives credit for a specified number of Hours of Service based on the period or hours worked with the Employer.
- (i) **Monthly.** Under the monthly Equivalency Method, an Employee is credited with 190 Hours of Service for each calendar month during which the Employee completes at least one Hour of Service with the Employer.
 - (ii) **Weekly.** Under the weekly Equivalency Method, an Employee is credited with 45 Hours of Service for each week during which the Employee completes at least one Hour of Service with the Employer.
 - (iii) **Daily.** Under the daily Equivalency Method, an Employee is credited with 10 Hours of Service for each day during which the Employee completes at least one Hour of Service with the Employer.
 - (iv) **Semi-monthly.** Under the semi-monthly Equivalency Method, an Employee is credited with 95 Hours of Service for each semi-monthly period during which the Employee completes at least one Hour of Service with the Employer.
 - (v) **Hours worked.** Under the hours worked Equivalency method, 870 hours worked is treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service.
 - (vi) **Regular time hours.** Under the regular time hours Equivalency Method, 750 regular time hours is treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.
- (3) **Employee need not be employed for entire Vesting Computation Period.** If an Employee completes the required Hours of Service during a Vesting Computation Period, the Employee will receive credit for a Year of Service as of the end of such Vesting Computation Period, even if the Employee is not employed for the entire Vesting Computation Period.
- (b) **Elapsed Time method.** Instead of using Hours of Service in applying the Plan’s vesting schedules, the Employer may elect under AA §8-5(c) to apply the Elapsed Time method for calculating an Employee’s vesting service with the Employer. Under the Elapsed Time method, an Employee receives credit for the aggregate period of time worked for the Employer commencing with the Employee’s first day of employment (or Reemployment Commencement Date, if applicable) and ending on the date the Employee begins a Period of Severance which lasts at least 12 consecutive months. In calculating an Employee’s aggregate period of service, an Employee receives credit for any Period of Severance that lasts less than 12 consecutive months. If an Employee’s aggregate period of service includes fractional years, such fractional years are expressed in terms of days.
- (1) **Period of Severance.** For purposes of applying the Elapsed Time method, a Period of Severance is any continuous period of time during which the Employee is not employed by the Employer. A Period of Severance begins on the date the Employee retires, quits or is discharged, or if earlier, the 12-month anniversary of the date on which the Employee is first absent from service for a reason other than retirement, quit or discharge.

In the case of an Employee who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence shall not constitute a Period of Severance. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (i) by reason of the pregnancy of the Employee, (ii) by reason of the birth of a child of the Employee, (iii) by reason of the placement of a child with the Employee in connection with the adoption of such child by the Employee, or (iv) for purposes of caring for a child of the Employee for a period beginning immediately following the birth or placement of such child.

- (2) **Related Employers.** For purposes of applying the Elapsed Time method, service will be credited for employment with any Related Employer.

7.04 **Vesting Computation Period.** Generally, the Vesting Computation Period is the Plan Year. Alternatively, the Employer may elect under AA §8-5(b) to use the 12-month period commencing on the Employee’s date of hire (or Reemployment Commencement Date, if applicable) and each subsequent 12-month period commencing on the anniversary of such date or the Employer may elect to use any other 12-consecutive month period as the Vesting Computation Period.

- 7.05 **Excluded service.** Generally, all service with the Employer counts for purposes of applying the Plan’s vesting schedules. However, the Employer may elect under AA §8-3 to exclude certain service with the Employer in calculating an Employee’s vesting Years of Service.
- 7.06 **Service with Predecessor Employers.** If the Employer maintains the plan of a Predecessor Employer, any service with such Predecessor Employer is treated as service with the Employer for purposes of applying the provisions of this Plan, unless otherwise specified by the Employer in the Adoption Agreement. If the Employer does not maintain the plan of a Predecessor Employer, service with such Predecessor Employer does not count for vesting purposes under this Section 7, unless the Employer specifically designates under AA §4-5 to credit service with such Predecessor Employer for vesting.
- 7.07 **Forfeiture of Benefits.** A Participant will forfeit the nonvested portion of such Participant’s Employer Contribution and/or Matching Contribution Account at such time as the Plan Administrator determines a forfeiture event has occurred. The Plan Administrator has the responsibility to determine the amount of a Participant’s forfeiture. Until an amount is forfeited pursuant to this Section 7.07, a Participant’s entire Account must remain in the Plan and continue to share in gains and losses. A Participant will not forfeit any of such Participant’s nonvested Account until the occurrence of a total distribution to the Participant or Beneficiary or the occurrence of a distributable event as described under the Plan.
- 7.08 **Allocation of Forfeitures.** The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under AA §8-6 how forfeitures occurring during a Plan Year will be treated.
- (a) **Reallocation as additional contributions.** The Employer may elect in AA §8-6 to reallocate forfeitures as additional contributions under the Plan. If the Employer elects to reallocate forfeitures as additional contributions, the Employer may elect, in its discretion, to allocate such amounts as additional Employer Contributions and/or additional Matching Contributions. Forfeitures allocated under this subsection (a) will be allocated in the same manner as selected under AA §6-3 or AA §6B-2 with respect to the contribution type being allocated. If no allocation method is selected for a particular contribution type, forfeitures will be reallocated as a pro rata allocation (as described in AA §6-3(a)) if such amount is reallocated as an additional Employer Contribution or as a discretionary Matching Contribution (as described in AA §6B-2(a)) if such amount is reallocated as an additional Matching Contribution. In applying the provisions of this subsection (a), no allocation of forfeitures will be made to any Participant with respect to forfeitures that arise out of such Participant’s own Account.
 - (b) **Reduction of contributions.** The Employer may elect in AA §8-6 to use forfeitures to reduce Employer Contributions and/or Matching Contributions under the Plan. If the Employer elects to use forfeitures to reduce contributions, the Employer may, in its discretion, use such forfeitures to reduce Employer Contributions, Matching Contributions, or both. The Employer may adjust its contribution deposits in any manner, provided the total Employer Contributions made for the Plan Year properly take into account the forfeitures that are to be used to reduce such contributions for that Plan Year. If contributions are allocated over multiple allocation periods, the Employer may reduce its contribution for any allocation periods within the Plan Year in which the forfeitures are to be allocated so that the total amount allocated for the Plan Year is proper.
 - (c) **Payment of Plan expenses.** The Employer may elect under AA §8-6 to first use forfeitures to pay Plan expenses for the Plan Year in which the forfeitures would otherwise be applied. If any forfeitures remain after the payment of Plan expenses under this subsection, the remaining forfeitures will be allocated as selected under AA §8-6.
 - (d) **Frozen Plans.** If the Plan holds any unallocated forfeitures at the time the Plan is frozen, such forfeitures may be allocated in accordance with this Section 7.08, regardless of any contrary elections under AA §8-6.

**SECTION 8
PLAN DISTRIBUTIONS**

A Participant may receive a distribution of such Participant's vested Account Balance at the time and in the manner provided under this Section 8.

8.01 **Distribution Options.** Distributions from the Plan may be made in the form of a lump sum of the Participant's entire vested Account Balance, a single sum distribution of a portion of the Participant's vested Account Balance, installments, annuity payments or other form of distribution, as elected by the Employer under the Agreement. In addition, distribution options may be available as provided under a guaranteed income product to the extent such distribution options are consistent with the requirements of Code §457(b). The Plan Administrator will make distributions to a Participant (or Beneficiary) as soon as administratively feasible after the occurrence of an event, such as Severance from Employment, that allows a Participant or Beneficiary to receive a distribution. The Plan may condition the receipt of a distribution on Participant and/or spousal consent, as specified under AA §9-4.

Subject to the automatic rollover rules under **Section 8.09(f)** of the Plan, a Participant who has a Severance from Employment (or a Beneficiary entitled to a distribution after the death of a Participant) with a vested Account Balance of \$5,000 (\$7,000, effective for distributions after December 31, 2023) or less generally will receive an Involuntary Cash-Out Distribution in the form of a lump sum distribution. An Involuntary Cash-Out Distribution is any distribution that is made from the Plan without the Participant's consent. If a Participant's vested Account Balance exceeds \$5,000 (\$7,000, effective for distributions after December 31, 2023), the Participant generally must consent to a distribution from the Plan. The Employer may specify alternative Involuntary Cash-Out Distribution thresholds and Participant and spousal consent requirements for the Plan under AA §9-4 or under separate administrative procedures.

Notwithstanding other provisions of the Plan, the Employer may operate the Plan to provide relief from certain rules relating to in-service distributions and loans for Participants who are victims of certain qualified natural disasters, as set forth under applicable IRS or legislative guidance. The Plan Administrator shall document through administrative procedures or otherwise the manner in which the Plan operationally applied this relief.

8.02 **Amount Eligible for Distribution.** For purposes of determining the amount a Participant may receive as a distribution from the Plan, a Participant's Account Balance is determined as of the Valuation Date that immediately precedes the date the Participant receives a distribution from the Plan. For this purpose, the Participant's Account Balance must be increased for any contributions allocated to the Participant's Account since the most recent Valuation Date and must be reduced for any distributions the Participant received from the Plan since the most recent Valuation Date. A Participant does not share in any allocation of gains or losses attributable to the period between the Valuation Date and the date of the distribution under the Plan, unless the Plan Administrator establishes an alternative policy.

8.03 **Permissible Distribution Events.** A Participant may receive a distribution from the Plan on account of a Severance from Employment. The Employer may, but is not required to, elect under AA §9-2(a) to allow certain in-service distributions. (See **Section 8.06** for the special rules for the distribution of smaller amounts.) However, as required under Code §457(d), in no event may the Plan make distributions earlier than:

- (a) The calendar year in which a Participant attains age 59½;
- (b) The date a Participant qualifies for an Unforeseeable Emergency distribution, as described under **Section 8.08**;
- (c) The date a Participant qualifies for a Qualified Birth or Adoption Distribution, as described under **Section 8.14**;
- (d) With respect to amounts invested in a Lifetime Income Investment, as described under **Section 8.15**, the date that is 90 days prior to the date that such Lifetime Income Investment may no longer be held as an investment option under the Plan;
- (e) The date a Participant is required to receive a distribution under the required minimum distribution rules in **Section 9** of the Plan;
- (f) The date a Participant is treated as having a Severance from Employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §457(d). If an individual elects to receive a distribution while on military leave, the individual may not make Salary Deferrals under the Plan during the 6-month period beginning on the date of the distribution.
- (g) The date a Participant qualifies for an Emergency Personal Expense Distribution, as described in **Section 8.18**.

- (h) The date a Participant qualifies for a Domestic Abuse Distribution, as described in **Section 8.19**.
- (i) The date a participant qualifies for a Qualified Long-Term Care Distribution, as described in **Section 8.20**. [**Note – Qualified Long-Term Care Distributions are not available until after December 29, 2025.**]

If the Employer does not elect to allow in-service distributions under AA §9-2(a), then no distributions are allowed until a Participant has a Severance from Employment.

8.04 Severance from Employment. An Employee has a Severance from Employment if the Employee dies, retires or otherwise has a severance from employment. In general, an Independent Contractor is considered to have a Severance from Employment upon the expiration of the contract under which services are performed for the Employer, if the expiration constitutes a good faith and complete termination of the contractual relationship.

8.05 Distribution Upon Death. Upon death and subject to the required minimum distribution rules in **Section 9**, a Participant's vested Account Balance will be distributed to the Participant's Beneficiary(ies) in accordance with this Section. The form of benefit payable with respect to a deceased Participant will depend on whether the Participant dies before or after distribution of such Participant's Account Balance has commenced.

- (a) **Death after commencement of benefits.** Subject to the required minimum distribution rules under Code §401(a)(9), if a Participant begins receiving a distribution of benefits under the Plan, and subsequently dies prior to receiving the full value of such Participant's vested Account Balance, the remaining benefit may continue to be paid to the Participant's Beneficiary(ies) in accordance with the form of payment that has already commenced. Alternatively, the Plan Administrator, in its discretion, may cash-out the remaining value of the Participant's benefit without the consent of the Beneficiary(ies).
- (b) **Death before commencement of benefits.** If a Participant dies before commencing distribution of benefits under the Plan, the Participant's Beneficiary(ies) will receive an Involuntary Cash-Out Distribution, unless elected otherwise under AA §9-4 or under separate administrative procedures. In no event will any death benefit be paid in a manner that is inconsistent with the required minimum distribution rules under Code §401(a)(9).
- (c) **Determining a Participant's Beneficiary.** The determination of a Participant's Beneficiary(ies) to receive any death benefits under the Plan will be based on the Participant's Beneficiary designation under the Plan. If a Participant does not designate a Beneficiary to receive the death benefits under the Plan, distribution will be made to the default Beneficiaries, as set forth in subsection (3) below.
 - (1) **Post-retirement death benefit.** If a Participant dies after commencing distribution of benefits under the Plan (but prior to receiving a distribution of such Participant's entire vested Account Balance under the Plan), the Beneficiary of any post-retirement death benefit is determined in accordance with the Beneficiary selected under the distribution options in effect prior to death.
 - (2) **Pre-retirement death benefit.** If a Participant dies before commencing distribution of such Participant's benefits under the Plan, the surviving spouse (determined at the time of the Participant's death) will be treated as the sole Beneficiary, unless:
 - (i) there is a valid contrary Beneficiary designation,
 - (ii) there is no surviving spouse, or
 - (iii) the spouse makes a valid disclaimer.
 - (3) **Default beneficiaries.** To the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rule discussed above) and is not designated under the terms of this Plan or the Adoption Agreement to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving spouse (if the Participant was married at the time of death) who shall be considered the Designated Beneficiary. If a Participant is legally divorced, the former spouse is not considered the default Beneficiary. If the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate. The Employer may modify the default beneficiary rules described in this subparagraph under AA §9-6.

- (4) **Identification of Beneficiaries.** The Plan Administrator may request proof of the Participant's death and may require the Beneficiary to provide evidence of such Participant's right to receive a distribution from the Plan in any form or manner the Plan Administrator may deem appropriate. The Plan Administrator's determination of the Participant's death and of the right of a Beneficiary to receive payment under the Plan shall be conclusive. If a distribution is to be made to a minor or incompetent Beneficiary, payments may be made to the person's legal guardian, conservator recognized under state law, or custodian in accordance with the Uniform Gifts to Minors Act or similar law as permitted under the laws of the state where the Beneficiary resides. The Plan Administrator or Trustee will not be liable for any payments made in accordance with this subsection (4) and will not be required to make any inquiries with respect to the competence of any person entitled to benefits under the Plan.
- (5) **Death of Beneficiary.** Unless specified otherwise in the Participant's Beneficiary designation form or under AA §9-6, if a Beneficiary does not predecease the Participant but dies before distribution of the death benefit is made to the Beneficiary, the death benefit will be paid to the Beneficiary's estate. If the Participant and the Participant's Beneficiary die simultaneously and the Participant's Beneficiary designation form does not address simultaneous death, the determination of the death beneficiary will be determined under any state simultaneous death laws, to the extent applicable. If no applicable state law applies, the death benefit will be paid to the any contingent beneficiaries named under the Participant's beneficiary designation. If there are no contingent beneficiaries, the death benefit will be paid to the Participant's default beneficiaries, as described in subsection (3).
- (6) **Divorce from Spouse.** If a Participant designates such Participant's spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and spouse are divorced, the designation of the spouse as Beneficiary under the Plan is automatically rescinded unless specifically provided otherwise under the Plan, a divorce decree or QDRO, or unless the Participant enters into a new Beneficiary designation naming the prior spouse as Beneficiary. In addition, the provisions under this subsection (6) will not apply if the Participant has entered into a Beneficiary designation that specifically overrides the provisions of this subsection (6).

- (d) **Slaver Rule.** Notwithstanding anything to the contrary in the Plan, if the Plan Administrator receives notice prior to distribution of a Participant's vested Account Balance that an individual is responsible for the death of such Participant, then no payment of benefits with respect to such Participant will be made under any provision of the Plan to such individual. An individual will be treated as being responsible for the death of a Participant for purposes of the foregoing sentence only if, by virtue of such individual's involvement in the death of the Participant, such individual's entitlement to any interest in assets of the deceased could be denied (whether or not there is in fact any such entitlement) under any applicable state law, including, without limitation, laws governing intestate succession, wills, jointly-owned property, bonds, and life insurance. For purposes of the Plan, any such responsible individual will be deemed to have predeceased the Participant. The Plan Administrator shall withhold distribution of benefits otherwise payable under the Plan for such period of time as is necessary or appropriate under the circumstances to make a determination with regard to the application of this section.

8.06 **Distributions of Smaller Amounts.** The Employer may elect under the AA §9-2(c) to allow for distribution of all or a portion of the Participant's Account Balance, provided the conditions set forth under subsection (a) are satisfied.

- (a) **Conditions for Distribution.** In order for a Plan to make distributions under this Section 8.06, the following conditions must be satisfied: (i) the Participant's total Account Balance which is not attributable to rollover contributions is not in excess of \$5,000 (or \$7,000, effective for distributions made after December 31, 2023) (or such other dollar limit specified under Code §411(a)(11)(A)), (ii) the Participant has not received an Employer Contribution or made a Salary Reduction Contribution during the two-year period ending on the date of distribution and (iii) the Plan has not made a prior distribution to the Participant under this Section 8.06.
- (b) **Participant Election.** The Employer may elect under the AA §9-2(c) to allow a Participant to receive a distribution under this Section 8.06 at the Participant's (or Beneficiary's) request, provided the conditions in subsection (a) are satisfied.

8.07 **Distributions under a Qualified Domestic Relations Order.** The plan may make distributions to an Alternate Payee pursuant to a Qualified Domestic Relations Order (as described in Section 11.06 of the Plan, even if the amounts subject to the QDRO are not otherwise distributable.

8.08 **Unforeseeable Emergency Distribution.** If elected by the Employer in AA§9-2, a Participant may receive an in-service distribution on account of an Unforeseeable Emergency. If elected under AA §9-2(a)(3), Participants who receive a distribution on the occurrence of an Unforeseeable Emergency may not make Salary Deferrals to the Plan for a period of six (6) months after the date of the Unforeseeable Emergency distribution.

- (a) **Amount available for distribution.** A Participant may receive a distribution on account of an Unforeseeable Emergency of any portion of such Participant's vested benefit (including earnings thereon) up 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) **Definition of Unforeseeable Emergency.** 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 the Participant's or Beneficiary's dependent; (ii) loss of the Participant's or Beneficiary's property due to casualty; or (iii) similar extraordinary or unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary (such as the need to pay medical expenses or funeral expenses). Imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication; the need to pay for the funeral expenses of a spouse or a dependent (as defined in IRC §152(a)) may constitute Unforeseeable Emergencies. However, the purchase of a home and the payment of college tuition generally are not Unforeseeable Emergencies. The Plan Administrator will determine based on relevant facts and circumstances whether a Participant or Beneficiary is faced with an Unforeseeable Emergency permitting a distribution.
- (c) **Availability of Other Resources.** The Plan may not make a distribution on account of an Unforeseeable Emergency to the extent that the emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets without causing financial hardship; or by cessation of Salary Deferrals under the Plan.
- (d) **Employee certification.** In determining whether a distribution to a Participant is made when the Participant is faced with an Unforeseeable Emergency, the Plan Administrator may (but is not required to) rely on a written certification by the Participant that the distribution is: (1) made when the Participant is faced with an Unforeseeable Emergency of a type which is described in Section 8.08(b) of the Plan; (2) not in excess of the amount required to satisfy the emergency need; and (3) that the Participant has no alternative means reasonably available to satisfy such emergency need. This Section 8.08(d) will be administered consistent with any applicable guidance or regulations issued by the Internal Revenue Service.

8.09 **Direct Rollovers.** Notwithstanding any provision in the Plan to the contrary, a Participant may elect to have all or any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan in a Direct Rollover. If a Participant elects a Direct Rollover of only a portion of an Eligible Rollover Distribution, the Plan Administrator may require that the amount being rolled over equals at least \$500.

For purposes of this Section 8.09, a Participant includes a Participant or former Participant. In addition, this Section applies to any distribution from the Plan made to a Participant's surviving spouse or to a Participant's spouse or former spouse who is the Alternate Payee under a QDRO.

If it is reasonable to expect (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than \$200, the Employer need not offer the Participant a Direct Rollover option with respect to such distribution.

- (a) **Eligible Rollover Distribution.** An Eligible Rollover Distribution is any distribution of all or any portion of a Participant's Account Balance, except for the following distributions:
 - (1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or Life Expectancy) of the Participant or the joint lives (or joint Life Expectancies) of the Participant and the Participant's Beneficiary, or for a specified period of ten years or more;
 - (2) any distribution to the extent such distribution is a required minimum distribution under **Section 9**;
 - (3) the portion of any distribution that is not includible in gross income;
 - (4) any distribution if it is reasonably expected (at the time of the distribution) that the total amount the Participant will receive as a distribution during the calendar year will total less than \$200; or
 - (5) the portion of any distribution that is a distribution of excess deferrals as described under **Section 5.05**; or
 - (6) a distribution on account of an Unforeseeable Emergency.
- (b) **Eligible Retirement Plan.** An Eligible Retirement Plan is:

- (1) an individual retirement account described in §408(a) of the Code;
 - (2) an individual retirement annuity described in §408(b) of the Code;
 - (3) an annuity plan described in §403(a) of the Code;
 - (4) a qualified plan described in §401(a) of the Code;
 - (5) a tax sheltered annuity plan described in §403(b) of the Code;
 - (6) a governmental 457 plan described in §457(b) of the Code; or
 - (7) Any other eligible retirement plan designated under Code §402(c)(8)(B).
- (c) **Direct Rollover.** A Direct Rollover is a payment made directly from the Plan to the Eligible Retirement Plan specified by the Participant (or surviving spouse). The Plan Administrator may develop reasonable procedures for accommodating Direct Rollover requests.
- (d) **Direct Rollover notice.** A Participant entitled to an Eligible Rollover Distribution must receive a written explanation of such Participant's right to a Direct Rollover, the tax consequences of not making a Direct Rollover, and, if applicable, any available special income tax elections. The notice must be provided within 30 – 180 days prior to the date of distribution. The Direct Rollover notice must be provided to all Participants, unless the total amount the Participant will receive as a distribution during the calendar year is expected to be less than \$200.
- (e) **Direct Rollover by Non-Spouse Beneficiary.** A non-spouse beneficiary (as defined in Code §401(a)(9)(E)) may elect to directly rollover an eligible rollover distribution to an individual retirement account under Code §408(a) or an individual retirement annuity under Code §408(b). In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an Eligible Rollover Distribution (as defined in Code §402(c)). A non-spouse beneficiary rollover is subject to the rules under Code §457(e)(16) relating to the application of Code §402(c) and Code §402(f).
- (f) **Automatic Rollovers.**
- (1) **Automatic Rollover requirements.** If a Participant is entitled to an Involuntary Cash-Out Distribution (as defined in subsection (2)), and the Participant does not elect to receive a distribution of such amount (either as a Direct Rollover to an Eligible Retirement Plan or as a direct distribution to the Participant), then the Plan Administrator may pay the distribution in a Direct Rollover to an individual retirement plan (IRA) designated by the Plan Administrator. (The Automatic Rollover provisions under this subsection apply to any Involuntary Cash-Out Distribution for which the Participant fails to consent to a distribution, without regard to whether the Participant can be located.)
 - (2) **Involuntary Cash-Out Distribution.** An Involuntary Cash-Out Distribution is any distribution that is made from the Plan without the Participant's consent. Unless elected otherwise under AA §9-4(a)(3), an Involuntary Cash-Out Distribution, for purposes of applying the Automatic Rollover requirements, does not include any amounts below \$1,000.
 - (3) **Treatment of Rollover Contributions.** Unless elected otherwise under AA §9-4(a)(5), for purposes of determining whether a mandatory distribution is greater than \$1,000, the portion of the Participant's distribution attributable to any Rollover Contribution is excluded.
- 8.10 Sources of Distribution.** Unless provided otherwise in separate administrative provisions adopted by the Plan Administrator, in applying the distribution provisions under this Article 8, distributions will be made on a pro rata basis from all Accounts from which a distribution is permitted under this Article. Alternatively, the Plan Administrator may permit Participants to direct the Plan Administrator as to which Account the distribution is to be made. Regardless of a Participant's direction as to the source of any distribution, the tax effect of such a distribution will be governed by Code §457 and the regulations there under. Nothing in this Article precludes the Plan from making a distribution in the form of property, or other in-kind distribution.
- 8.11 Transfers from the Plan to another Code §457(b) Plan.** The Plan may provide for the transfer of all or a portion of a Participant's (or Beneficiary's) vested Account Balance to another eligible governmental plan within the meaning of Code §457(b) and Treasury Regulation §1.457-2(f) if the conditions below are satisfied: Upon the transfer of assets under this Section, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of

the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. §1.457-10 (b).

- (a) Requirements for post-severance plan-to-plan transfers among eligible governmental plans. A transfer from this Plan to another eligible governmental plan is permitted if the following conditions are met:
 - (1) The receiving plan provides for the receipt of transfers;
 - (2) The Participant or Beneficiary whose amounts are being transferred will have an amount immediately after the transfer at least equal to the amount with respect to that Participant or Beneficiary immediately before the transfer; and
 - (3) The participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the receiving plan.
- (b) Requirements for plan-to-plan transfers of all plan assets of eligible governmental plan. A transfer from the Plan to another eligible governmental plan is permitted if the following conditions are met:
 - (1) The transfer is from the Plan an eligible governmental plan to another eligible governmental plan within the same State;
 - (2) All of the assets held by the Plan are transferred;
 - (3) The receiving plan provides for the receipt of transfers;
 - (4) The Participant or Beneficiary whose amounts deferred are being transferred will have an amount immediately after the transfer at least equal to the amount with respect to that Participant or Beneficiary immediately before the transfer; and
 - (5) The Participants or Beneficiaries whose amounts are being transferred are not eligible for additional contributions in the receiving plan unless they are performing services for the entity maintaining the receiving plan.
- (c) Requirements for plan-to-plan transfers among eligible governmental plans of the Employer. A transfer from the Plan to another eligible governmental plan is permitted if the following conditions are met:
 - (1) The transfer is to another eligible governmental plan of the Employer;
 - (2) The receiving plan provides for the receipt of transfers;
 - (3) The Participant or Beneficiary whose amounts are being transferred will have an amount immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer; and
 - (4) The Participant or Beneficiary whose amounts are being transferred is not eligible for additional contributions in the receiving plan unless the Participant or Beneficiary is performing services for the entity maintaining the receiving plan.

8.12 Permissive Service Credit Transfers. If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code §414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant, if permitted by the Employer, may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan (without regard to whether the defined benefit governmental plan is maintained by the Employer). A transfer under this Section may be made before the Participant has had a Severance from Employment. A transfer may be made under this Section only if the transfer is either for the purchase of permissive service credit (as defined in Code §415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code §415 does not apply by reason of Code §415(k)(3).

8.13 Qualified Distributions for Retired Public Safety Officers. A Participant who is an eligible retired public safety officer may elect, after Severance from Employment, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan that would otherwise be includible in gross income, and to have such amounts paid directly to the insurer or

group health plan. The distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distribution does not exceed the lesser of the amount used to pay the qualified health insurance premiums of the Participant, the Participant's spouse, and the Participant's dependents (as defined in Code §152), or \$3,000, determined by aggregating all distributions with respect to the Participant that are used to pay qualified health insurance premiums from all eligible retirement plans of the Employer.

- (a) **Qualified health insurance premiums.** The term "qualified health insurance premiums" means premiums for coverage for the Participant, the Participant's spouse, and the Participant's dependents (as defined in Code Section 152) by an accident or health insurance plan (including under a self-insured plan) or qualified long-term care insurance contract (within the meaning of Code Section 7702B(b)).
- (b) **Eligible retired public safety officer.** The term "eligible retired public safety officer" means an individual who separated from service, either by reason of disability or after attainment of Normal Retirement Age, as a public safety officer with the Employer. For this purpose, a public safety officer is an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or a member of a rescue squad or ambulance crew.

8.14 Qualified Birth or Adoption Distributions. Effective no earlier than for Plan Years beginning after December 31, 2019, if elected under AA §9-2(a), the permissible in-service distribution events may include Qualified Birth or Adoption Distributions. Under AA §9-3, the Plan may prohibit Participants who have terminated employment from taking Qualified Birth or Adoption Distributions.

(a) **Definitions.**

- (1) **Qualified Birth or Adoption Distribution.** A Qualified Birth or Adoption Distribution (as defined under Code §72(t)(2)(H)(iii)(I)) is a distribution from the Plan to an individual if made during the one-year period beginning on the date on which a child of the individual is born or on which the legal adoption by the individual of an Eligible Adoptee is finalized.
 - (2) **Eligible Adoptee.** An Eligible Adoptee (as defined under Code §72(t)(2)(H)(iii)(II)) is any individual (other than a child of the Employee's spouse) who has not attained age 18 or is physically or mentally incapable of self-support. The determination of whether an individual is physically or mentally incapable of self-support is made in the same manner as the determination of whether an individual is disabled under Code §72(m)(7), which defines when an individual is disabled for purposes of the exception to the 10% additional tax under Code §72(t)(2)(A)(iii).
- (b) **\$5,000 limitation.** The Plan is not treated as violating any Code requirement merely because it treats a distribution (that would otherwise be a Qualified Birth or Adoption Distribution) to an individual as a Qualified Birth or Adoption Distribution, provided that the aggregate amount of such distributions to that individual from all plans maintained by the Employer does not exceed \$5,000.
- (1) Each parent may receive a Qualified Birth or Adoption Distribution of up to \$5,000 with respect to the same child or Eligible Adoptee.
 - (2) An individual is permitted to receive Qualified Birth or Adoption Distributions with respect to the birth of more than one child or the adoption of more than one Eligible Adoptee if the distributions are made during the 1-year period following the date on which the children are born or the legal adoption for the Eligible Adoptees is finalized.
- (c) **Recontributions to applicable Eligible Retirement Plans.** Any portion of a Qualified Birth or Adoption Distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. (With respect to any Qualified Birth or Adoption Distribution made on or before December 29, 2022, a Participant may recontribute any portion of the Qualified Birth or Adoption Distribution after such distribution and before January 1, 2026.) If the Employer adds the ability for Plan Participants to receive Qualified Birth or Adoption Distributions to the Plan, a Participant who has received a Qualified Birth or Adoption Distribution may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make contributions (other than recontributions of Qualified Birth or Adoption Distributions) to the Plan. In the case of a recontribution made with respect to a Qualified Birth or Adoption Distribution from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

- (d) **Other applicable rules.** The following rules apply to Qualified Birth or Adoption Distributions:
- (1) A distribution to an individual will not be treated as a Qualified Birth or Adoption Distribution with respect to any child or Eligible Adoptee unless the individual includes the name, age, and the Taxpayer Identification Number (TIN) of the child or Eligible Adoptee on the individual's tax return.
 - (2) A Qualified Birth or Adoption Distribution is includible in gross income, but it is not subject to the 10% additional tax under Code §72(t)(1).
 - (3) In making a determination whether an individual is eligible for a Qualified Birth or Adoption Distribution, the Employer or Plan Administrator is permitted to rely on reasonable representations from the individual, unless the Employer or Plan Administrator has actual knowledge to the contrary.
 - (4) A Qualified Birth or Adoption Distribution is not treated as an Eligible Rollover Distribution for purposes of the direct rollover rules of Code §401(a)(31), the notice requirement under Code §402(f), and the mandatory withholding rules under Code §3405.

8.15 **Portability of lifetime income options.** Effective for Plan Years beginning after December 31, 2019 and as provided under Code §457(d)(1)(A)(iv), the Plan may allow a Qualified Distribution of a Lifetime Income Investment and a distribution of a Lifetime Income Investment in the form of a Qualified Plan Distribution Annuity Contract, provided such distribution is made within the 90-day period ending on the date when the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. The Plan Administrator may administratively apply the rules of Code §457(d)(1)(A)(iv) to any applicable Plan investment meeting the definition of a Lifetime Income Investment.

Definitions.

- (a) **Qualified Distribution.** A Qualified Distribution is a direct trustee-to-trustee transfer to an Eligible Retirement Plan.
- (b) **Lifetime Income Investment.** A Lifetime Income Investment, as defined under Code §401(a)(38)(B)(ii), is an investment option designed to provide an Employee with election rights (1) that are not uniformly available with respect to other investment options under the Plan and (2) that are rights to a Lifetime Income Feature available through a contract or other arrangement offered under the Plan, as defined under Code §401(a)(38)(B)(ii). The Plan Administrator will determine whether an investment option under the Plan is a Lifetime Income Investment.
- (c) **Lifetime Income Feature.** As defined under Code §401(a)(38)(B)(iii), a Lifetime Income Feature is (1) a feature that guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the Employee or the joint lives of the Employee and the Employee's designated Beneficiary, or (2) an annuity payable on behalf of the Employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the Employee or the joint lives of the Employee and the Employee's designated Beneficiary.
- (d) **Qualified Plan Distribution Annuity Contract.** A Qualified Plan Distribution Annuity Contract is an annuity contract purchased for a Participant and distributed to the Participant by the Plan, as defined under Code §401(a)(38)(B)(iv).

8.16 **Special Disaster-Related Rules under the Taxpayer Certainty and Disaster Tax Relief Act of 2020.** This Section 8.16 incorporates the provisions of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 §302 relating to special disaster-related rules applicable to governmental Code §457(b) plans. The provisions of this Section 8.16 apply only to the extent a distribution or loan was made to a qualified individual as provided under Disaster Tax Relief Act of 2020 §302. If the Plan did not operationally apply the rules under this Section 8.16, such provisions do not apply to the Plan. The Plan Administrator documented through administrative procedures (including designating accounts from which special disaster-related distributions and loans could have been taken) or otherwise the manner in which the Plan operationally applied the rules under this Section 8.16. To the extent this Section 8.16 applies to the Plan, these provisions supersede any inconsistent provisions of the Plan or loan program. The Plan Administrator

- (a) **Eligibility for Qualified Disaster Distribution.** If administratively permitted by the Plan Administrator, a Participant could have taken a Qualified Disaster Distribution without regard to any distribution restrictions otherwise applicable under the Plan.

- (1) **Definitions.**

- (i) **Qualified Disaster Distribution.** A Qualified Disaster Distribution (as defined under the Disaster Tax Relief Act of 2020 §302(a)(4)(A)) is a distribution from the Plan made:
 - (A) on or after the first day of the Incident Period of a Qualified Disaster and before June 25, 2021, and
 - (B) to an individual whose principal place of abode at any time during the Incident Period of such Qualified Disaster was located in the Qualified Disaster Area with respect to such Qualified Disaster and who had sustained an economic loss by reason of such Qualified Disaster.
 - (ii) **Qualified Disaster Area.** A Qualified Disaster Area is any area with respect to which a major disaster was declared, during the period that began on January 1, 2020, and ended on February 25, 2021, by the President under Robert T. Stafford Disaster Relief and Emergency Assistance Act §401 if the Incident Period of the disaster with respect to which such declaration was made began on or after December 28, 2019, and ended on or before December 27, 2020. Such term did not include any area with respect to which such a major disaster had been so declared only by reason of COVID-19.
 - (iii) **Qualified Disaster.** A Qualified Disaster is, with respect to any Qualified Disaster Area, the disaster by reason of which a major disaster was declared with respect to such area.
 - (iv) **Incident Period.** An Incident Period is, with respect to any Qualified Disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred (except that such period shall not be treated as ending after January 26, 2021).
- (2) **Limit on amount of Qualified Disaster Distributions.** The aggregate amount of Qualified Disaster Distributions received by an individual for any taxable year (from all plans maintained by the Employer and any member of a controlled group which includes the Employer) could not have exceeded the excess (if any) of \$100,000, over the aggregate amounts treated as Qualified Disaster Distributions received by such individual for all prior taxable years.
- (3) **Qualified Disaster Distributions treated as meeting certain Plan distribution requirements.** A Qualified Disaster Distribution is treated as meeting the requirements of Code §457(d)(1)(A).
- (b) **Repayment of Qualified Disaster Distribution.** As provided under the Disaster Tax Relief Act of 2020 §302(a)(3), a Participant who received a Qualified Disaster Distribution from the Plan or another eligible retirement plan (as defined in Code §402(c)(8)(B)) may, at any time during the three-year period beginning on the day after the receipt of such distribution, make one or more Rollover Contributions to the Plan in an aggregate amount that does not exceed the amount of such Qualified Disaster Distribution. This subsection (b) only applies if the Plan permits Rollover Contributions.
- (c) **Special Loan Rules.** As provided under the Disaster Tax Relief Act of 2020 §302(c), the Plan Administrator could (but was not required to) revise the applicable loan requirements under the Plan to reflect (1) and (2) below.
- (1) **Increased Participant loan limits.** Notwithstanding the Participant loan limitations under the Plan, for purposes of determining the permissible Participant loans for a Qualified Individual during the 180-day period beginning on December 27, 2020, the loan limit under Code §72(p)(2)(A) could have been applied by substituting “\$100,000” for “\$50,000” and the adequate security requirement under Code §72(p)(2)(A)(ii) could have been applied using “the Participant’s vested Account Balance” rather than “one-half (½) of the Participant’s vested Account Balance.” A Qualified Individual for this purpose was any Participant whose principal place of abode at any time during the Incident Period of any Qualified Disaster was located in the Qualified Disaster Area with respect to such Qualified Disaster, and who had sustained an economic loss by reason of such Qualified Disaster.
- (2) **Delayed loan repayment date.** If a Qualified Individual (as defined in Section 8.16(c)(1) above) had an outstanding Participant loan on or after the first day of the Incident Period of a Qualified Disaster and ending on the date which is 180 days after the last day of the Incident Period:
- (i) The due date for repayment of the Participant loan could have been delayed for one year;
 - (ii) any subsequent repayments with respect to such loan could have been appropriately adjusted to reflect the delay in the due date under Section 8.16(c)(2)(i) and any interest accruing during such delay; and

- (iii) in determining the five-year period and the term of the loan under Code §72(p)(2)(B) and (C), the one-year delay period described in Section 8.16(c)(2)(i) could have been disregarded.

8.17 Qualified Disaster Recovery Distributions and loans from the Plan. This Section 8.17 incorporates §331 of SECURE 2.0 relating to special disaster-related rules for retirement plans. The provisions of this Section 8.17 will apply only to the extent a distribution or loan has been made to a qualified individual as provided under SECURE 2.0. If the Plan does not operationally apply the rules under this Section 8.17, such provisions do not apply to the Plan. The Plan Administrator must document under administrative procedures the operational application of this Section 8.17. To the extent this Section 8.17 applies to the Plan, the provisions of this Section 8.17 supersede any inconsistent provisions of the Plan or loan program.

- (a) **Eligibility for Qualified Disaster Recovery Distribution.** A qualified individual (as determined under Section 8.17(a)(1)(i) below) may, if permitted by the Plan Administrator, take a Qualified Disaster Recovery Distribution without regard to other distribution restrictions otherwise applicable under the Plan.

(1) **Definitions**

- (i) **Qualified Disaster Recovery Distribution.** A Qualified Disaster Recovery Distribution is a distribution made (1) on or after the first day of the Incident Period of the applicable Qualified Disaster and before 180 days after the Applicable Date with respect to such disaster and (2) to a qualified individual whose principal place of abode at any time during the incident period of such Qualified Disaster is located in the Qualified Disaster Area with respect to such Qualified Disaster and who has sustained an economic loss by reason of such Qualified Disaster.
- (ii) **Qualified Disaster.** Qualified Disaster is any disaster with respect to which a major disaster has been declared by the President under §401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act after December 27, 2020.
- (iii) **Qualified Disaster Area.** A Qualified Disaster Area is, with respect to any Qualified Disaster, the area with respect to which the major disaster was declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
- (iv) **Incident Period.** The Incident Period is, with respect to any Qualified Disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred.
- (v) **Applicable Date.** The Applicable Date is the latest of: (1) December 29, 2022; (2) the first day of the Incident Period with respect to the Qualified Disaster, or (3) the date of the disaster declaration with respect to the Qualified Disaster.

- (2) **Limit on amount of Qualified Disaster Recovery Distributions.** The aggregate amount of Qualified Disaster Recovery Distributions received by an individual (from all plans maintained by the Employer, including any Related Employer) may not exceed \$22,000 with respect to the same Qualified Disaster.

- (b) **Repayment of Qualified Disaster Recovery Distribution.** A Participant who received a Qualified Disaster Recovery Distribution from the Plan may, at any time during the 3-year period beginning on the day after the receipt of such distribution, make one or more rollover contributions to an Eligible Retirement Plan (including this Plan) in an aggregate amount that does not exceed the amount of such Qualified Disaster Recovery Distribution. This subsection (b) only applies if the Eligible Retirement Plan permits rollover contributions.

- (c) **Special Loan Rules.** As provided under Code §72(p)(6) as added by §331(c) of SECURE 2.0, the Plan Administrator is authorized (but not required) to revise the applicable loan requirements under the Plan to reflect (1) and (2) below.

- (1) **Increased Participant loan limits.** Notwithstanding the Participant loan limitations under the Plan, for purposes of determining the permissible Participant loans for qualified individuals during the applicable periods (as provided for under Code §72(p)(6)(A)), the loan limit under Code §72(p)(2)(A) shall be applied by substituting “\$100,000” for “\$50,000” and the adequate security requirement under Code §72(p)(2)(A) (ii) may be applied using “the Participant’s vested Account Balance” rather than “one-half (½) of the Participant’s vested Account Balance.”
- (2) **Delayed loan repayment date.** If a qualified individual has an outstanding Participant loan on or after the qualified beginning date (as provided under Code §72(p)(6)(B)), and the due date for repayment of such loan

occurs during the applicable period beginning on the qualified beginning date (as described under the applicable disaster relief law):

- (i) the due date for repayment of the Participant loan shall be delayed for one year;
- (ii) any subsequent repayments with respect to such loan shall be appropriately adjusted to reflect the delay in the due date under subsection (i) and any interest accruing during such delay; and
- (iii) in determining the five-year period and the term of the loan under Code §72(p)(2)(B) and (C), the one-year delay period described in subsection (i) shall be disregarded.

8.18 Emergency Personal Expense Distributions. Effective for distributions after December 31, 2023, the Employer may elect under AA §9-2 to allow Emergency Personal Expense Distributions.

(a) **Definition of Emergency Personal Expense Distribution.** The term Emergency Personal Expense Distribution means any distribution from the Plan to a Participant for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The Plan Administrator may rely on a Participant's written certification that such Participant satisfies the conditions of the preceding sentence in determining whether any distribution is an Emergency Personal Expense Distribution.

(b) **Limits and other rules applicable to Emergency Personal Expense Distributions.**

- (1) **Annual Limitation.** The Plan may treat only one distribution per calendar year as an Emergency Personal Expense Distribution.
- (2) **Dollar Limitation.** The amount which the Plan may treat as an Emergency Personal Expense Distribution by any Participant in any calendar year shall not exceed the lesser of \$1,000 or an amount equal to the excess of:
 - (i) the individual's total nonforfeitable Account Balance, determined as of the date of each such distribution, over
 - (ii) \$1,000.
- (3) **Participant may repay amount distributed.** Any portion of an Emergency Personal Expense Distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. If the Employer adds the ability for Plan Participants to receive Emergency Personal Expense Distributions to the Plan, a Participant who has received an Emergency Personal Expense Distribution may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make contributions (other than recontributions of Emergency Personal Expense Distributions) to the Plan. In the case of a recontribution made with respect to an Emergency Personal Expense Distribution from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.
- (4) **Limitation on subsequent distributions.** If a Participant's distribution is treated as an Emergency Personal Expense Distribution in any calendar year, no amount may be treated as such a distribution during the immediately following three (3) calendar years with respect to the Plan unless:
 - (i) such previous distribution is fully repaid to the Plan pursuant, or
 - (ii) the aggregate of the Salary Deferrals, Matching Contributions and Employer Contributions to the Plan subsequent to such previous distribution is at least equal to the amount of such previous distribution which has not been so repaid.
- (5) **Exemption Of Distributions From Trustee To Trustee Transfer And Withholding Rules.** For purposes of Code §§401(a)(31), 402(f), and 3405, an Emergency Personal Expense Distribution shall not be treated as an Eligible Rollover Distribution.

8.19 Domestic Abuse Distributions. Effective for distributions after December 31, 2023, the Employer may elect

under AA §9-2 to allow Domestic Abuse Distributions.

- (a) **Definition of Domestic Abuse Distribution.** The term Domestic Abuse Distribution is a distribution made to a Participant during the 1-year period beginning on any date on which the Participant is a victim of Domestic Abuse by a spouse or a domestic partner. The Plan Administrator may rely on a Participant's written certification that such Participant satisfies the conditions of receiving a Domestic Abuse Distribution.
- (b) **Definition of Domestic Abuse.** The term Domestic Abuse means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household.
- (c) **Limits and other rules applicable to Domestic Abuse Distributions.**
 - (1) **Limitation.** The aggregate amount which may be treated as a Domestic Abuse Distribution to a Domestic Abuse victim by any individual shall not exceed an amount equal to the lesser of:
 - (i) \$10,000 (adjusted for inflation after 2024), or
 - (ii) 50 percent of the victim's nonforfeitable Account Balance under the Plan.
 - (2) **Participant may repay amount distributed.** Any portion of a Domestic Abuse Distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, be recontributed to an applicable Eligible Retirement Plan to which an Eligible Rollover Distribution can be made. If the Employer adds the ability for Plan Participants to receive Domestic Abuse Distributions to the Plan, a Participant who has received a Domestic Abuse Distribution may recontribute, up to the amount that was distributed from the Plan to the Participant, provided the Participant otherwise is eligible to make contributions (other than recontributions of Domestic Abuse Distributions) to the Plan. In the case of a recontribution made with respect to a Domestic Abuse Distribution from an applicable Eligible Retirement Plan other than an IRA, an individual is treated as having received the distribution as an Eligible Rollover Distribution (as defined in Code §402(c)(4)) and as having transferred the amount to an applicable Eligible Retirement Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

8.20 Qualified Long-Term Care Distributions. Effective for distributions after December 29, 2025, the Employer may elect under AA §9-2 to allow Qualified Long-Term Care Distributions.

- (a) **Definition of Qualified Long-Term Care Distribution.** The term Qualified Long-Term Care Distribution' means so much of the distributions made during the taxable year as does not exceed, in the aggregate, the least of the following:
 - (1) The amount paid by or assessed to the Employee during the taxable year for or with respect to Certified Long-Term Care Insurance for the Employee or the Employee's Spouse (or other family member of the Employee as provided by the Secretary of the Treasury.
 - (2) An amount equal to 10% of the nonforfeitable Account Balance of the Employee under the Plan.
 - (3) \$2,500 (adjusted for inflation).
- (b) **Definition of Certified Long-Term Care Insurance.** The term Certified Long-Term Care Insurance means:
 - (1) A qualified long-term care insurance contract (as defined in Code §7702B(b)) covering qualified long-term care services (as defined in Code §7702B(c)),
 - (2) Coverage of the risk that an insured individual would become a chronically ill individual (within the meaning of Code §101(g)(4)(B)) under a rider or other provision of a life insurance contract which satisfies the requirements of Code §101(g)(3) (determined without regard to subparagraph (D) thereof), or
 - (3) Coverage of qualified long-term care services under a rider or other provision of an insurance or annuity contract which is treated as a separate contract under Code §7702B(e) and satisfies the requirements of Code §7702B(g). Such coverage must provide meaningful financial assistance in the event the insured needs home based or nursing home care. Coverage shall not be deemed to provide meaningful financial assistance unless

benefits are adjusted for inflation and consumer protections are provided, including protection in the event the coverage is terminated.

- (c) **Long-Term Care Premium Statement.** No distribution shall be treated as a Qualified Long-Term Care Distribution unless a Long-Term Care Premium Statement with respect to the Employee has been filed with the Plan. A Long-Term Care Premium Statement is a statement provided by the issuer of long-term care coverage, upon request by the owner of such coverage, which includes (1) the name and taxpayer identification number of such issuer, (2) a statement that the coverage is Certified Long-Term Care Insurance, (3) identification of the Employee as the owner of such coverage, (4) identification of the individual covered and such individual's relationship to the Employee, (5) the premiums owed for the coverage for the calendar year, and (6) such other information as the Secretary of the Treasury may require. A Long-Term Care Premium Statement will be accepted only if the issuer has completed a disclosure to the Secretary of the Treasury for the specific coverage product to which the statement relates.

SECTION 9
REQUIRED MINIMUM DISTRIBUTIONS

A Participant's entire interest under the Plan will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date (as defined in subsection 9.03(f)). All distributions required under this Section 9 will be determined and made in accordance with Code §401(a)(9) and applicable regulations. For purposes of applying the required minimum distribution rules under this Section 9, any distribution made in a form other than a lump sum must be made over one of the following periods (or a combination thereof): (1) the life of the Participant; (2) the life of the Participant and a Designated Beneficiary; (3) a period certain not extending beyond the life expectancy of the Participant; or (4) a period certain not extending beyond the joint and last survivor life expectancy of the Participant and a Designated Beneficiary.

The required minimum distribution rules under this Section 9 are intended to reflect the amendments made to Code §401(a)(9) by the Setting Every Community Up for Retirement Enhancement Act (SECURE Act) and should be interpreted consistent with Code §401(a)(9), as amended, and applicable regulatory guidance. The requirements of Code §401(a)(9) as in effect pursuant to the SECURE Act and as interpreted by applicable regulatory guidance are incorporated by reference into this Section 9. The Plan Administrator may adopt administrative procedures relating to required minimum distributions consistent with Code §401(a)(9) and applicable regulatory guidance. The Plan Administrator also may apply the rules relating to required minimum distributions enacted under SECURE 2.0.

9.01 Required Minimum Distributions during Participant's lifetime.

- (a) **Amount of Required Minimum Distribution for each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
- (1) the quotient obtained by dividing the Participant's Account Balance by the distribution period set forth in the Uniform Lifetime Table found in Treas. Reg. §1.401(a)(9)-9, Q&A-2, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
 - (2) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, Q&A-3, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.
- (b) **Lifetime Required Minimum Distributions continue through year of Participant's death.** Required minimum distributions will be determined under this Section 9.01 beginning with the first Distribution Calendar Year and continuing up to, and including, the Distribution Calendar Year that includes the Participant's date of death.

9.02 Required Minimum Distribution Rules After Participant's Death. Effective for distributions with respect to Employees who die after December 31, 2021, the SECURE Act amendments to Code §401(a)(9) apply to required minimum distributions. For Employees who died before January 1, 2022, the Code §401(a)(9) rules effective before the effective date of the SECURE Act apply.

- (a) **10-year rule.** As provided under Code §401(a)(9)(H)(i), if a Participant dies before the distribution of the Participant's entire vested Account Balance (regardless of whether the Participant dies before, on or after beginning required minimum distributions), the entire vested Account Balance of the Participant will be distributed to the Designated Beneficiary no later than the end of the calendar year that includes the 10th anniversary of the date of the Participant's death. This is referred to as the "10-year rule."
- (1) **Exception to 10-year rule for Eligible Designated Beneficiaries.** As provided under Code §401(a)(9)(H)(ii) and Code §401(a)(9)(B)(iii), if any portion of the Participant's interest is payable to an Eligible Designated Beneficiary, such portion may be distributed (in accordance with applicable regulations) over the life of such Eligible Designated Beneficiary (or over a period not extending beyond the life expectancy of such Eligible Designated Beneficiary), provided such distribution commence on or before the end of the calendar year following the calendar year in which the Participant died (except as provided under Code §401(a)(9)(B)(iv) relating to a surviving spouse) or such later date as the Secretary of Treasury may prescribe by regulations. This is referred to as the "life expectancy rule." If the conditions of this exception are not satisfied, the 10-year rule under subparagraph (1) applies.
 - (2) **Elective provisions for Eligible Designated Beneficiaries.** Unless the Employer elects otherwise under the AA §9-8(c), required minimum distributions under the Plan when the Participant dies prior to the Required Beginning Date shall be made as follows: (1) if the Participant does not have a Designated Beneficiary, distributions must satisfy the 5-year rule under Code §401(a)(9)(B)(ii); (2) if the participant has a Designated

Beneficiary that is not an Eligible Designated Beneficiary, distributions must satisfy the 10-year rule; or (3) if the Participant has an Eligible Designated Beneficiary, distributions must satisfy the life expectancy rule.

Alternatively, the Employer may elect under AA §9-8(c) to (1) apply the life expectancy rule, (2) apply the 10-year rule (including a fixed number of years than less than 10), or (3) allow the Participant or the Eligible Designated Beneficiary to elect whether the 10-year rule or the life expectancy rule applies. If the Participant or Eligible Designated Beneficiary is allowed to elect whether the life expectancy rule or the 10-year rule applies and such Participant or Eligible Designated Beneficiary does not timely make such an election, then the Employer must elect under AA §9-8(c) whether the life expectancy rule or the 10-year rule applies.

- (i) **Timing of election.** Any Participant or Eligible Designated Beneficiary election permitted under this Section §9.02(a)(2) must be made no later than end of the earlier of the calendar year by which distributions must be made in order to satisfy the 10-year rule and the calendar year in which distributions would be required to begin in order to satisfy the requirements of the life expectancy rule or, if applicable, by the time of the permitted delay if the surviving Spouse is the sole beneficiary as provided under Code §401(a)(9)(B)(iv).
- (ii) **Irrevocable election.** If a Participant or Eligible Designated Beneficiary elects under this Section 9.2(a)(2) to apply either the 10-year rule or the life expectancy rule, then, as of the last date the election may be made, the election is irrevocable with respect to the Eligible Designated Beneficiary (and all subsequent Designated Beneficiaries and applies to all subsequent calendar years.
- (3) **Rules upon death of an Eligible Designated Beneficiary.** Generally, if an Eligible Designated Beneficiary dies before the Participant's entire vested Account Balance is distributed, the life expectancy rule shall not apply to any beneficiary of such Eligible Designated Beneficiary and the remainder of such portion shall be distributed by the end of the 10th calendar year following the calendar year of the death of such Eligible Designated Beneficiary.
- (4) **Permitted delay for surviving spouse beneficiaries.** If the Participant's surviving spouse is the employee's sole beneficiary, then the commencement of distributions under Section 9.02(a)(1) may be delayed until the end of the calendar year in which the Participant would have attained age 72 (or the calendar year in which the Participant would have attained age 70½ in the case of a Participant born before July 1, 1949).
- (5) **Death of an Eligible Designated Beneficiary.** If an Eligible Designated Beneficiary dies before the Participant's entire vested Account Balance is distributed, the exception under subparagraph (1) above shall not apply to any beneficiary of such Eligible Designated Beneficiary and the remainder of such portion shall be distributed by the end of the calendar year that includes the 10th anniversary of the date of the Eligible Designated Beneficiary's death.
- (6) **No Designated Beneficiary.** If there is no Designated Beneficiary as of the date of the Participant's death who remains a Beneficiary as of September 30 (or such other date allowed under applicable regulatory guidance) of the year immediately following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (b) **Special rule in case of certain trusts for disabled or chronically ill Eligible Designated Beneficiary.** The Plan may apply the special rules for certain "applicable multi-beneficiary trusts" as described under Code §§401(a)(9)(H)(iv) and (v).

9.03 **Definitions.**

- (a) **Designated Beneficiary.** A Beneficiary designated by the Participant (or the Plan), whose life expectancy may be taken into account to calculate minimum distributions, pursuant to Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-4.
- (b) **Eligible Designated Beneficiary.** The term Eligible Designated Beneficiary means, with respect to any Participant, any Designated Beneficiary who, as of the date of death of the Participant, is:
 - (1) the surviving spouse of the Participant;
 - (2) a child of the Participant who has not reached the age of majority (within the meaning of Code §401(a)(9)(F));
 - (3) disabled (within the meaning of Code §72(m)(7));

- (4) a chronically ill individual (within the meaning of Code §7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or
- (5) an individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant.

Subject to Code §401(a)(9)(F), a child described in section (b)(2) above shall cease to be an Eligible Designated Beneficiary as of the date the child reaches the age of majority and any remainder of the portion of the child's interest to which Code §401(a)(9)(H)(ii) applies shall be distributed no later than the December 31 of the 10th year following the year of the Participant's death.

- (c) **Distribution Calendar Year.** A 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 that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 9.01. 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.
- (d) **Life expectancy.** For purposes of determining a Participant's required minimum distribution amount, life expectancy is computed using one of the following tables, as appropriate: (1) Single Life Table, (2) Uniform Life Table, or (3) Joint and Last Survivor Table found in Treas. Reg. §1.401(a)(9)-9.
- (e) **Account Balance.** For purposes of determining a Participant's required minimum distribution, the Participant's Account Balance is determined based on the Account Balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (the "valuation calendar year") increased by the amount of any contributions or forfeitures allocated to the Account Balance as of dates in the calendar year after the Valuation Date and decreased by distributions made in the calendar year after the Valuation Date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.
- (f) **Required Beginning Date.** Unless designated otherwise under AA §9-8(a), a Participant's Required Beginning Date under the Plan is April 1 that follows the end of the calendar year in which the later of the following two events occurs:
 - (1) the Participant attains age 73 (age 70½ for Participants who attained age 70 ½ before January 1, 2020 or age 72 for Participants who attained age 72 before January 1, 2023) or
 - (2) the Participant retires from employment with the Employer.

9.04 **Special Rules.**

- (a) **Forms of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a lump sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with this Section 9. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the regulations.
- (b) **Treatment of trust beneficiaries as Designated Beneficiaries.** As allowed under applicable regulatory guidance, if a trust is properly named as a Beneficiary under the Plan, the beneficiaries of the trust will be treated as the Designated Beneficiaries (or Eligible Designated Beneficiaries) of the Participant solely for purposes of determining the distribution period under this Section 9 with respect to the trust's interests in the Participant's vested Account Balance. The beneficiaries of a trust will be treated as Designated Beneficiaries (or Eligible Designated Beneficiaries) for this purpose only if, during any period during which required minimum distributions are being determined by treating the beneficiaries of the trust as Designated Beneficiaries (or Eligible Designated Beneficiaries), the following requirements are met:
 - (1) the trust is a valid trust under state law, or would be but for the fact there is no corpus;

- (2) the trust is irrevocable or will, by its terms, become irrevocable upon the death of the Participant;
- (3) the beneficiaries of the trust who are beneficiaries with respect to the trust's interests in the Participant's vested Account Balance are identifiable from the trust instrument; and
- (4) the Plan Administrator receives the documentation described in Treas. Reg. §1.401(a)(9)-4.

If the foregoing requirements are satisfied and the Plan Administrator receives such additional information as it may request, the Plan Administrator may treat such beneficiaries of the trust as Designated Beneficiaries.

(c) **Modification of Minimum Distribution Rules Relating to Qualified Longevity Annuity Contracts.**

- (1) The following provisions modify the required minimum distribution rules under this Section 9.04(c) of the Plan to conform the rules to final Trea. Reg. §1.401(a)(9)-6 relating to the purchase of Qualifying Longevity Annuity Contracts (QLACs). The Plan will apply the provisions consistent with the requirements under the Treas. Reg. §§1.401(a)(9)-5 and 1.401(a)(9)-6, as amended. If the IRS revises these regulations or provides other relevant guidance on QLACs to reflect changes made by the SECURE Act and/or SECURE 2.0, the rules under this Section 9.04(c) are to be interpreted consistent with the revisions or guidance.

(2) **Effective/Applicability Dates.**

- (i) **General effective dates.** This subsection (c) applies to contracts purchased on or after July 2, 2014. If on or after July 2, 2014, an existing contract is exchanged for a contract that satisfies the requirements of this subsection (h), the new contract will be treated as purchased on the date of the exchange and the fair market value of the contract that is exchanged for a QLAC will be treated as a premium paid with respect to the QLAC.

- (ii) **Delayed applicability date for requirement that contract state that it is intended to be QLAC.** An annuity contract purchased before January 1, 2016, will not fail to be a QLAC merely because the contract does not satisfy the requirement of subsection (4)(i)(F) below, provided that:

- (A) When the contract (or a certificate under a group annuity contract) is issued, the Employee is notified that the annuity contract is intended to be a QLAC; and
- (B) The contract is amended (or a rider, endorsement or amendment to the certificate is issued) no later than December 31, 2016, to state that the annuity contract is intended to be a QLAC.

- (3) **Account Balance for Determining Minimum Distributions.** For purposes of determining a Participant's required minimum distribution as described under this Section 9.04(c) of the Plan, the Participant's Account Balance, as defined under Section 9.03(e) of the Plan, does not include the value of any Qualifying Longevity Annuity Contract (QLAC), described under subsection 4 below and Treas. Reg. §1.401(a)(9)-6, Q&A - 17, that is held under the Plan.

(4) **Rules Applicable to Qualifying Longevity Annuity Contracts.**

- (i) **Definition of Qualifying Longevity Annuity Contracts.** A Qualifying Longevity Annuity Contract (QLAC) is an annuity contract that is purchased from an insurance company for an Employee and that, in accordance with the rules of application of this subsection (4) and Treas. Reg. §1.401(a)(9)-6, Q&A - 17, satisfies each of the following requirements:

- (A) Premiums for the contract satisfy the requirements of subsection (ii) of this Section 9.04(c);
- (B) The contract provides that distributions under the contract must commence not later than a specified annuity starting date that is no later than the first day of the month next following the 85th anniversary of the Employee's birth;
- (C) The contract provides that, after distributions under the contract commence, those distributions must satisfy the requirements of this Article and Treas. Reg. §1.401(a)(9) (other than the requirement that annuity payments commence on or before the Required Beginning Date);
- (D) The contract does not make available any commutation benefit, cash surrender right, or other similar feature;

- (E) No benefits are provided under the contract after the death of the employee other than the benefits described in Subsection (iii) below;
 - (F) When the contract is issued, the contract (or a rider or endorsement with respect to that contract) states that the contract is intended to be a QLAC; and
 - (G) The contract is not a variable contract under Code §817, an indexed contract, or a similar contract, except to the extent provided by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.
- (ii) **Limitations on premiums.**
- (A) **In general.** The premiums paid with respect to the contract on a date satisfy the requirements of this subsection (ii) if they do not exceed the lesser of the dollar limitation in subsection (B) below .
 - (B) **Dollar limitation.** The dollar limitation is an amount equal to the excess of:
 - (I) \$200,000 (as adjusted under Section (d)(2) of Treas. Reg. §1.401(a)(9)-6, Q&A - 17), over
 - (II) The sum of:
 - (a) The premiums paid before that date with respect to the contract; and
 - (b) The premiums paid on or before that date with respect to any other contract that is intended to be a QLAC and that is purchased for the Employee under the Plan, or any other plan, annuity, or account described in Code §§ 401(a), 403(a), 403(b), or 408 or eligible governmental plan under Code §457(b).
- (iii) **Payments after death of the Employee.**
- (A) **Surviving spouse is sole Designated Beneficiary.**
 - (I) **Death on or after annuity starting date.** If the Employee dies on or after the annuity starting date for the contract and the Employee's surviving spouse is the sole Designated Beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the surviving spouse where the periodic annuity payment is not in excess of 100 percent of the periodic annuity payment that is payable to the Employee.
 - (II) **Death before annuity starting date.**
 - (a) Amount of annuity. If the employee dies before the annuity starting date and the employee's surviving spouse is the sole Designated Beneficiary under the contract then except as provided in paragraph in Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the surviving spouse where the periodic annuity payment is not in excess of 100 percent of the periodic annuity payment that would have been payable to the Employee as of the date that benefits to the surviving spouse commence. However, the annuity is permitted to exceed 100 percent of the periodic annuity payment that would have been payable to the employee to the extent necessary to satisfy the requirement to provide a Qualified Preretirement Survivor Annuity.
 - (b) Commencement date for annuity. Any life annuity payable to the surviving spouse under subsection (a) above must commence no later than the date on which the annuity payable to the Employee would have commenced under the contract if the Employee had not died.

(B) **Surviving spouse is not sole beneficiary.**

(I) **Death on or after annuity starting date.** If the Employee dies on or after the annuity starting date for the contract and the Employee's surviving spouse is not the sole Designated Beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the Designated Beneficiary where the periodic annuity payment is not in excess of the applicable percentage (determined under paragraph Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(2)(iii)) of the periodic annuity payment that is payable to the Employee.

(II) **Death before annuity starting date.**

(a) **Amount of annuity.** If the Employee dies before the annuity starting date and the Employee's surviving spouse is not the sole Designated Beneficiary under the contract, then except as provided in Treas. Reg. §1.401(a)(9)-6, Q&A - 17 (c)(4), the only benefit permitted to be paid after the Employee's death is a life annuity payable to the Designated Beneficiary where the periodic annuity payment is not in excess of the applicable percentage (determined under Treas. Reg. §1.401(a)(9)-6, Q&A-17(c)(2)(iii)) of the periodic annuity payment that would have been payable to the Employee as of the date that benefits to the Designated Beneficiary commence under this subsection (a).

(b) **Commencement date for annuity.** In any case in which the employee dies before the annuity starting date, any life annuity payable to a Designated Beneficiary under this subsection (b) must commence by the last day of the calendar year immediately following the calendar year of the Employee's death.

(iv) **Rules of application.**

(A) **Rules relating to premiums.**

(I) **Reliance on representations.** For purposes of the limitation on premiums described in Subsections (ii)(B) and (ii)(C) above, unless the Plan Administrator has actual knowledge to the contrary, the Plan Administrator may rely on an Employee's representation (made in writing or such other form as may be prescribed by the Commissioner of the Internal Revenue Service) of the amount of the premiums described in subsections (ii)(B)(II)(b) and (ii)(C)(II)(b) above, but only with respect to premiums that are not paid under a plan, annuity, or contract that is maintained by the Employer or Related Employer.

(II) **Consequences of excess premiums.**

(a) **General Rule.** If an annuity contract fails to be a QLAC solely because a premium for the contract exceeds the limits under subsection (b) below, then the contract is not a QLAC beginning on the date that premium payment is made unless the excess premium is returned to the non-QLAC portion of the Employee's account in accordance with Treas. Reg. §1.401(a)(9)-6, Q&A-17 (d)(1)(ii)(B). If the contract fails to be a QLAC, then the value of the contract may not be disregarded under A-3(d) of Treas. Reg. §1.401(a)(9)-5 as of the date on which the contract ceases to be a QLAC.

(b) **Correction in year following year of excess.** If the excess premium is returned (either in cash or in the form of a contract that is not intended to be a QLAC) to the non-QLAC portion of the Employee's account by the end of the calendar year following the calendar year in which the excess premium was originally paid, then the contract will not be treated as exceeding the limits under this subsection (b) at any time, and the value of the contract will not be included in the Employee's Account Balance. If the excess premium (including the fair market value of an annuity contract that is not intended to be a QLAC, if applicable) is returned to the non-QLAC portion of the Employee's account after the last valuation date for the calendar year in which the excess premium was originally paid, then the Employee's account balance for that calendar year must be increased to reflect

that excess premium in the same manner as an Employee's Account Balance is increased under Treas. Reg. §1.401(a)(9)-7, A-2 to reflect a rollover received after the last valuation date.

- (c) **Return of excess premium not a commutation benefit.** If the excess premium is returned to the non-QLAC portion of the Employee's account as described in Treas. Reg. §1.401(a)(9)-6, Q&A-17(d)(1)(ii)(B), it will not be treated as a violation of the requirement in subsection (4)(i)(D) above that the contract not provide a commutation benefit.

- (III) **Application of 25-percent limit.** For purposes of the 25-percent limit under Subsection (ii)(C) above, an Employee's Account Balance on the date on which premiums for a contract are paid is the account balance as of the last valuation date preceding the date of the premium payment, adjusted as follows. The Account Balance is increased for contributions allocated to the account during the period that begins after the valuation date and ends before the date the premium is paid and decreased for distributions made from the account during that period.

(B) **Dollar and age limitations subject to adjustments.**

- (I) **Dollar limitation.** In the case of calendar years beginning on or after January 1, 2015, the \$125,000 amount under Subsection (ii)(B)(I) will be adjusted at the same time and in the same manner as the limits are adjusted under Code §415(d), except that the base period shall be the calendar quarter beginning July 1, 2013, and any increase under this Subsection that is not a multiple of \$10,000 will be rounded to the next lowest multiple of \$10,000.

- (II) **Age limitation.** The maximum age set forth in Subsection (i)(B) above may be adjusted to reflect changes in mortality, with any such adjusted age to be prescribed by the Commissioner of the Internal Revenue Service in revenue rulings, notices, or other guidance published in the Internal Revenue Bulletin.

- (III) **Prospective application of adjustments.** If a contract fails to be a QLAC because it does not satisfy the dollar limitation in Subsection (ii)(B) above or the age limitation in Subsection (i)(B) above, any subsequent adjustment that is made pursuant to Subsections (iv)(B)(I) or (iv)(B)(II) above will not cause the contract to become a QLAC.

- (C) **Determination of whether contract is intended to be a QLAC.** If a contract fails to be a QLAC at any time for a reason other than an excess premium described in Treas. Reg. §1.401(a)(9)-6, Q&A-17(d)(1)(ii), then as of the date of purchase the contract will not be treated as a QLAC (for purposes of A-3(d) of Treas. Reg. §1.401(a)(9)-5) or as a contract that is intended to be a QLAC as of the date of purchase.

- (D) **Group annuity contract certificates.** The requirement under Subsection (i)(F) above that the contract state that it is intended to be a QLAC when issued is satisfied if a certificate is issued under a group annuity contract and the certificate, when issued, states that the Employee's interest under the group annuity contract is intended to be a QLAC.

(d) **Other SECURE 2.0 modifications to required minimum distribution rules.**

- (1) **Increases in payments under a commercial annuity.** Effective for calendar years beginning after December 29, 2022, the Plan may apply the rules under Code §401(a)(9)(J), as added by §201 of SECURE 2.0, relating to certain increases in payments under a commercial annuity. As provided under Code §401(a)(9)(J), the required minimum distribution rules applicable to the Plan shall not prohibit a commercial annuity (within the meaning of Code §3405(e)(6)) from providing one or more of the following types of payments on or after the Annuity Starting Date:
- (i) annuity payments that increase by a constant percentage, applied not less frequently than annually, at a rate that is less than 5 percent per year;
 - (ii) a lump sum payment that: (I) results in a shortening of the payment period with respect to an annuity or a full or partial commutation of the future annuity payments, provided that such lump sum is determined

using reasonable actuarial methods and assumptions, as determined in good faith by the issuer of the contract, or (II) accelerates the receipt of annuity payments that are scheduled to be received within the ensuing 12 months, regardless of whether such acceleration shortens the payment period with respect to the annuity, reduces the dollar amount of benefits to be paid under the contract, or results in a suspension of annuity payments during the period being accelerated;

- (iii) an amount which is in the nature of a dividend or similar distribution, provided that the issuer of the contract determines such amount using reasonable actuarial methods and assumptions, as determined in good faith by the issuer of the contract, when calculating the initial annuity payments and the issuer's experience with respect to those factors; or
 - (iv) a final payment upon death that does not exceed the excess of the total amount of the consideration paid for the annuity payments, less the aggregate amount of prior distributions or payments from or under the contract.
- (2) **Partial annuitization.** As provided under §204 of SECURE 2.0, effective as December 29, 2022 and subject to a reasonable good faith interpretation until IRS issues applicable regulations, an Employee may elect to receive the required minimum distribution amount for a Distribution Calendar Year to be calculated as the excess of the Total Required Amount (as defined below) for such Distribution Calendar Year over the Annuity Amount (as defined below) for such year.
- (i) **Total Required Amount.** The term Total Required Amount, with respect to a Distribution Calendar Year means the amount which would be required to be distributed under Treas. Reg. §1.401(a)(9)–5 (or any successor regulation) for such year, determined by treating the Account Balance as of the last valuation date in the immediately preceding calendar year as including the value on that date of all annuity contracts which were purchased with a portion of the Account and from which payments are made in accordance with Treas. Reg. §1.401(a)(9)–6.
 - (ii) **Annuity Amount.** The term Annuity Amount, with respect to a Distribution Calendar Year, is the total amount distributed in such year from all annuity contracts described in paragraph (1).
- (3) **Modification of required minimum distribution rules for special needs trusts.** Effective for calendar years beginning after December 29, 2022, for purposes of complying with the required minimum distribution rules under Code §401(a)(9), the Plan may apply the provisions of §337 of SECURE 2.0 relating to special needs trusts.
- (4) **Roth Deferrals.** Effective for taxable years beginning after December 31, 2023, but not with respect to distributions required before January 1, 2024, but are permitted to be paid on or after such date, the pre-death minimum distribution rules under Code §401(a)(9)(A) do not apply to Roth Deferral Accounts, Roth Rollover Contribution Accounts or In-plan Roth Conversion Accounts.
- (5) **Special rule for surviving Spouse of Employee.** Effective for calendar years beginning after December 31, 2023, if the sole Designated Beneficiary is the surviving Spouse of the Employee and such Spouse elects to be treated as the deceased Employee for purposes of the required minimum distribution rules under Code §401(a)(9), then the rules under Code §401(a)(9)(B)(iv) apply. The Plan Administrator may apply these rules in a good-faith manner until the IRS issues applicable guidance.
- (i) **Impact of Spouse's election.** If the surviving Spouse elects treatment as the deceased Employee for purposes of the required minimum distribution rules under Code §401(a)(9), the following special rules apply.
 - (A) The surviving Spouse will be treated as if the surviving Spouse were the Employee.
 - (B) The date on which required minimum distributions must begin shall not be earlier than the date on which the Employee would have attained the applicable age.
 - (C) If the surviving Spouse dies before the distributions to such Spouse begin, the surviving Spouse is treated as the Employee.
 - (D) The applicable distribution period for distribution calendar years after the distribution calendar year including the Employee's date of death is determined under the uniform lifetime table.

- (ii) **Spouse election.** The Spouse's election under this BPD Section 9.04(d)(5) shall be made at such time and in such manner as prescribed by the Secretary of the Treasury, shall include a timely notice to the Plan Administrator, and once made may not be revoked except with the consent of the Secretary of the Treasury.

9.05 Required Minimum Distributions for 2020.

- (a) **Temporary waiver of required minimum distribution rules for 2020.** As provided under Code §401(a)(9)(I), added by CARES Act §2203 and effective as of January 1, 2020 (or such later date designated under AA §9-8(b)), the required minimum distribution rules under Section 9 of the Plan did not apply for the 2020 calendar year. A Participant or beneficiary who would have been required to receive a required minimum distribution for the 2020 calendar year (or a Participant with a Required Beginning Date of April 1, 2021 who would have received a required minimum distribution in 2021 for the 2020 calendar year) ("2020 RMD"), but for the enactment of Code §401(a)(9)(I), and who would have satisfied that requirement by receiving a distribution that is either (1) equal to the 2020 RMD, or (2) one or more payments (that include the 2020 RMD) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years ("2020 Extended RMD"), may have elected whether to receive the 2020 RMD or the 2020 Extended RMD. If a Participant did not specifically elect to take the 2020 RMD or 2020 Extended RMD from the Plan, such distribution was not made for the 2020 calendar year. The Employer may modify this default rule under AA §9-8(b), provided such modification satisfies the requirements under Code §401(a)(9)(I) and any applicable IRS guidance.

In addition, solely for purposes applying the Direct Rollover provisions of the Plan, certain additional distributions in 2020, as elected by the Employer under AA §9-8(b), were treated as Eligible Rollover Distributions. If no election is made by the Employer in AA §9-8(b), the Plan offered a Direct Rollover only for distributions that were Eligible Rollover Distributions in the absence of Code §401(a)(9)(I).

If all or any portion of a distribution made during 2020 was treated as an Eligible Rollover Distribution but would not be treated as such if the required minimum distribution requirements under Section 9 of the Plan had applied during 2020, such distribution could not be treated as an Eligible Rollover Distribution for purposes of the Direct Rollover rules, Code §457(e)(16)(B) and Code §3405(c).

- (b) **Special rules regarding the temporary waiver of required minimum distribution rules for 2020.** In applying the provisions of Section 9 of the Plan for the 2020 calendar year, the following special rules apply:
 - (1) The Required Beginning Date with respect to any individual shall be determined without regard to this Section 9.05 for purposes of applying Section 9 of the Plan for calendar years after 2020;
 - (2) If Code §401(a)(9)(B)(ii) applies, the five-year period described in such provision shall be determined without regard to the 2020 calendar year.
 - (3) If the Plan permits a Participant or beneficiary to elect whether the 5-year rule or the life expectancy rule applies in determining required minimum distributions and the election period would end in the 2020 calendar year, the Plan Administrator may extend the election deadline to the end of 2021.
 - (4) The Plan Administrator and Participants may apply the transitional relief and special rules under Code §401(a)(9)(I) and IRS Notice 2020-51 relating to the temporary waiver of required minimum distributions for 2020 in any reasonable and consistent manner.
 - (5) The Employer may describe any special rules applicable to the temporary waiver of the required minimum distribution rules for 2020 under AA §9-8(b).

SECTION 10
INVESTMENT VEHICLES AND PARTICIPANT ACCOUNTS

10.01 **Participant Accounts.** The Plan Administrator will establish and maintain a separate Account (or multiple Accounts, if appropriate) for each Participant to reflect the Participant's entire interest under the Plan. To the extent applicable, the Plan Administrator may establish and maintain separate sub-Accounts for a Participant. Accounts may include, but are not limited to:

- Pre-tax Deferral Account
- Roth Deferral Account
- Employer Contribution Account
- Matching Contribution Account
- Rollover Contribution Account
- Roth Rollover Contribution Account
- In-plan Roth Conversion Account
- Transfer Account

The Plan Administrator will maintain separate Accounts for the vested and non-vested portions of any Account. The Plan Administrator also must maintain two separate Rollover Contribution Accounts for a Participant, if necessary, as provided under Section 4.01(a) of the Plan.

10.02 **Value of Participant Accounts.** The value of a Participant's Account consists of the fair market value of the Participant's share of the Plan assets.

- (a) **Periodic valuation.** The Trustee (as identified under the Trust Declaration page) must value Plan assets at least annually.
- (b) **Daily valuation.** If the Employer elects daily valuation under AA §10-1(a) or, if in operation, the Employer elects to have the Plan daily valued, the Plan Administrator may adopt reasonable procedures for performing such valuations. Unless otherwise set forth in the written procedures, a daily valued Plan will have its assets valued at the end of each business day during which the New York Stock Exchange is open. The Plan Administrator has authority to interpret the provisions of this Plan in the context of a daily valuation procedure. This includes, but is not limited to, the determination of the value of the Participant's Account for purposes of Participant loans, distribution and consent rights, and corrective distributions under Section 6.
- (c) **Interim valuations.** The Plan Administrator may perform interim valuations.

10.03 **Adjustments to Participant Accounts.** Unless the Plan Administrator adopts other reasonable administrative procedures, as of each Valuation Date under the Plan, each Participant's Account is adjusted in the following manner.

- (a) **Distributions and forfeitures from a Participant's Account.** A Participant's Account will be reduced by any distributions and forfeitures from the Account since the previous Valuation Date.
- (b) **Contributions and forfeitures allocated to a Participant's Account.** A Participant's Account will be credited with any contribution or forfeiture allocated to the Participant since the previous Valuation Date.
- (c) **Net income or loss.** A Participant's Account will be adjusted for any net income or loss in accordance with the provisions under Section 10.04.

10.04 **Procedures for Determining Net Income or Loss.** The Plan Administrator may establish any reasonable procedures for determining net income or loss. Such procedures may be reflected in a funding agreement governing the applicable investments under the Plan.

10.05 **Investments under the Plan.** The Trustee or other person(s) responsible for the investment of Plan assets is authorized to invest Plan assets in any prudent investment consistent with the funding policy of the Plan. Investment options include, but are not limited to, the following: common and preferred stock or other equity securities (including stock bought and sold on margin); corporate bonds; open-end or closed-end mutual funds; money market accounts; certificates of deposit; debentures; commercial paper; put and call options; limited partnerships; mortgages; U.S. Government obligations, including U.S. Treasury notes and bonds; real and personal property having a ready market; life insurance or annuity policies; commodities; savings accounts; notes; securities issued by the Trustee and/or its affiliates, as permitted by law; and lifetime guaranteed income

products. All of the terms and provisions of any common/collective trust fund or group trust into which Plan assets are invested are incorporated by reference into the provisions of the Trust (as identified under the Trust Declaration page) for this Plan.

- (a) **Individual/Pooled Accounts.** The Plan may maintain individual or pooled accounts for Participants.
- (b) **Participant direction of investments.** If the Plan permits Participant direction of investments, the Plan Administrator, along with the Trustee must adopt investment procedures for such direction. The investment procedures should set forth the permissible investment options available for Participant direction, the timing and frequency of investment changes, and any other procedures or limitations applicable to Participant direction of investment.

The Employer may elect to limit Participant direction of investment to specific types of contributions. If Participant direction of investments is permitted, the Employer will designate how accounts will be invested in the absence of proper affirmative direction from the Participant. Except as otherwise provided in this Plan, neither the Employer nor Trustee will be liable to the Participant or Beneficiary for any loss resulting from action taken at the direction of the Participant.

SECTION 11
PLAN ADMINISTRATION AND OPERATION

- 11.01 Plan Administrator.** The Employer is the Plan Administrator, unless the Employer designates in writing an alternative Plan Administrator. The Plan Administrator has the responsibilities described in this Section 11.
- 11.02 Designation of Alternative Plan Administrator.** The Employer may designate another person or persons as he Plan Administrator by name, by reference to the person or group of persons holding a particular position, by reference to a procedure under which the Plan Administrator is designated, or by reference to a person or group of persons charged with the specific responsibilities of Plan Administrator.
- (a) **Acceptance of responsibility by designated Plan Administrator.** If the Employer designates an alternative Plan Administrator, the designated Plan Administrator must accept its responsibilities in writing. The Employer and the designated Plan Administrator jointly will determine the time period for which the alternative Plan Administrator will serve.
 - (b) **Multiple alternative Plan Administrators.** If the Employer designated more than one person as an alternative Plan Administrator, such Plan Administrators shall act by majority vote, unless the group delegates particular Plan Administrator duties to a specific person.
 - (c) **Resignation or removal of designated Plan Administrator.** A designated Plan Administrator may resign by delivering a written notice of resignation to the Employer. The Employer may remove a designated Plan Administrator by delivering a written notice of removal. If a designated Plan Administrator resigns or is removed, and no new alternative Plan Administrator is designated, the Employer is the Plan Administrator.
 - (d) **Employer responsibilities.** If the Employer designates an alternative Plan Administrator, the Employer will provide in a timely manner all appropriate information necessary for the Plan Administrator to perform its duties. This information includes, but is not limited to, Participant compensation data, Employee employment, service and termination information, and other information the Plan Administrator may require. The Plan Administrator may rely on the accuracy of any information and data provided by the Employer.
- 11.03 Duties, Powers, and Responsibilities of the Plan Administrator.** The Plan Administrator will administer the Plan for the exclusive benefit of the Plan Participants and Beneficiaries, and in accordance with the terms of the Plan. If the terms of the Plan are unclear, the Plan Administrator may interpret the Plan, provided such interpretation is consistent with the rules of Code §457(b) and is performed in a uniform and nondiscriminatory manner. This right to interpret the Plan is an express grant of discretionary authority to resolve ambiguities in the Plan document and to make discretionary decisions regarding the interpretation of the Plan's terms, including who is eligible to participate under the Plan, and the benefit rights of a Participant or Beneficiary. Unless an interpretation or decision is determined to be arbitrary and capricious, the Plan Administrator will not be held liable for any interpretation of the Plan terms or decision regarding the application of a Plan provision.
- (a) **Delegation of duties, powers and responsibilities.** The Employer, as Plan Administrator, may delegate its duties, powers or responsibilities to one or more persons. Such delegation must be in writing and accepted by the person or persons receiving the delegation. The Employer may not delegate responsibilities to Plan Participants. The Employer must agree to such delegation by an alternative Plan Administrator.
 - (b) **Specific Plan Administrator responsibilities.** The Plan Administrator has the general responsibility to control and manage the operation of the Plan. This responsibility includes, but is not limited to, the following:
 - (1) To interpret and enforce the provisions of the Plan and applicable rules under Code §457(b) including those related to Plan eligibility, vesting, benefits and other tax requirements;
 - (2) To communicate with the appropriate persons with respect to the crediting of Plan contributions, the disbursement of Plan distributions and other relevant matters
 - (3) To develop separate procedures (if necessary) consistent with the terms of the Plan to assist in the administration of the Plan, including the adoption of a separate or modified loan policy (see Section 13), procedures for direction of investment by Participants (see Section 10.05(b)), procedures for determining whether domestic relations orders are QDROs (see Section 11.06), and procedures for the determination of investment earnings to be allocated to Participants' Accounts (see Section 10.03);
 - (4) To maintain all records necessary for tax and other administration purposes;

- (5) To furnish and to file all appropriate notices, reports and other information to Participants, Beneficiaries, the Employer, the Trustee and government agencies (as necessary);
- (6) To provide information relating to Plan Participants and Beneficiaries;
- (7) To retain the services of other persons, including investment managers, attorneys, consultants, advisers and others, to assist in the administration of the Plan;
- (8) To review and decide on claims for benefits under the Plan; and
- (9) To correct any defect or error in the operation of the Plan.

11.04 Plan Administration Expenses.

- (a) **Reasonable Plan administration expenses.** All reasonable expenses related to plan administration may be paid from Plan assets, except to the extent the expenses are paid (or reimbursed) by the Employer. For this purpose, Plan expenses include, but are not limited to, all reasonable costs, charges and expenses incurred in connection with the administration of the Plan.
- (b) **Plan expense allocation.** The Plan Administrator may allocate plan expenses among the accounts of Plan Participants. The Plan Administrator has authority to allocate these expenses either proportionally based on the value of the Account Balances or pro rata based on the number of Participants in the Plan. The Plan Administrator will determine the proper method for allocating expenses in accordance with such reasonable rules as the Plan Administrator deems appropriate under the circumstances. Unless the Plan Administrator decides otherwise, the following expenses will be allocated to the Participant's Account relative to which the expense is incurred: distribution expenses, including those relating to lump sums, installments, QDROs, hardship, in-service and required minimum distributions; loan expenses; participant direction expenses, including brokerage fees; and benefit calculations.

11.05 Delegation of Administrative Responsibilities. Generally, the Employer has responsibility to administer the Plan. These responsibilities include compliance with Code §457(b) and other tax requirements. However, the Employer may allocate such responsibilities to a third party, provided such third party agrees to such allocation of responsibilities. An Employer may not allocate administrative responsibilities to Plan Participants.

11.06 Qualified Domestic Relations Orders (QDROs).

- (a) **In general.** The Plan Administrator must develop written procedures for determining whether a domestic relations order is a QDRO and for administering distributions under a QDRO. For this purpose, the Plan Administrator may use the default QDRO procedures set forth in subsection (h) below or may develop separate QDRO procedures.
- (b) **Definitions related to Qualified Domestic Relations Orders (QDROs).**
 - (1) **QDRO.** A QDRO is a domestic relations order that creates or recognizes the existence of an Alternate Payee's right to receive, or assigns to an Alternate Payee the right to receive, all or a portion of the benefits payable with respect to a Participant under the Plan. (See Code §414(p).) The QDRO must contain certain information and meet other requirements described in this Section 11.06.
 - (2) **Domestic relations order.** A domestic relations order is a judgment, decree, or order (including the approval of a property settlement) that is made pursuant to state domestic relations law (including community property law) or under the laws of an Indian tribal government, a subdivision of such an Indian tribal government, or an agency or instrumentality of either.
 - (3) **Alternate Payee.** An Alternate Payee must be a spouse, former spouse, child, or other dependent of a Participant.
 - (4) **Revision of QDRO.** A domestic relations order otherwise meeting the requirements to be a QDRO under Code §414(p)(3) shall not fail to be treated as a QDRO solely because:
 - (i) the order is issued after, or revises, another domestic relations order or QDRO; or
 - (ii) of the time at which the order is issued, including orders issued after the death of the Participant.

Any QDRO described in this Section 11.06 shall be subject to the same requirements and protections which apply to QDROs under Code §414(p)(7).

- (c) **Recognition as a QDRO.** To be a QDRO, an order must be a domestic relations order (as defined in subsection (b)(2) above) that relates to the provision of child support, alimony payments, or marital property rights for the benefit of an Alternate Payee. The Plan Administrator is not required to determine whether the court or agency issuing the domestic relations order had jurisdiction to issue an order, whether state law is correctly applied in the order, whether service was properly made on the parties, or whether an individual identified in an order as an Alternate Payee is a proper Alternate Payee under state law.
- (d) **Contents of QDRO.** A QDRO must contain the following information:
 - (1) the name and last known mailing address of the Participant and each Alternate Payee;
 - (2) the name of each plan to which the order applies;
 - (3) the dollar amount or percentage (or the method of determining the amount or percentage) of the benefit to be paid to the Alternate Payee; and
 - (4) the number of payments or time period to which the order applies.
- (e) **Impermissible QDRO provisions.**
 - (1) The order must not require the Plan to provide an Alternate Payee or Participant with any type or form of benefit, or any option, not otherwise provided under the Plan;
 - (2) The order must not require the Plan to provide for increased benefits (determined on the basis of actuarial value); and
 - (3) The order must not require the Plan to pay benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a QDRO.
- (f) **Immediate distribution to Alternate Payee.** Even if a Participant is not eligible to receive an immediate distribution from the Plan, an Alternate Payee may receive a QDRO benefit immediately in a lump sum, provided such distribution is consistent with the QDRO provisions.
- (g) **Fee for QDRO determination.** The Plan Administrator may condition the making of a QDRO determination on the payment of a fee by a Participant or an Alternate Payee (either directly or as a charge against the Participant's Account).
- (h) **Default QDRO procedure.** If the Plan Administrator chooses this default QDRO procedure or if the Plan Administrator does not establish a separate QDRO procedure, this subsection (h) will apply as the procedure the Plan Administrator will use to determine whether a domestic relations order is a QDRO. This default QDRO procedure incorporates the requirements set forth below.
 - (1) **Access to information.** The Plan Administrator will provide access to Plan and Participant benefit information sufficient for a prospective Alternate Payee to prepare a QDRO. Such information might include the summary plan description, other relevant plan documents, and a statement of the Participant's benefit entitlements. The disclosure of this information is conditioned on the prospective Alternate Payee providing to the Plan Administrator information sufficient to reasonably establish that the disclosure request is being made in connection with a domestic relations order.
 - (2) **Notifications to Participant and Alternate Payee.** The Plan Administrator will promptly notify the affected Participant and each Alternate Payee named in the domestic relations order of the receipt of the order. The Plan Administrator will send the notification to the address included in the domestic relations order. Along with the notification, the Plan Administrator will provide a copy of the Plan's procedures for determining whether a domestic relations order is a QDRO.
 - (3) **Alternate Payee representative.** The prospective Alternate Payee may designate a representative to receive copies of notices and Plan information that are sent to the Alternate Payee with respect to the domestic relations order.

- (4) **Evaluation of domestic relations order.** Within a reasonable period of time, the Plan Administrator will evaluate the domestic relations order to determine whether it is a QDRO. A reasonable period will depend on the specific circumstances. The domestic relations order must contain the information described in subsection (d). If the order is only deficient in a minor respect, the Plan Administrator may supplement information in the order from information within the Plan Administrator's control or through communication with the prospective Alternate Payee.
- (i) **Separate accounting.** Upon receipt of a domestic relations order, the Plan Administrator will separately account for and preserve the amounts that would be payable to an Alternate Payee until a determination is made with respect to the status of the order. During the period in which the status of the order is being determined, the Plan Administrator will take whatever steps are necessary to ensure that amounts that would be payable to the Alternate Payee, if the order were a QDRO, are not distributed to the Participant or any other person. The separate accounting requirement may be satisfied, at the Plan Administrator's discretion, by a segregation of the assets that are subject to separate accounting.
- (ii) **Separate accounting until the end of "18-month period."** The Plan Administrator will continue to separately account for amounts that are payable under the QDRO until the end of an "18-month period." The "18-month period" will begin on the first date following the Plan's receipt of the order upon which a payment would be required to be made to an Alternate Payee under the order. If, within the "18-month period," the Plan Administrator determines that the order is a QDRO, the Plan Administrator must pay the Alternate Payee in accordance with the terms of the QDRO. If, however, the Plan Administrator determines within the "18-month period" that the order is not a QDRO, or, if the status of the order is not resolved by the end of the "18-month period," the Plan Administrator may pay out the amounts otherwise payable under the order to the person or persons who would have been entitled to such amounts if there had been no order. If the order is later determined to be a QDRO, the order will apply only prospectively; that is, the Alternate Payee will be entitled only to amounts payable under the order after the subsequent determination.
- (iii) **Preliminary review.** The Plan Administrator will perform a preliminary review of the domestic relations order to determine if it is a QDRO. If this preliminary review indicates the order is deficient in some manner, the Plan Administrator will allow the parties to attempt to correct any deficiency before issuing a final decision on the domestic relations order. The ability to correct is limited to a reasonable period of time.
- (iv) **Notification of determination.** The Plan Administrator will notify in writing the Participant and each Alternate Payee of the Plan Administrator's decision as to whether a domestic relations order is a QDRO. In the case of a determination that an order is not a QDRO, the written notice will contain the following information:
- (A) references to the Plan provisions on which the Plan Administrator based its decision;
- (B) an explanation of any time limits that apply to rights available to the parties under the Plan (such as the duration of any protective actions the Plan Administrator will take); and
- (C) a description of any additional material, information, or modifications necessary for the order to be a QDRO and an explanation of why such material, information, or modifications are necessary.
- (v) **Treatment of Alternate Payee.** If an order is accepted as a QDRO, the Plan Administrator will act in accordance with the terms of the QDRO as if it were a part of the Plan. An Alternate Payee will be considered a Beneficiary under the Plan and be afforded the same rights as a Beneficiary. The Plan Administrator will provide any appropriate disclosure information relating to the Plan to the Alternate Payee.

11.07 **Missing Participant or Beneficiary and Uncashed Checks.** The Employer may attempt to locate missing Participants by following Department of Labor or IRS guidance on generally accepted search methods prior to any involuntary cash-out distribution or automatic rollover. The Employer also will provide direction for the handling of any uncashed distribution checks.

SECTION 12
TRUST AGREEMENT

12.01 **Creation of Trust.** By adopting this Plan, the Employer creates a Trust (as identified under the Trust Declaration page) to hold the assets of the Plan (or, in the event that this Plan document represents an amendment of the Plan, the Employer hereby amends the terms of the Trust maintained in connection with the Plan). The Trustee (as identified under the Trust Declaration page) is the owner of the Plan assets held by the Trust. The Trustee is to hold the Plan assets for the exclusive benefit of Plan Participants and Beneficiaries. Plan Participants and Beneficiaries do not have ownership interests in the assets held by the Trust. The Employer may adopt a separate trust agreement in lieu of the trust provisions under this Section.

12.02 **Trustee.** The Trustee identified in the Trust Declaration under the Agreement shall act either as a Discretionary Trustee or as a Directed Trustee, as identified under the Agreement.

- (a) **Discretionary Trustee.** A Trustee is a Discretionary Trustee to the extent the Trustee has exclusive authority and discretion with respect to the investment, management or control of Plan assets. Notwithstanding a Trustee's designation as a Discretionary Trustee, a Trustee's discretion is limited, and the Trustee shall be considered a Directed Trustee, to the extent the Trustee is subject to the direction of the Plan Administrator or the Employer.
- (b) **Directed Trustee.** A Trustee is a Directed Trustee with respect to the investment of Plan assets to the extent the Trustee is subject to the direction of the Plan Administrator or the Employer. The Trustee does not have any discretionary authority with respect to the investment of Plan assets. In addition, the Trustee is not responsible for the propriety of any directed investment made pursuant to this Section and shall not be required to consult or advise the Employer regarding the investment quality of any directed investment held under the Plan.

The Trustee shall be advised in writing regarding the retention of investment powers by the Employer or the appointment of an investment manager with power to direct the investment of Plan assets. Any such delegation of investment powers will remain in force until such delegation is revoked or amended in writing. The Employer is deemed to have retained investment powers under this subsection to the extent the Employer directs the investment of Participant Accounts for which affirmative investment direction has not been received.

A Directed Trustee must act solely in accordance with the direction of the Plan Administrator, the Employer, or any employees or agents of the Employer.

The Employer may direct the Trustee to invest in any media in which the Trustee may invest, as described in Section 12.04. However, the Employer may not borrow from the Trust or pledge any of the assets of the Trust as security for a loan to itself; buy property or assets from or sell property or assets to the Trust; charge any fee for services rendered to the Trust; or receive any services from the Trust on a preferential basis.

12.03 **Trustee's Responsibilities Regarding Administration of Trust.** This Section outlines the Trustee's powers, rights and duties under the Plan with respect to the administration of the investments held in the Plan. The Trustee's administrative duties are limited to those described in this Section 12.03; the Employer is responsible for any other administrative duties required under the Plan or by applicable law.

- (a) The Trustee will receive all contributions made under the terms of the Plan. The Trustee is not obligated in any manner to ensure that such contributions are correct in amount or that such contributions comply with the terms of the Plan. In addition, the Trustee is under no obligation to request that the Employer make contributions to the Plan. The Trustee is not liable for the manner in which such amounts are deposited or the allocation between Participant's Accounts, to the extent the Trustee follows the written direction of the Plan Administrator or Employer.
- (b) The Trustee will make distributions from the Trust in accordance with the written directions of the Plan Administrator or other authorized representative. To the extent the Trustee follows such written direction, the Trustee is not obligated in any manner to ensure a distribution complies with the terms of the Plan, that a Participant or Beneficiary is entitled to such a distribution, or that the amount distributed is proper under the terms of the Plan. If there is a dispute as to a payment from the Trust, the Trustee may decline to make payment of such amounts until the proper payment of such amounts is determined by a court of competent jurisdiction, or the Trustee has been indemnified to its satisfaction.
- (c) The Trustee may employ agents, attorneys, accountants and other third parties to provide counsel on behalf of the Plan, where the Trustee deems advisable. The Trustee may reimburse such persons from the Trust for reasonable expenses and compensation incurred as a result of such employment. The Trustee shall not be liable for the actions of such persons, provided the Trustee acted prudently in the employment and retention of such persons. In addition, the Trustee will not be liable for any actions taken as a result of good faith reliance on the advice of such persons.

12.04 **Trustee’s Responsibility Regarding Investment of Plan Assets.** In addition to the powers, rights and duties enumerated under this Section, the Trustee has whatever powers are necessary to carry out its duties in a prudent manner. The Trustee’s powers, rights and duties may be supplemented or limited by a separate trust agreement, investment policy, funding agreement, or other binding document entered into between the Trustee and the Plan Administrator which designates the Trustee’s responsibilities with respect to the Plan. A separate trust agreement must be consistent with the terms of this Plan and must comply with all requirements of Code §457 and regulations there under.

- (a) The Trustee shall be responsible for the safekeeping of the assets of the Trust in accordance with the provisions of this Plan.
- (b) The Trustee may invest, manage and control the Plan assets in a manner that is consistent with the Plan’s funding policy and investment objectives. The Trustee may invest in any investment, which the Trustee deems advisable and prudent, subject to the proper written direction of the Plan Administrator or the Employer. The Trustee is not liable for the investment of Plan assets to the extent the Trustee is following the proper direction of the Plan Administrator, the Employer, a Participant, or other person or persons duly appointed by the Employer to provide investment direction. In addition, the Trustee does not guarantee the Trust in any manner against investment loss or depreciation in asset value or guarantee the adequacy of the Trust to meet and discharge any or all liabilities of the Plan.
- (c) The Trustee may retain such portion of the Plan assets in cash or cash balances as the Trustee may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon.
- (d) The Trustee may collect and receive any and all moneys and other property due the Plan and to settle, compromise, or submit to arbitration any claims, debts, or damages with respect to the Plan, and to commence or defend on behalf of the Plan any lawsuit, or other legal or administrative proceedings.
- (e) The Trustee may hold any securities or other property in the name of the Trustee or in the name of the Trustee’s nominee, and may hold any investments in bearer form, provided the books and records of the Trustee at all times show such investment to be part of the Trust.
- (f) The Trustee may exercise any of the powers of an individual owner with respect to stocks, bonds, securities or other property, including the right to vote upon such stocks, bonds or securities; to give general or special proxies or powers of attorney; to exercise or sell any conversion privileges, subscription rights, or other options; to participate in corporate reorganizations, mergers, consolidations, or other changes affecting corporate securities (including those in which it or its affiliates are interested as Trustee); and to make any incidental payments in connection with such stocks, bonds, securities or other property.
- (g) The Trustee may borrow or raise money on behalf of the Plan in such amount, and upon such terms and conditions, as the Trustee deems advisable. The Trustee may issue a promissory note as Trustee to secure the repayment of such amounts and may pledge all, or any part, of the Trust as security.
- (h) The Trustee, upon the written direction of the Plan Administrator, is authorized to enter into a transfer agreement with the Trustee of another Code §457 plan and to accept a transfer of assets from such retirement plan on behalf of any Employee of the Employer. The Trustee is also authorized, upon the written direction of the Plan Administrator, to transfer some or all of a Participant’s vested Account Balance to another Code §457 plan on behalf of such Participant.
- (i) The Trustee is authorized to execute, acknowledge and deliver all documents of transfer and conveyance, receipts, releases, and any other instruments that the Trustee deems necessary or appropriate to carry out its powers, rights and duties hereunder.
- (j) If the Employer maintains more than one Plan, the assets of such Plans may be commingled for investment purposes. The Trustee must separately account for the assets of each Plan. A commingling of assets, as described in this paragraph, does not cause the Trusts maintained with respect to the Employer’s Plans to be treated as a single Trust, except as provided in a separate document authorized in the first paragraph of this Section 12.04.
- (k) If the Trustee is a bank or similar financial institution, the Trustee is authorized to invest in any type of deposit of the Trustee (including its own money market fund) at a reasonable rate of interest.

12.05 **More than One Person as Trustee.** If the Plan has more than one person acting as Trustee, the Trustees may allocate the Trustee responsibilities by mutual agreement and Trustee decisions will be made by a majority vote (unless otherwise agreed to by the Trustees) or as otherwise provided in a separate trust agreement or other binding document.

- 12.06 **Annual Valuation.** The Plan assets will be valued at least on an annual basis. The Employer may designate more frequent valuation dates. The Trustee and Plan Administrator may agree to value the Trust on a more frequent basis, and/or to perform an interim valuation of the Trust.
- 12.07 **Reporting to Plan Administrator and Employer.** Within a reasonable time following the end of each Plan Year, the Trustee will file with the Employer an accounting of its administration of the Trust from the date of its last accounting. The accounting will include a statement of cash receipts, disbursements and other transactions effected by the Trustee since the date of its last accounting, and such further information as the Trustee and/or Employer deems appropriate. Upon receipt of such information, the Employer must promptly notify the Trustee of its approval or disapproval of the information.
- 12.08 **Reasonable Compensation.** The Trustee shall be paid reasonable compensation in an amount agreed upon by the Plan Administrator and Trustee. The Trustee also will be reimbursed for any reasonable expenses or fees incurred in its function as Trustee. The Plan will pay the reasonable compensation and expenses incurred by the Trustee, unless the Employer pays such compensation and expenses.
- 12.09 **Resignation and Removal of Trustee.** The Trustee may resign at any time by delivering to the Employer a written notice of resignation at least thirty (30) days prior to the effective date of such resignation, unless the Employer consents in writing to a shorter notice period. The Employer may remove the Trustee at any time, with or without cause, by delivering written notice to the Trustee at least 30 days prior to the effective date of such removal. The Employer may remove the Trustee upon a shorter written notice period if the Employer reasonably determines such shorter period is necessary to protect Plan assets. Upon the resignation, removal, death or incapacity of a Trustee, the Employer may appoint a successor Trustee which, upon accepting such appointment, will have all the powers, rights and duties conferred upon the preceding Trustee. In the event there is a period of time following the effective date of a Trustee's removal or resignation before a successor Trustee is appointed, the Employer is deemed to be the Trustee. During such period, the Trust continues to be in existence and legally enforceable, and the assets of the Plan shall continue to be protected by the provisions of the Trust.
- 12.10 **Indemnification of Trustee.** Except to the extent that it is judicially determined that the Trustee has acted with gross negligence or willful misconduct, the Employer shall indemnify the Trustee (whether or not the Trustee has resigned or been removed) against any liabilities, losses, damages, and expenses, including attorney, accountant, and other advisory fees, incurred as a result of:
- (a) any action of the Trustee taken in good faith in accordance with any information, instruction, direction, or opinion given to the Trustee by the Employer, the Plan Administrator, or legal counsel of the Employer, or any person or entity appointed by any of them and authorized to give any information, instruction, direction, or opinion to the Trustee;
 - (b) the failure of the Employer, the Plan Administrator, or any person or entity appointed by any of them to make timely disclosure to the Trustee of information which any of them or any appointee knows or should know if it acted in a reasonably prudent manner; or
 - (c) any breach of fiduciary duty by the Employer, the Plan Administrator or any person or entity appointed by any of them, other than such a breach which is caused by any failure of the Trustee to perform its duties under this Trust.

The duties and obligations of the Trustee shall be limited to those expressly imposed upon it by this instrument or subsequently agreed upon by the parties. Responsibility for administrative duties required under the Plan or applicable law not expressly imposed upon or agreed to by the Trustee shall rest solely with the Employer.

The Employer agrees that the Trustee shall have no liability with regard to the investment or management of illiquid Plan assets transferred from a prior Trustee, and shall have no responsibility for investments made before the transfer of Plan assets to it, or for the viability or prudence of any investment made by a prior Trustee, including those represented by assets now transferred to the custody of the Trustee, or for any dealings whatsoever with respect to Plan assets before the transfer of such assets to the Trustee. The Employer shall indemnify and hold the Trustee harmless for any and all claims, actions or causes of action for loss or damage, or any liability whatsoever relating to the assets of the Plan transferred to the Trustee by any prior Trustee of the Plan, including any liability arising out of or related to any act or event, including prohibited transactions, occurring prior to the date the Trustee accepts such assets, including all claims, actions, causes of action, loss, damage, or any liability whatsoever arising out of or related to that act or event, although that claim, action, cause of action, loss, damage, or liability may not be asserted, may not have accrued, or may not have been made known until after the date the Trustee accepts the Plan assets. Such indemnification shall extend to all applicable periods, including periods for which the Plan is retroactively restated to comply with any tax law or regulation.

- 12.11 **Appointment of Custodian.** The Plan Administrator may appoint a Custodian to hold all or any portion of the Plan assets. A Custodian has the same powers, rights and duties as a Directed Trustee. The Custodian will be protected from any liability with

respect to actions taken pursuant to the direction of the Trustee, Plan Administrator, the Employer, or other third party with authority to provide direction to the Custodian.

- 12.12** **Satisfaction of Trust Requirement Using Custodial Accounts or Annuity Contracts.** The Employer may satisfy the trust requirement of Code §457(g) as provided under Treas. Reg. §1.457-8(a)(3)(iii).

SECTION 13
PARTICIPANT LOANS

- 13.01** Availability of Participant Loans. The Employer may elect under AA Appendix B to permit Participants to take loans from their vested Account Balance under the Plan. If the Employer elects to permit loans under the Plan, the Employer may elect to use the default loan policy under this Section 13, as modified under AA Appendix B, or may establish an outside loan policy for purposes of administering Participant loans under the Plan. If the Employer adopts a separate written loan policy, the terms of such separate loan policy will control over the terms of this Plan with respect to the administration of any Participant loans. Any separate written loan policy must satisfy the requirements under Code §72(p) and the regulations thereunder. Participant loans are subject to the terms of any vendor agreements or contracts associated with the Plan.

To receive a Participant loan, a Participant must sign a promissory note along with a pledge or assignment of the portion of the Account Balance used for security on the loan. The loan will be evidenced by a legally enforceable agreement which specifies the amount and term of the loan, and the repayment schedule.

Effective for Participant loans made after December 20, 2019, the Plan may not make any Participant loan through any credit card or any similar arrangement.

- 13.02** Must be Available in Reasonably Equivalent Manner. Participant loans must be made available to Participants in a reasonably equivalent manner. The Employer may elect under AA §B-8 to limit the availability of Participant loans to specified events.

- 13.03** Loan Limitations. A Participant loan may not be made to the extent such loan (when added to the outstanding balance of all other loans made to the Participant) exceeds the lesser of:

- (a) \$50,000 (reduced by the excess, if any, of the Participant's highest outstanding balance of loans from the Plan during the one-year period ending on the day before the date on which such loan is made, over the Participant's outstanding balance of loans from the Plan as of the date such loan is made) or
- (b) one-half (½) of the Participant's vested Account Balance, determined as of the Valuation Date coinciding with or immediately preceding such loan, adjusted for any contributions or distributions made since such Valuation Date.

In applying the limitations under this Section 13.03, all plans maintained by the Employer are aggregated and treated as a single plan. In addition, any assignment or pledge of any portion of the Participant's interest in the Plan and any loan, pledge, or assignment with respect to any insurance contract purchased under the Plan will be treated as loan under this Section.

- 13.04** Limit on Amount and Number of Loans. Unless elected otherwise under AA §B-5 and/or AA §B-6, or under a separate written loan policy, a Participant may not receive a Participant loan of less than \$1,000 nor may a Participant have more than one Participant loan outstanding at any time.

- (a) Loan renegotiation. A Participant may renegotiate a loan without violating the one outstanding loan requirement to the extent such renegotiated loan is a new loan (i.e., the renegotiated loan separately satisfies the reasonable interest rate requirement under Section 13.05, the adequate security requirement under Section 13.06, and the periodic repayment requirement under Section 13.07) and the renegotiated loan does not exceed the limitations under Section 13.03 above, treating both the replaced loan and the renegotiated loan as outstanding at the same time. However, if the term of the renegotiated loan does not end later than the original term of the replaced loan, the replaced loan may be ignored in applying the limitations under Section 13.03 above.
- (b) Participant must be creditworthy. The Plan Administrator may refuse to make a loan to any Participant who is determined to be not creditworthy. For this purpose, a Participant is not creditworthy if, based on the facts and circumstances, it is reasonable to believe that the Participant will not repay the loan. A Participant who has defaulted on a previous loan from the Plan and has not repaid such loan (with accrued interest) at the time of any subsequent loan will be treated as not creditworthy until such time as the Participant repays the defaulted loan (with accrued interest).

- 13.05** Reasonable Rate of Interest. All Participant loans will be charged a reasonable rate of interest. For this purpose, the interest rate charged on a Participant loan must be commensurate with the interest rates charged by persons in the business of lending money for loans under similar circumstances. The Employer may identify alternative methods for determining a reasonable rate of interest under AA §B-7 or under a separate written loan policy. The Plan Administrator must periodically review its interest rate assumptions to ensure the interest rate charged on Participant loans is reasonable.

If a Participant is in "military service" while such Participant has an outstanding Participant loan, the applicable interest charged on such loan during the period while the Participant is in "military service" will not exceed 6% per year provided the Participant provides written notice and a copy of such Participant's call-up or extension orders to the Plan Administrator within

180 days following the Participant's termination or release from "military service." For this purpose, "military service" is as defined in the Soldier's and Sailor's Civil Relief Act of 1940 as modified by the Servicemembers Civil Relief Act of 2003. The Participant may voluntarily waive this 6% interest limitation and the Plan Administrator may petition the court to retain the original interest rate if the ability to repay is not affected by the Participant's activation to military duty.

13.06 **Adequate Security.** All Participant loans must be adequately secured. The Participant's vested Account Balance shall be used as security for a Participant loan provided the outstanding balance of all Participant loans made to such Participant does not exceed 50% of the Participant's vested Account Balance, determined immediately after the origination of each loan. The Plan Administrator may require a Participant to provide additional collateral to receive a Participant loan if the Plan Administrator determines such additional collateral is required to protect the interests of Plan Participants. A separate loan policy or written modifications to this loan policy may prescribe alternative rules for obtaining adequate security. However, the 50% rule in this paragraph may not be replaced with a greater percentage.

13.07 **Periodic Repayment.** A Participant loan must provide for level amortization with payments to be made not less frequently than quarterly. A Participant loan must be payable within a period not exceeding five (5) years from the date the Participant receives the loan from the Plan, unless the loan is for the purchase of the Participant's principal residence, in which case the loan must be payable within a reasonable time commensurate with the repayment period permitted by commercial lenders for similar loans. Loan repayments must be made through payroll withholding, except to the extent the Plan Administrator determines payroll withholding is not practical given the level of a Participant's wages, the frequency with which the Participant is paid, or other circumstances. If a Participant's paycheck is insufficient to make both Salary Deferrals and loan repayments, the Plan Administrator may establish an administrative procedure establishing the hierarchy for Salary Deferrals and loan repayments.

(a) **Unpaid leave of absence.** A Participant with an outstanding Participant loan may suspend loan payments to the Plan for up to 12 months for any period during which the Participant is on an unpaid leave of absence. Upon the Participant's return to employment (or after the end of the 12-month period, if earlier), the Participant's outstanding loan will be re-amortized over the remaining period of such loan to make up for the missed payments. The re-amortized loan may extend beyond the original loan term so long as the loan is paid in full by whichever of the following dates comes first: (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

Alternatively, upon a Participant's return to employment (or after the end of the 12-month period, if earlier), the Plan Administrator may allow the Participant's outstanding loan payments to resume at the same loan payment amount as of the time of the loan suspension, with a balloon payment of the remaining balance due by the earlier of (1) the date which is five (5) years from the original date of the loan (or the end of the suspension, if sooner), or (2) the original loan repayment deadline (or the end of the suspension period, if later) plus the length of the suspension period.

(b) **Military leave.** A Participant with an outstanding Participant loan also may suspend loan payments for any period such Participant is on military leave, in accordance with Code §414(u)(4). Upon the Participant's return from military leave (or the expiration of five years from the date the Participant began military leave, if earlier), loan payments will recommence under the amortization schedule in effect prior to the Participant's military leave, without regard to the five-year maximum loan repayment period. Alternatively, the loan may be re-amortized to require a different level of loan payment, as long as the amount and frequency of such payments are not less than the amount and frequency under the amortization schedule in effect prior to the Participant's military leave.

13.08 **Designation of Accounts.** Unless designated otherwise under a separate loan procedure, Participant loans will first be taken proportionately from the Participant's Employer Contribution Account and Matching Contribution Account, to the extent the Participant has a vested interest in such Accounts and subject to the loan limits under Section 13.03. If a Participant's total vested Account Balance attributable to the Employer Contribution and Matching Contribution Accounts is not sufficient to satisfy the amount of the loan, the Participant loan will next be taken from the Participant's Salary Deferral Account. Finally, the loan will be taken from the Participant's Rollover Contribution Account.

A Participant loan will be treated as a segregated investment on behalf of the individual Participant for whom the loan is made. Each payment of principal and interest paid by a Participant on such Participant's loan shall be credited to the Participant's Accounts and investment funds within such Accounts in the same manner as allocated under the above paragraph.

13.09 **Procedures for Loan Default.** Unless elected otherwise in AA Appendix B or in a separate written loan agreement, a Participant will be considered to be in default with respect to a loan if any scheduled repayment with respect to such loan is not made by the end of the calendar quarter following the calendar quarter in which the missed payment was due.

If a Participant defaults on a Participant loan, the Plan may not offset the Participant's Account Balance until the Participant is otherwise entitled to an immediate distribution of the portion of the Account Balance which will be offset and such amount being offset is available as security on the loan, pursuant to Section 13.06. For this purpose, a loan default is treated as an

immediate distribution event to the extent the law does not prohibit an actual distribution of the type of contributions which would be offset as a result of the loan default. The Participant may repay the outstanding balance of a defaulted loan (including accrued interest through the date of repayment) at any time. Pending the offset of a Participant's Account Balance following a defaulted loan, the following rules apply to the amount in default.

- (a) Interest continues to accrue on the amount in default until the time of the loan offset or, if earlier, the date the loan repayments are made current or the amount is satisfied with other collateral.
- (b) A subsequent offset of the amount in default is not reported as a taxable distribution, except to the extent the taxable portion of the default amount was not previously reported by the Plan as a taxable distribution.
- (c) The post-default accrued interest included in the loan offset is not reported as a taxable distribution at the time of the offset.

A separate loan policy or written modifications to this loan policy may modify the procedures for determining a loan default.

13.10 Termination of Employment.

- (a) **Offset of outstanding loan.** Unless elected otherwise in AA Appendix B or in a separate written loan agreement, a Participant loan becomes due and payable in full immediately upon the Participant's termination of employment. Upon a Participant's termination, the Participant may repay the entire outstanding balance of the loan (including any accrued interest) within a reasonable period following termination of employment. If the Participant does not repay the entire outstanding loan balance, the Participant's vested Account Balance will be reduced by the remaining outstanding balance of the loan, to the extent such Account Balance is available as security on the loan, pursuant to Section 13.06, and the remaining vested Account Balance will be distributed in accordance with the distribution provisions under Section 8. If the outstanding loan balance of a deceased Participant is not repaid, the outstanding loan balance shall be treated as a distribution to the Participant and shall reduce the death benefit amount payable to the Beneficiary.
- (b) **Direct Rollover.** Unless elected otherwise in AA Appendix B or in a separate written loan agreement, upon termination of employment, a Participant may request a Direct Rollover of the loan note (provided the distribution is an Eligible Rollover Distribution) to another qualified plan which agrees to accept a Direct Rollover of the loan note. A Participant may not engage in a Direct Rollover of a loan to the extent the Participant has already received a deemed distribution with respect to such loan.
- (c) **Modified loan policy.** A separate loan policy or written modifications to this loan policy may modify this Section 13.10, including, but not limited to: (1) a provision to permit loan repayments to continue beyond termination of employment; (2) to prohibit the Direct Rollover of a loan note; and (3) to provide for other events that may accelerate the Participant's repayment obligation under the loan.

13.11 Amendment of Plan to Eliminate Participant Loans. The Plan may be amended at any time to eliminate Participant loans on a prospective basis. However, the elimination of a Participant loan feature may not result in the acceleration of payment of any existing Participant loans, unless the terms of the Participant loan permit such acceleration.

13.12 Mergers, Transfers or Direct Rollovers from another Plan/Change in Loan Record Keeper. Except as otherwise provided in an Investment Arrangement and related loan agreement, and subject to applicable requirements in Code §72(p) and the regulations thereunder, any Participant loan transferred into the Plan as the result of a merger, consolidation, or plan to plan transfer, or rolled over to the Plan from another plan, shall be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Participant may be permitted to renegotiate the terms of the loan to the extent necessary to ensure the administration of such loan continues to satisfy the requirements of Code §72(p) and the regulations thereunder. In addition, if there is a change in the person or persons to whom the record keeping of Participant loans has been delegated, a loan shall continue to be administered in accordance with the provisions of the note reflecting such loan, and shall remain outstanding until repaid in accordance with its terms, except that the Participant may be permitted to renegotiate the terms of a loan to the extent necessary to ensure the administration of the loan after the change in the loan record keeper continues to satisfy the requirements of Code §72(p) and the regulations thereunder, regardless of any contrary election under AA §B-14.

SECTION 14
PLAN AMENDMENTS, TERMINATION, MERGERS, EXCHANGES AND TRANSFERS

14.01 Plan Amendments.

- (a) **Amendment by the Employer.** The Employer shall have the right at any time to amend the Plan. (The ability to amend the Plan as authorized under this subsection (a) applies only to the Employer that executes the Signature Page of the Adoption Agreement. Any amendment to the Plan by the Employer under this subsection (a) also applies to any other Employer that participates under the Plan as a Participating Employer.) Such amendments include, but are not limited to:
- (1) The Employer may change any optional selections under the Adoption Agreement.
 - (2) The Employer may add additional language or provisions to the Plan.
 - (3) The Employer may change the administrative selections under AA Appendix C by replacing the appropriate page(s) within the Adoption Agreement. Such amendment does not require re-execution of the Employer Signature Page.
 - (4) The Employer may amend administrative provisions of the Plan document, including the name of the Plan, Employer, Trustee, and Plan Administrator.
 - (5) The Employer may add or change provisions permitted under the Plan and/or specify or change the effective date of a provision as permitted under the Plan and correct obvious and unambiguous typographical errors and/or cross-references that merely correct a reference but that do not in any way change the original intended meaning of the provisions.
- (b) **Reduction of Account Balance.** No amendment to the plan shall be effective to the extent that it has the effect of reducing a Participant's Account Balance.

14.02 Plan Termination. The Employer may terminate (or freeze) this Plan at any time, as provided under Treas. Reg. §1.457-10. The Employer will amend the Plan as necessary to effectuate a Plan termination.

- (a) **Distribution upon Plan termination.** Upon the termination of the Plan, the Plan Administrator shall direct the distribution of Account Balances to Participants in accordance with the provisions under Section 8 as soon as administratively practicable after termination of the Plan. Regardless of the elections made in the Agreement, upon Plan termination, the Plan Administrator may make a lump sum payout of a Participant's vested Account Balance without the consent of the Participant or Beneficiaries.
- (b) **Termination upon merger, liquidation or dissolution of the Employer.** The Plan may terminate upon the liquidation or dissolution of the Employer provided however, that in any such event, arrangements may be made for the Plan to be continued by any successor to the Employer.
- (c) **Missing Participants.** Upon termination of the Plan, if any Participant cannot be located after a reasonable diligent search, the Plan Administrator may make a direct rollover to an IRA selected by the Plan Administrator. An automatic rollover under this subsection (c) may be made on behalf of any missing Participant, regardless of the value of such Participant's vested Account Balance.

14.03 Merger or Consolidation. In the event the Plan is merged or consolidated with another plan, each Participant must be entitled to a benefit immediately after such merger or consolidation that is at least equal to the benefit the Participant would have been entitled to if the Plan terminated immediately before such merger or consolidation.

SECTION 15
MISCELLANEOUS

- 15.01** **Exclusive Benefit.** Except as provided under this Section 15, no part of the Plan assets may revert to the Employer prior to the satisfaction of all liabilities under the Plan nor will such Plan assets be used for, or diverted to, a purpose other than the exclusive benefit of Participants or their Beneficiaries.

No amendment may authorize or permit any portion of the assets held under the Plan to be used for or diverted to a purpose other than the exclusive benefit of Participants or their Beneficiaries, except to the extent such assets are used to pay taxes or administrative expenses of the Plan. An amendment also may not cause or permit any portion of the assets held under the Plan to revert to or become property of the Employer.

- 15.02** **Return of Employer Contributions.** Upon written request by the Employer, the Trustee may return any Employer Contributions made because of a mistake of fact to the Employer.

- 15.03** **Alienation or Assignment.** Except as permitted under applicable statute or regulation, a Participant or Beneficiary may not assign, alienate, transfer or sell any right or claim to a benefit or distribution from the Plan, and any attempt to assign, alienate, transfer or sell such a right or claim shall be void, except as permitted by statute or regulation. Any such right or claim under the Plan shall not be subject to attachment, execution, garnishment, sequestration, or other legal or equitable process. This prohibition against alienation or assignment also applies to the creation, assignment, or recognition of a right to a benefit payable with respect to a Participant pursuant to a domestic relations order, unless such order is determined to be a QDRO pursuant to Section 11.06.

- 15.04** **Participants' Rights.** The adoption of this Plan by the Employer does not give any Participant, Beneficiary, or Employee a right to continued employment with the Employer and does not affect the Employer's right to discharge an Employee or Participant at any time. This Plan also does not create any legal or equitable rights in favor of any Participant, Beneficiary, or Employee against the Employer or Plan Administrator. Unless the context indicates otherwise, any amendment to this Plan is not applicable to determine the benefits accrued (and the extent to which such benefits are vested) by a Participant or former Employee whose employment terminated before the effective date of such amendment, except where application of such amendment to the terminated Participant or former Employee is required by statute, regulation or other guidance of general applicability. Where the provisions of the Plan are ambiguous as to the application of an amendment to a terminated Participant or former Employee, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

- 15.05** **Military Service.** To the extent required under Code §414(u), an Employee who returns to employment with the Employer following a period of qualified military service will receive any contributions, benefits and service credit required under Code §414(u), provided the Employee satisfies all applicable requirements under the Code and regulations. In determining the amount of contributions under Code §414(u), Plan Compensation will be deemed to be the compensation the Employee would have received during the period while in military service based on the rate of pay the Employee would have received from the Employer but for the absence due to military leave. If the compensation the Employee would have received during the leave is not reasonably certain, Plan Compensation will be equal to the Employee's average compensation from the Employer during the twelve (12) month period immediately preceding the military leave or, if shorter, the Employee's actual period of employment with the Employer.

(a) **Death benefits under qualified military service.** In the case of a Participant who dies while performing qualified military service (as defined in Code §414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as though the Participant resumed and then terminated employment on account of death. This provision is effective with respect to deaths occurring on or after January 1, 2007.

(b) **Benefit accruals.** If elected under AA §10-3, for benefit accrual purposes, the Plan will treat an individual who dies or becomes disabled (as defined under the terms of the Plan) while performing qualified military service (as defined in Code §414(u)) with respect to the Employer, as if the individual has resumed employment in accordance with the individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA) on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability. This provision is effective with respect to deaths and disabilities occurring on or after January 1, 2007.

(1) This subsection (b) shall apply only if all individuals performing qualified military service with respect to the Employer maintaining the plan who die or become disabled as a result of performing qualified military service prior to reemployment by the employer are credited with service and benefits on reasonably equivalent terms.

- (2) The amount of employee contributions and the amount of elective deferrals of an individual treated as reemployed under this subsection (b) shall be determined on the basis of the individual's average actual employee contributions or elective deferrals for the lesser of:
- (i) the 12-month period of service with the Employer immediately prior to qualified military service, or
 - (ii) if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.
- (c) **Plan distributions.** Notwithstanding the provisions regarding the treatment of Differential Pay and if elected under AA §9-2(a), an individual may be treated as having a Severance from Employment during any period the individual is performing service in the Uniformed Services for purposes of receiving a Plan distribution under Code §457(d). If an individual elects to receive a distribution while on military leave, the individual may not make Salary Deferrals under the Plan during the 6-month period beginning on the date of the distribution.
- (d) **Make-Up Contributions.** A Participant who is reemployed following a qualified military leave shall have the right to make up any Salary Deferrals or After-Tax Employee Contributions to which such Participant would have been entitled but for the fact the Participant was on qualified military leave. The Employer will also make any Employer Contributions and Matching Contributions the Participant would have earned during the period of qualified military leave had the Participant remained employed during such period. The Employer will only be required to make Matching Contributions if the reemployed Participant makes up the underlying contributions that were eligible for the Matching Contributions.

In determining the amount of Make-Up Contributions, a Participant may make under this subsection (d), a Participant will be treated as earning Plan Compensation during the period the Participant was on qualified military leave equal to:

- (1) the rate of pay the Participant would have received from the Employer during such period had the Participant not been on qualified military leave, or
- (2) if the Plan Compensation the Participant would have received during such period was not reasonably certain, the Participant's average Plan Compensation during the 12-month period immediately preceding the qualified military leave (or the entire period of employment, if shorter).

If the Employer is required under this subsection (d) to make Employer Contributions for a reemployed Participant, the Employer must make such Employer Contributions not later than 90 days after the date of reemployment or the date the Employer Contributions are otherwise due for the year in which the military service was performed. For Salary Deferrals and After-Tax Employee Contributions, a Participant who is reemployed following a qualified military leave may make up such contributions during the period beginning on the date of reemployment and ending on the earlier of the date that is three times the length of the military service period or 5 years from the date of reemployment. Any required Matching Contributions must be made in the same manner as other Matching Contribution under the Plan following the Participant's contribution of the amounts eligible for the Matching Contributions.

Any make up contributions under this subsection (d) are subject to the Code §457(b) Basic Annual Limit under **Section 5** for the year for which the make-up contribution would have been made had the Participant not been on qualified military leave.

- 15.06** **Annuity Contracts.** Any annuity contract distributed under the Plan must be nontransferable. In addition, the terms of any annuity contract purchased and distributed to a Participant or Beneficiary must comply with all requirements under this Plan.
- 15.07** **Use of IRS compliance programs.** Nothing in this Plan document should be construed to limit the availability of the IRS' compliance programs, An Employer may take whatever corrective actions are permitted under the IRS compliance programs, as is deemed appropriate by the Plan Administrator or Employer.
- 15.08** **Governing Law.** The provisions of this Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state in which the Employer has its principal place of business. Alternatively, the Employer may designate the governing state law under AA §10-5.
- 15.09** **Waiver of Notice.** Any person entitled to a notice under the Plan may waive the right to receive such notice, to the extent such a waiver is not prohibited by law, regulation or other pronouncement.
- 15.10** **Use of Electronic Media.** The Plan Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a

Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Plan Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) salary reduction elections, electing (and changing) investment allocations, applying for Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

- 15.11 Severability of Provisions.** In the event that any provision of this Plan shall be held to be illegal, invalid or unenforceable for any reason, the remaining provisions under the Plan shall be construed as if the illegal, invalid or unenforceable provisions had never been included in the Plan.
- 15.12 Binding Effect.** The Plan, and all actions and decisions made thereunder, shall be binding upon all applicable parties, and their heirs, executors, administrators, successors and assigns.
- 15.13 Same-Sex Spouses.** Effective June 26, 2013, to the extent applicable to Governmental Plans, any Plan rule that applies because a Participant is married must be applied with respect to a Participant who is married to an individual of the same sex. See Notice 2015-86, Notice 2014-19, Rev. Rul. 2013-17, and the decision in U.S. v Windsor, 570 U.S. 12 (2013). For example, under the required minimum distribution rules of Code §401(a)(9) and the rollover rules of Code §402(c), certain options are provided for a surviving spouse that are not available to a non-spouse beneficiary. These options must be provided to a same-sex spouse.

SECTION 16
PARTICIPATING EMPLOYERS

- 16.01 Participation by Participating Employers.** A Related Employer may elect to participate under this Plan by executing a Participating Employer Adoption Page. A Participating Employer may not contribute to this Plan unless it executes the Participating Employer Adoption Page.
- 16.02 Participating Employer Adoption Page.**
- (a) **Application of Plan provisions.** By executing a Participating Employer Adoption Page, a Participating Employer adopts all the provisions of the Plan, including the elective choices made by the signatory Employer under the Adoption Agreement. The Participating Employer may elect under the Participating Employer Adoption Page to modify the elective provisions under the Adoption Agreement as they apply to the Participating Employer.
 - (b) **Plan amendments.** In addition, unless provided otherwise under the Participating Employer Adoption Page, a Participating Employer is bound by any amendments made to the Plan in accordance with Section 14.01.
 - (c) **Trust Declaration.** The Participating Employer agrees to use the same Trustee(s) as is designated on the Trust Declaration under the Agreement, except as provided in a separate agreement.
- 16.03 Compensation of Related Employers.** In applying the provisions of this Plan, Total Compensation includes amounts earned with a Related Employer, regardless of whether such Related Employer executes a Participating Employer Adoption Page. The Employer may elect under AA §5-3(j) to exclude amounts earned with a Related Employer that does not execute a Participating Employer Adoption Page for purposes of determining an Employee's Plan Compensation.
- 16.04 Discontinuance of Participation by a Participating Employer.** A Participating Employer may discontinue its participation under the Plan at any time. To document a Participating Employer's cessation of participation, the following procedures should be followed: (1) the Participating Employer should adopt a resolution that formally terminates active participation in the Plan as of a specified date, (2) the Employer that has executed the Employer Signature Page should re-execute such page, indicating an amendment by page substitution through the deletion of the Participating Employer Adoption Page executed by the withdrawing Participating Employer, and (3) the withdrawing Participating Employer should provide any notices to its Employees that are required by law. Discontinuance of participation means that no further benefits accrue after the effective date of such discontinuance with respect to employment with the withdrawing Participating Employer. The portion of the Plan attributable to the withdrawing Participating Employer may continue as a separate plan, under which benefits may continue to accrue, through the adoption by the Participating Employer of a successor plan (which may be created through the execution of a separate Adoption Agreement by the Participating Employer) or by spin-off of the portion of the Plan attributable to such Participating Employer followed by a merger or transfer into another existing plan, as specified in a merger or transfer agreement.
- 16.05 Operational Rules for Related Employer Groups.** If an Employer has one or more Related Employers, the Employer and such Related Employer(s) constitute a Related Employer group. In such case, the following rules apply to the operation of the Plan.
- (a) If the term "Employer" is used in the context of administrative functions necessary to the operation, establishment, maintenance, or termination of the Plan, only the Employer executing the Employer Signature Page under the Adoption Agreement, and any Related Employer executing a Participating Employer Adoption Page, is treated as the Employer.
 - (b) Hours of Service are determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.
 - (c) The term Excluded Employee is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.
 - (d) Compensation is determined by treating all members of the Related Employer group as the Employer, except as specifically provided in the Plan.
 - (e) An Employee is not treated as terminated from employment if the Employee is employed by any member of the Related Employer group.

In all other contexts, the term "Employer" generally means a reference to all members of the Related Employer group, unless the context requires otherwise. If the terms of the Plan are ambiguous with respect to the treatment of the Related Employer group as the Employer, the Plan Administrator has the authority to make a final determination on the proper interpretation of the Plan.

TOWNSHIP OF TILDEN 457(B) DEFERRED COMPENSATION PLAN
457(b) Governmental AA V2
Contract Number – 0023181001
Plan Document Summary
Prepared as of 11/20/2025

This Plan Document Summary (“Summary”) is intended to provide you with a high-level overview of the major features of your plan based on the most recently drafted plan document in our files. The Summary is not intended to replace your plan document or Summary Plan Description (SPD). If this Summary describes any provisions of your plan that have not been adopted (including provisions in an amendment to the plan that has not been signed), those provisions will not be operational until the plan or amendment has been signed and dated. Finally, if the provisions described in this Summary and the plan document or SPD conflict, the provisions of the plan document and SPD govern.

EMPLOYER/PLAN INFORMATION
[AA §1 / AA §2]

EFFECTIVE DATE OF PLAN:

- **Plan restatement effective:** January 1, 2024
- **Original effective date:** December 29, 1997

EMPLOYER INFORMATION

Name: Township of Tilden, MI
Address:
 3145 County Road P.G.
 Ishpeming, Michigan 49849-0000
Phone: 906-486-6580
EIN: 38-4866580

PLAN ADMINISTRATOR: Employer

EMPLOYER TAX YEAR END: December 31

FICA REPLACEMENT PLAN: No

PLAN YEAR: Calendar Year

TRUSTEE: No Trustee. Plan is funded with custodial accounts, annuity contracts and/or insurance contracts.

COMPENSATION
[AA §5]

TOTAL COMPENSATION: W-2 Compensation

Deferrals	ER Contributions	Match
PLAN COMPENSATION: No exclusions COMPENSATION PERIOD: Plan Year COMPENSATION ONLY WHILE PARTICIPANT: No	PLAN COMPENSATION: No Employer contributions	PLAN COMPENSATION: No exclusions COMPENSATION PERIOD: Plan Year COMPENSATION ONLY WHILE PARTICIPANT: No

EXCLUDED EMPLOYEES
[AA §3]

Deferrals	ER Contributions	Match
Following Employees excluded: ▪ Other: Part-time Employees who normally work less than 40 hours per week and Leased Employees.	No ER contributions	Following Employees excluded: ▪ Other: Part-time Employees who normally work less than 40 hours per week and Leased Employees.

INDEPENDENT CONTRACTORS: Independent Contractors may not participate in the Plan

MINIMUM AGE AND SERVICE
[AA §4]

Deferrals	ER Contributions	Match
Minimum Age: None Minimum Service: 3 month(s) of Continuous Service Year of Service: 1,000 HOS Service Counting Method: Equivalency Method for Employees for whom hourly records not maintained Eligibility Computation Period: Shift to Plan Year	No Employer Contributions	Minimum Age: None Minimum Service: 3 month(s) of Continuous Service Year of Service: 1,000 HOS Service Counting Method: Equivalency Method for Employees for whom hourly records not maintained Eligibility Computation Period: Shift to Plan Year

ENTRY DATES
[AA §4-2]

Deferrals	ER Contributions	Match
Entry Dates: Immediate	No Employer Contributions	Entry Dates: Immediate

SALARY DEFERRALS
[AA §6A]

CATCH-UP CONTRIBUTIONS: Yes

ROTH CONTRIBUTIONS: No

EMPLOYER CONTRIBUTIONS
[AA §6]

NO EMPLOYER CONTRIBUTIONS

MATCHING CONTRIBUTIONS
[AA §6B]

MATCHING CONTRIBUTION FORMULA:

- Fixed match equal to 3% of Salary Deferrals

ELIGIBLE CONTRIBUTIONS: Following amounts are eligible for match:

- Pre-tax Salary Deferrals
- Age 50 Catch-Up Contributions
- Special 457 Catch-Up Contributions

LIMIT ON MATCHING CONTRIBUTIONS:

- All Salary Deferrals are eligible

PERIOD FOR DETERMINING MATCH: Payroll period

ALLOCATION CONDITIONS:

Participant may elect to treat Matching Contribution as a Roth Contribution: No

Qualified Student Loan Payments as Salary Deferrals for Matching Contributions: No

RETIREMENT AGE AND DISTRIBUTIONS
 [AA §7 / AA §9]

NORMAL RETIREMENT AGE: Participant may designate a Normal Retirement Age that is between age 65 and 70 ½.

NORMAL RETIREMENT AGE FOR QUALIFIED POLICE: Participant may designate a Normal Retirement Age that is between age 40 and 70 ½.

NORMAL RETIREMENT AGE FOR QUALIFIED

FIREFIGHTERS: Participant may designate a Normal Retirement Age that is between age 40 and 70 ½.

PERMISSIBLE DISTRIBUTION EVENTS:

Deferrals	ER Contributions	Match
<ul style="list-style-type: none"> • Age 59.5 • Unforeseeable Emergency 	No Employer Contributions	<ul style="list-style-type: none"> • Age 59.5 • Unforeseeable Emergency

LIMITATIONS ON IN-SERVICE DISTRIBUTIONS:

- Participant may not take a distribution after termination of employment for:
 - Unforeseeable Emergency Distributions

DISTRIBUTIONS OF SMALLER AMOUNTS:

- Participant may receive distribution of smaller amounts as described under the Plan

FORM OF DISTRIBUTION UPON TERMINATION:

- Lump sum
- Partial lump sum
- Installments for requirement minimum distributions only
- Repetitive Payments

TIMING OF DISTRIBUTIONS: Within a reasonable time following an event, such as termination

INVOLUNTARY CASH-OUT THRESHOLD: \$1,000

AUTOMATIC ROLLOVER RULES: Do not apply to Cash-Outs less than \$1,000

SPOUSAL CONSENT: Not required under the Plan

BENEFICIARY PROVISIONS: To the extent a Beneficiary has not been named by the Participant to receive all of any portion of the deceased Participants death benefit, such amount shall be distributed to the Participants surviving Spouse. If the Participant does not have a surviving Spouse, distribution will be made to the Participants surviving children (including legally adopted children, but not including step-children) in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants). If the Participant has no surviving children, distribution will be made to the Participants surviving parents in equal shares. If the Participant has no surviving parents, distribution will be made to the Participants estate.

DIVORCE OF SPOUSE: If the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan will be automatically rescinded

MISCELLANEOUS PROVISIONS
 [AA §10]

Deferrals	ER Contributions	Match
VALUATION DATE: Daily	VALUATION DATE: No ER contributions	VALUATION DATE: Daily

LOAN POLICY
 [APPENDIX B]

LOANS: Not permitted

ADMINISTRATIVE ELECTIONS
 [APPENDIX C]

ROLLOVERS: Yes

DEFAULT QDRO PROCEDURES APPLY: No

PARTICIPANT DIRECTION: Allowed from all Accounts

Fund 101 GENERAL

GL Number	Description	Balance
*** Assets ***		
101-000-001.000	CHECKING	201,172.88
101-000-002.000	SAVINGS - ARPA	0.00
101-000-003.000	SAVINGS	0.00
101-000-004.000	GEN SAVINGS FLAGSTAR	299,126.13
101-000-005.000	INVESTMENTS	2,262,992.05
101-000-030.000	A/R STATE REVENUE SHARING	27,669.50
101-000-033.000	ACCOUNTS RECEIVABLE	300.00
101-000-040.000	A/R - DELINQUENT TAXES	34,232.24
101-000-042.000	A/R STATE OF MI ELECTION	0.00
101-000-073.000	DUE FROM WATER FUND - LOAN	11,500.00
101-000-075.000	DUE FROM WATER NATIONWIDE	0.00
101-000-077.000		(39.99)
101-000-084.203	DUE FROM ROADS	0.00
101-000-084.206	DUE FROM FIRE-GARBAGE	0.00
101-000-084.591	DUE FROM WATER PR LIABILITIES	3,227.28
101-000-084.703	DUE FROM FUND 703	1,220.00
101-000-101.000	CASH DRAWER - 1	0.00
101-000-102.000	CASH DRAWER - 2	250.00
101-000-103.000	CASH DRAWER - 3	250.00
101-000-180.000	FIXED ASSETS	0.00
101-000-182.000	ACCUM DEPRECIATION-FIXED ASSETS	0.00
101-282-000.528	ARPA FUNDS	0.00
Total Assets		2,841,900.09
*** Liabilities ***		
101-000-202.000	ACCOUNTS PAYABLE	(188.26)
101-000-210.000	ACCRUED EMPLOYEE 457	1,713.22
101-000-214.203	DUE TO ROADS	0.00
101-000-214.206	DUE TO FIRE-GARBAGE	0.00
101-000-214.591	DUE TO WATER	99,449.90
101-000-214.703	DUE TO FUND 703	0.00
101-000-222.000	DUE TO WATER FUND	0.00
101-000-224.000	DUE TO ROAD	0.00
101-000-230.000	DUE TO OTHER UNITS OF GOVERNMENT	147.02
101-000-231.000	ACCRUED FICA AND FEDERAL W/H	4,386.42
101-000-232.000	ACCRUED STATE W/H	690.45
101-000-240.000	HALL RENTAL REFUNDS	(50.00)
101-000-257.000	ACCRUED WAGES	2,522.74
Total Liabilities		108,671.49
*** Fund Balance ***		
101-000-390.000	FUND BALANCE	2,532,344.28
Total Fund Balance		2,532,344.28
Beginning Fund Balance		2,532,344.28
Net of Revenues VS Expenditures		200,884.32
Ending Fund Balance		2,733,228.60
Total Liabilities And Fund Balance		2,841,900.09

Fund 203 ROADS

GL Number	Description	Balance
*** Assets ***		
203-000-001.000	CHECKING	304,022.47
203-000-003.000	SAVINGS	0.00
203-000-005.000	INVESTMENTS	1,170,807.05
203-000-033.000	ACCOUNTS RECEIVABLE	0.00
203-000-040.000	A/R - DELINQUENT TAXES	29,778.06
203-000-050.000	DUE FROM TAX HOLDING-CURRENT YR	0.00
203-000-084.101	DUE FROM GENERAL	0.00
203-000-084.206	DUE FROM FIRE-GARBAGE	0.00
203-000-084.591	DUE FROM WATER	0.00
203-000-084.703	DUE FROM FUND 703	0.00
Total Assets		1,504,607.58
*** Liabilities ***		
203-000-202.000	ACCOUNTS PAYABLE	87,062.52
203-000-214.101	DUE TO GENERAL	0.00
203-000-214.206	DUE TO FIRE-GARBAGE	0.00
203-000-214.591	DUE TO WATER	0.00
203-000-214.703	DUE TO FUND 703	0.00
203-000-221.000	DUE TO GENERAL	0.00
Total Liabilities		87,062.52
*** Fund Balance ***		
203-000-390.000	FUND BALANCE	1,563,516.37
Total Fund Balance		1,563,516.37
Beginning Fund Balance		1,563,516.37
Net of Revenues VS Expenditures		(145,971.31)
Ending Fund Balance		1,417,545.06
Total Liabilities And Fund Balance		1,504,607.58

Fund 206 FIRE-GARBAGE

GL Number	Description	Balance
*** Assets ***		
206-000-001.000	CHECKING	379,134.05
206-000-002.000	SAVINGS	0.00
206-000-005.000	INVESTMENTS	1,909,183.72
206-000-031.000	A/R LANDFILLS	775.06
206-000-033.000	ACCOUNTS RECEIVABLE	0.00
206-000-040.000	A/R - DELINQUENT TAXES	29,918.29
206-000-077.000	DUE FROM CURRENT TAX ACCOUNT	0.00
206-000-084.101	DUE FROM GENERAL	0.00
206-000-084.203	DUE FROM ROADS	0.00
206-000-084.591	DUE FROM WATER	(20.00)
206-000-084.703	DUE FROM FUND 703	0.00
Total Assets		2,318,991.12
*** Liabilities ***		
206-000-202.000	ACCOUNTS PAYABLE	4,933.00
206-000-214.101	DUE TO GENERAL	0.00
206-000-214.203	DUE TO ROADS	0.00
206-000-214.591	DUE TO WATER	0.00
206-000-214.703	DUE TO FUND 703	0.00
Total Liabilities		4,933.00
*** Fund Balance ***		
206-000-390.000	FUND BALANCE	590,356.72
206-000-391.000	FUND BALANCE - FIRE	599,620.31
206-000-392.000	FUND BALANCE - GARBAGE	1,150,330.37
Total Fund Balance		2,340,307.40
Beginning Fund Balance		2,340,307.40
Net of Revenues VS Expenditures		(26,249.28)
Ending Fund Balance		2,314,058.12
Total Liabilities And Fund Balance		2,318,991.12

Fund 282 APPA GRANT

GL Number	Description	Balance
*** Assets ***		
282-000-001.000	CHECKING	0.00
Total Assets		0.00
*** Fund Balance ***		
282-000-390.000	FUND BALANCE	0.00
Total Fund Balance		0.00
Beginning Fund Balance		0.00
Net of Revenues VS Expenditures		0.00
Ending Fund Balance		0.00
Total Liabilities And Fund Balance		0.00

Fund 591 WATER

GL Number	Description	Balance
*** Assets ***		
591-000-001.000	CHECKING	43,614.37
591-000-002.000	SAVINGS	0.00
591-000-009.000	WATER SYSTEM-RESERVE	15,172.19
591-000-010.000	WATER SYSTEM-BOND/INTEREST	20,787.49
591-000-011.000	WATER SYSTEM-RRI	15,173.31
591-000-015.000	WATER-CAPITAL IMPROVEMENTS FUND	15,625.50
591-000-033.000	ACCOUNTS RECEIVABLE	(779.15)
591-000-084.101	DUE FROM GENERAL	99,000.00
591-000-084.203	DUE FROM ROADS	0.00
591-000-084.206	DUE FROM FIRE-GARBAGE	0.00
591-000-084.703	DUE FROM FUND 703	0.00
591-000-150.000	LAND	22,500.00
591-000-152.000	EQUIPMENT	79,245.47
591-000-155.000	FIXED ASSETS-DISTRIBUTION SYST	2,508,449.00
591-000-158.000	CONSTRUCTION IN PROGRESS	0.00
591-000-162.000	A/D-EQUIPMENT	(30,619.00)
591-000-165.000	A/D-DISTRIBUTION SYSTEM	(1,355,226.00)
Total Assets		1,432,943.18
*** Liabilities ***		
591-000-202.000	ACCOUNTS PAYABLE	1,088.24
591-000-210.000	ACCRUED EMPLOYEE 457	436.60
591-000-211.000	DUE TO GENERAL PR LIABILITIES	(1,190.27)
591-000-214.101	DUE TO GENERAL	4,367.55
591-000-214.203	DUE TO ROADS	0.00
591-000-214.206	DUE TO FIRE-GARBAGE	(20.00)
591-000-214.703	DUE TO FUND 703	0.00
591-000-223.000	DUE TO GENERAL LOAN	10,500.00
591-000-230.000	DUE TO OTHER UNITS OF GOVERNMENT	0.00
591-000-232.000	ACCRUED STATE W/H	0.00
591-000-233.000	DUE TO INDIVIDUAL	0.00
591-000-257.000	ACCRUED WAGES	650.73
591-000-271.000	CURRENT PORTION LONG TERM DEBT	12,000.00
591-000-275.000	USDA - BONDS PAYABLE	344,988.75
Total Liabilities		372,821.60
*** Fund Balance ***		
591-000-380.000	CONTRIBUTED CAPITAL	0.00
591-000-390.000	FUND BALANCE	952,250.55
591-000-395.000	RESTRICTED FUND BALANCE	55,458.96
Total Fund Balance		1,007,709.51
Beginning Fund Balance		1,007,709.51
Net of Revenues VS Expenditures		52,412.07
Ending Fund Balance		1,060,121.58
Total Liabilities And Fund Balance		1,432,943.18

Fund 703 TAX

GL Number	Description	Balance
*** Assets ***		
703-000-001.000	CHECKING	0.00
703-000-006.000	S TAX CHECKING	0.00
703-000-007.000	WINTER TAX SAVINGS	0.00
703-000-008.000	SUMMER TAX SAVINGS	0.00
703-000-012.000	TAX CHECKING	19,050.86
703-000-084.101	DUE FROM GENERAL	0.00
703-000-084.203	DUE FROM ROADS	0.00
703-000-084.206	DUE FROM FIRE-GARBAGE	0.00
703-000-084.591	DUE FROM WATER	0.00
Total Assets		19,050.86
*** Liabilities ***		
703-000-202.000	ACCOUNTS PAYABLE	0.00
703-000-214.101	DUE TO GENERAL	2,142.83
703-000-214.203	DUE TO ROADS	0.00
703-000-214.206	DUE TO FIRE-GARBAGE	0.00
703-000-214.591	DUE TO WATER	0.00
703-000-221.000	DUE TO GENERAL	0.00
703-000-233.000	DUE TO INDIVIDUAL	1,051.56
703-000-235.000	DUE TO NICE	223.50
703-000-236.000	DUE TO COUNTY	5,547.00
703-000-238.000	DUE TO MARQ-ALGER ISD	3,712.55
703-000-239.000	DUE TO STATE ED	6,379.80
703-000-242.000	DUE TO HERITAGE TRAIL AUTHORITY	0.00
703-000-267.000	QUALIFIED FOREST PROGRAM	(6.38)
703-000-268.000	CFA	0.00
703-000-269.000	DUE TO SPECIFIC ORE	0.00
Total Liabilities		19,050.86
Beginning Fund Balance		0.00
Net of Revenues VS Expenditures		0.00
Ending Fund Balance		0.00
Total Liabilities And Fund Balance		19,050.86

TOWNSHIP OF TILDEN, MICHIGAN
AUDITED FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Township of Tilden, Michigan
3145 County Road PG
Ishpeming, Michigan 49849

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Tilden, Michigan (the Township), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township, as of March 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial

statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying Other Supplemental Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township's internal control over financial reporting and compliance.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

September 20, 2024

Township of Tilden, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Township of Tilden, Michigan's (the Township) financial performance provides an overview of the Township's financial activities for the year ended March 31, 2024. Please read it in conjunction with the financial statements as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- Net position for the Township as a whole decreased by \$28,440 as a result of this year's operations. Net position of our business-type activities decreased by \$67,620 or 6 percent, and net position of our governmental activities increased by \$39,180, or 1 percent.
- During the year, the Township had revenues from all sources for governmental activities that were \$1,282,835 and revenues from all sources for business type activities that were \$133,667.
- During the year, the Township had expenses for governmental activities that were \$1,243,655 and expenses for business type activities that were \$201,287.
- The General Fund reported a net fund balance of \$2,574,731. The net decrease in fund balance of \$91,657 was \$65,347 less than the forecasted decrease of \$26,310.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (as listed in the table of contents) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements (as listed in the table of contents) tell how these services were financed in the short term, as well as what remains for the future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the Township as a Whole

Our analysis of the Township as a whole begins on the pages below. One of the most important questions asked about the Township's finances is "Is the Township as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's *net position* and changes in it. You can think of the Township's net position – the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources – as one way to measure the Township's financial health, or *financial position*. Over time, *increases or decreases* in the Township's net position is one indicator of whether its financial health is improving or deteriorating.

Township of Tilden, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

You will need to consider other non-financial factors, however, such as changes in the Township's patron base and the condition of the Township's capital assets, to assess the *overall financial health* of the Township.

In the Statement of Net Position and the Statement of Activities, we divide the Township into two kinds of activities:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the legislative, elections, public safety, public works, recreation and culture, community and economic development and general services and administration. Property taxes, charges for services and state sources fund most of these activities.
- **Business-Type Activities** – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Water System Fund is reported here.

Reporting the Township's Most Significant Funds

Our analysis of the Township's major funds begins below. As listed in the table of contents the fund financial statements provide detailed information on the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The Township's two kinds of funds – *governmental* and *proprietary* - use different accounting approaches.

- **Governmental Funds** – Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed *short-term view* of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and Statement of Activities) and governmental *funds* in a reconciliation which follows the fund financial statements.
- **Proprietary Funds** – When the Township charges customers for the services it provides – whether to outside customers or to other units of the Township – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Township's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The Township as Trustee

The Township is the trustee, or fiduciary, for assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in

Township of Tilden, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

separate Statement of Fiduciary Net Position (as listed in the table of contents). We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The Township as a Whole

Table 1 provides a summary of the Township's net position as of March 31, 2024 and 2022.

**Table 1
Net Position**

	2024			2022		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and other assets	\$6,292,373	\$163,438	\$6,455,811	\$6,165,376	\$154,341	\$6,319,717
Capital assets, net	825,040	1,262,020	2,087,060	652,664	1,377,892	2,030,556
Total Assets	<u>7,117,413</u>	<u>1,425,458</u>	<u>8,542,871</u>	<u>6,818,040</u>	<u>1,532,233</u>	<u>8,350,273</u>
Deferred outflows of resources	-	-	-	-	-	-
Current liabilities	10,194	560	10,754	63,482	777	64,259
Non-current liabilities	13,477	389,000	402,477	9,594	411,000	420,594
Total Liabilities	<u>23,671</u>	<u>389,560</u>	<u>413,231</u>	<u>73,076</u>	<u>411,777</u>	<u>484,853</u>
Deferred inflows of resources	-	-	-	-	-	-
Net Position:						
Net investment in capital assets	825,040	873,020	1,698,060	652,664	966,892	1,619,556
Restricted	3,707,448	55,459	3,762,907	3,653,865	54,406	3,708,271
Unrestricted	2,561,254	107,419	2,668,673	2,438,435	99,158	2,537,593
Net Position, Ending	<u>\$7,093,742</u>	<u>\$1,035,898</u>	<u>\$8,129,640</u>	<u>\$6,744,964</u>	<u>\$1,120,456</u>	<u>\$7,865,420</u>

Net position of the Township's governmental activities stood at \$7,093,742. *Unrestricted* net position—the part of the net position that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$2,561,254.

The \$2,561,254 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The net position of our business-type activities stood at \$1,035,898. The Township can generally only use this net position to finance continuing operations of the Water System operations.

Township of Tilden, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The results of this year's operations for the Township as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net position for fiscal years 2024 and 2022.

**Table 2
Statement of Activities**

	2024			2022		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues:						
Program Revenues:						
Charges for services	\$-	\$132,897	\$132,897	\$-	\$125,919	\$125,919
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	104,365	-	104,365	-	-	-
General Revenues:						
Property taxes	877,612	-	877,612	881,433	-	881,433
State sources	119,971	-	119,971	121,102	-	121,102
Interest	136,082	770	136,852	14,974	36	15,010
Miscellaneous	44,805	-	44,805	145,622	-	145,622
Gain on sale of capital assets	-	-	-	-	-	-
Total Revenues	<u>1,282,835</u>	<u>133,667</u>	<u>1,416,502</u>	<u>1,163,131</u>	<u>125,955</u>	<u>1,289,086</u>
Program Expenses:						
General services and administration						
	403,718	-	403,718	358,091	-	358,091
Public safety	134,238	-	134,238	57,440	-	57,440
Public works	591,226	-	591,226	501,248	-	501,248
Community and economic development	6,698	-	6,698	1,593	-	1,593
Recreation and culture	107,775	-	107,775	51,527	-	51,527
Capital outlay	-	-	-	-	-	-
Water system	-	201,287	201,287	-	146,095	146,095
Total Expenses	<u>1,243,655</u>	<u>201,287</u>	<u>1,444,942</u>	<u>969,899</u>	<u>146,095</u>	<u>1,115,994</u>
Excess (deficiency) before transfers	39,180	(67,620)	(28,440)	193,232	(20,140)	173,092
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	39,180	(67,620)	(28,440)	193,232	(20,140)	173,092
Net position, beginning	7,054,562	1,103,518	8,158,080	6,551,732	1,140,596	7,692,328
Net Position, Ending	<u>\$7,093,742</u>	<u>\$1,035,898</u>	<u>\$8,129,640</u>	<u>\$6,744,964</u>	<u>\$1,120,456</u>	<u>\$7,865,420</u>

The Township's total revenues were \$1,416,502. The total cost of all programs and services was \$1,444,942 leaving a decrease in net position of \$28,440. Our analysis below separately considers the operations of governmental and business-type activities:

Governmental Activities

The net position of the Township's governmental activities increased \$39,180 for the year ended March 31, 2024.

Township of Tilden, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

This was from governmental fund net income of (\$176,343), (described under governmental funds), capital outlay of \$274,476, recording depreciation expense of (\$52,697) and recording compensated absence liability change of (\$6,256).

Business-type Activities

During the year ended March 31, 2024, the net position of the Township's business-type activities decreased by \$67,620.

This was from operating expenditures exceeding operating revenues in the Water System Fund.

THE TOWNSHIP OF TILDEN, MICHIGAN'S FUNDS

As the Township completed the year, its governmental funds (as presented in the balance sheet list in the table of contents) reported a *combined* fund balance of \$6,282,179, a decrease of \$176,343 from the beginning of the year.

The General Fund decreased by \$91,657. This decrease was due to actual expenditures being more than anticipated coupled with actual revenues being less than anticipated. Additionally, in the current year the Township has significant expenditures related to upgrades of the ski/walking trail, a new well, and the purchase of the national mine school building.

The Road Fund expenditures in the current year were significantly more than the previous audit year. The Township contracts with Marquette County Road Commission for maintenance of the roads within the Township. In the current year, the Township did standard crack and seal work as well as resurfacing work on various roads.

The Fire/Garbage Fund expenditures in the current year were greater compared to the prior audit year. The Township contracts with the Township of Ishpeming and the Township of Forsyth for fire protection services. For garbage collection services the Township contracts with various vendors for pick up and disposal.

General Fund Budgetary Highlights

We budgeted for the worst case and hope we under spent, which we did overall. Actual charges to expenditures were \$31,016 less than the final amended budget. Conversely, revenues were \$96,363 less than the final budget projection.

The revenue and expenditures differences between final budget and the actual were made up of:

Revenues were \$96,363 less than budgeted for the following reasons: over budgeting for tax revenues in the amount of \$111,007; as well as over budgeting for anticipated federal revenue by \$35, over budgeting state revenue in the amount of \$829; over budgeting for charges for services by \$100; under budgeting for interest and rents in the amount of \$17,441; and over budgeting for all other revenues in the amount of \$1,833. During the year the Township budgeted \$303,000 related to specific ore taxes from the local mine; however, the actual amount of taxes received was only approximately \$187,000. This was the main reason for taxes coming in under the budgeted amount. Correlated to that the amount collected for the admin fee on property taxes also came in less than the budgeted amount.

Township of Tilden, Michigan

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Expenditures were \$31,016 less than budgeted for the following reasons: under budgeting for general and administrative services by \$57,851; under budgeting for public works by \$104,470; under budgeting for community and economic development by \$402; and over budgeting for recreation and culture services by \$16,005. During the fiscal year the Township purchased the old national mine school, which is the main reason that general services and administration was over budget in the current year. For the recreation and culture function the current year included upgrades to the ski/walking trail, which is the main reason this area was over budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024 and 2022, the Township had \$2,087,060 and \$2,030,556 invested in a variety of capital assets including land, buildings, and other equipment. (See Table 3 below)

**Table 3
Capital Assets (Net of Depreciation)**

	2024			2022
	Governmental Activities	Business- Type Activities	Total	Total
Land	\$39,650	\$22,500	\$62,150	\$62,150
Construction in progress	-	-	-	10,250
Land improvements	425,966	-	425,966	330,686
Buildings and improvements	304,483	-	304,483	195,520
Equipment and furnishings	54,941	24,054	78,995	90,288
Water system	-	1,215,466	1,215,466	1,341,662
Total	\$825,040	\$1,262,020	\$2,087,060	\$2,030,556

The Township recorded \$118,598 in depreciation expense for the year. During the year, the Township upgraded the ski/walking trail, made various improvements to the Township hall including a new well and purchase of a heated cabinet for the kitchen in addition to purchasing the old national mine school building. There were no disposals in the current year.

Further details on capital assets can be found in the footnotes to the financial statements.

Debt

At the end of fiscal years 2024 and 2022, the Township had \$389,000 and \$411,000 in bonds outstanding as depicted in Table 4 below.

**Table 4
Outstanding Debt**

	2024			2022
	Governmental Activities	Business- Type Activities	Total	Total
Water Bond	\$-	\$389,000	\$389,000	\$411,000
Total	\$-	\$389,000	\$389,000	\$411,000

Township of Tilden, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

There was no new debt this year and principal payments were \$11,000.

Further details on long-term debt can be found in the footnotes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the Township of Tilden, Michigan's budget for the year ending March 31, 2025 we looked at the past year's budget vs. actual and prepared our budget for 2025 with some minor adjustments.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Township of Tilden, 3145 County Road PG, Ishpeming, Michigan 49849.

Township of Tilden, Michigan

STATEMENTS OF NET POSITION

March 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 6,149,271	\$ 74,568	\$ 6,223,839
Investments	-	-	-
Receivables	123,102	5,889	128,991
Inter-fund receivables and payables	20,000	(20,000)	-
Prepaid expense	-	-	-
Non-current Assets:			
Cash and cash equivalents - restricted	-	102,981	102,981
Capital Assets:			
Land and construction in progress	39,650	22,500	62,150
Other capital assets, net	785,390	1,239,520	2,024,910
TOTAL ASSETS	<u>7,117,413</u>	<u>1,425,458</u>	<u>8,542,871</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
LIABILITIES			
Current Liabilities:			
Accounts payable	-	-	-
Accrued liabilities	10,194	560	10,754
Unearned Revenue	-	-	-
Non-current Liabilities:			
Portion due or payable within one year:			
Current portion of compensated absences	5,524	-	5,524
Current portion of bonds payable	-	12,000	12,000
Portion due or payable after one year:			
Compensated absences	7,953	-	7,953
Bonds payable	-	377,000	377,000
TOTAL LIABILITIES	<u>23,671</u>	<u>389,560</u>	<u>413,231</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-
NET POSITION			
Net investment in capital assets	825,040	873,020	1,698,060
Restricted	3,707,448	55,459	3,762,907
Unrestricted	2,561,254	107,419	2,668,673
TOTAL NET POSITION	<u>\$ 7,093,742</u>	<u>\$ 1,035,898</u>	<u>\$ 8,129,640</u>

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended March 31, 2024

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business- Type Activities	
Primary Government:							
Governmental Activities:							
General government	403,718	-	-	-	(403,718)	-	(403,718)
Public safety	134,238	-	-	104,365	(29,873)	-	(29,873)
Public works	591,226	-	-	-	(591,226)	-	(591,226)
Community and economic development	6,698	-	-	-	(6,698)	-	(6,698)
Recreation and culture	107,775	-	-	-	(107,775)	-	(107,775)
Capital Outlay	-	-	-	-	-	-	-
Total Governmental Activities	1,243,655	-	-	104,365	(1,139,290)	-	(1,139,290)
Business-Type Activities:							
Water distribution system	201,287	132,897	-	-	-	(68,390)	(68,390)
Total Business-Type Activities	201,287	132,897	-	-	-	(68,390)	(68,390)
TOTAL PRIMARY GOVERNMENT	\$ 1,444,942	\$ 132,897	\$ -	\$ 104,365	(1,139,290)	(68,390)	(1,207,680)
General Revenues:							
Property taxes					877,612	-	877,612
Unrestricted State sources					119,971	-	119,971
Interest and investment earnings					136,082	770	136,852
Miscellaneous					44,805	-	44,805
Gain on sale of capital assets					-	-	-
Transfers					-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					1,178,470	770	1,179,240
CHANGE IN NET POSITION					39,180	(67,620)	(28,440)
Net position, beginning of year					7,054,562	1,103,518	8,158,080
NET POSITION, END OF YEAR					\$ 7,093,742	\$ 1,035,898	\$ 8,129,640

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

GOVERNMENTAL FUNDS

BALANCE SHEET

March 31, 2024

	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire & Garbage Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and cash equivalents	\$ 2,471,940	\$ 1,548,757	\$ 2,128,574	\$ 6,149,271
Investments	-	-	-	-
Receivables	61,778	29,778	31,546	123,102
Due from other funds	51,207	-	-	51,207
Prepaid expense	-	-	-	-
TOTAL ASSETS	<u>2,584,925</u>	<u>1,578,535</u>	<u>2,160,120</u>	<u>6,323,580</u>
DEFERRED OUTFLOWS OF RESOURCES				
	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,584,925</u>	<u>\$ 1,578,535</u>	<u>\$ 2,160,120</u>	<u>\$ 6,323,580</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related	10,194	-	-	10,194
Due to other funds	-	-	31,207	31,207
Unearned Revenue	-	-	-	-
TOTAL LIABILITIES	<u>10,194</u>	<u>-</u>	<u>31,207</u>	<u>41,401</u>
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
FUND BALANCE:				
Non-spendable	-	-	-	-
Restricted	-	1,578,535	2,128,913	3,707,448
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,574,731	-	-	2,574,731
TOTAL FUND BALANCE	<u>2,574,731</u>	<u>1,578,535</u>	<u>2,128,913</u>	<u>6,282,179</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 2,584,925</u>	<u>\$ 1,578,535</u>	<u>\$ 2,160,120</u>	<u>\$ 6,323,580</u>

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

March 31, 2024

Total Fund Balances for Governmental Funds **\$ 6,282,179**

*Amounts reported for governmental activities in the statement
of net position are different because:*

Capital assets used in governmental activities are
not financial resources and therefore are not
reported in the funds. 825,040

Long-term liabilities, including bonds payable, are
not due and payable in the current period and therefore
are not reported in the funds.

Current portion of compensated absences	\$ 5,524	
Compensated absences	7,953	(13,477)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 7,093,742**

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

GOVERNMENTAL FUNDS

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended March 31, 2024

	General Fund	Road Fund	Fire & Garbage Fund	Total Governmental Funds
REVENUES:				
Taxes	\$ 403,143	\$ 236,679	\$ 237,790	\$ 877,612
Licenses and permits	-	-	-	-
Federal sources	104,365	-	-	104,365
State sources	119,971	-	-	119,971
Local sources	-	-	-	-
Charges for services	-	-	-	-
Interest	35,641	49,729	50,712	136,082
Other	25,867	-	18,938	44,805
	688,987	286,408	307,440	1,282,835
TOTAL REVENUES				
EXPENDITURES:				
Current operations:				
General government	514,011	-	-	514,011
Public safety	-	51,192	83,046	134,238
Public works	46,930	393,548	150,748	591,226
Community and economic development	6,698	-	-	6,698
Recreation and culture	213,005	-	-	213,005
Capital outlay	-	-	-	-
	780,644	444,740	233,794	1,459,178
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(91,657)	(158,332)	73,646	(176,343)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)				
CHANGE IN FUND BALANCE	(91,657)	(158,332)	73,646	(176,343)
Fund balance, beginning of year	2,666,388	1,736,867	2,055,267	6,458,522
FUND BALANCE, END OF YEAR	\$ 2,574,731	\$ 1,578,535	\$ 2,128,913	\$ 6,282,179

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended March 31, 2024

Net Change in Fund Balances - Total Governmental Funds \$ (176,343)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	274,476	
Depreciation expense		(52,697)	
Gain (loss) on disposal		-	
		-	221,779

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(6,256)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 39,180

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

PROPRIETARY FUND

STATEMENT OF NET POSITION

March 31, 2024

	Business-Type Activities
	Water System Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 74,568
Accounts receivable	5,889
Due from other funds	-
Prepaid expense	-
Non-current Assets:	
Cash and cash equivalents - restricted	102,981
Capital Assets:	
Land and construction in progress	22,500
Other capital assets, net	1,239,520
TOTAL ASSETS	1,445,458
DEFERRED OUTFLOWS OF RESOURCES	-
LIABILITIES	
Current Liabilities:	
Accounts payable	-
Accrued payroll and related liabilities	560
Due to other funds	20,000
Non-current Liabilities:	
Portion due or payable within one year:	
Current portion of bonds payable	12,000
Portion due or payable after one year:	
Bonds payable	377,000
TOTAL LIABILITIES	409,560
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Net investment in capital assets	873,020
Restricted - debt service	55,459
Unrestricted	107,419
TOTAL NET POSITION	\$ 1,035,898

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended March 31, 2024

	Business-Type Activities
	Water System Fund
OPERATING REVENUES:	
Charges for services (net)	\$ 122,842
Miscellaneous income	10,055
	<hr/>
TOTAL OPERATING REVENUES	132,897
	<hr/>
OPERATING EXPENSES:	
Personnel services	31,328
Supplies	3,592
Other services and charges	83,794
Depreciation	65,901
	<hr/>
TOTAL OPERATING EXPENSES	184,615
	<hr/>
OPERATING INCOME (LOSS)	(51,718)
	<hr/>
NON-OPERATING REVENUES (EXPENSES):	
Investment income	770
Gain on sale capital assets	-
Interest expense	(16,672)
Transfers in	-
Transfers (out)	-
	<hr/>
TOTAL NON-OPERATING REVENUES (EXPENSES)	(15,902)
	<hr/>
CHANGE IN NET POSITION	(67,620)
	<hr/>
Net position, beginning of year	1,103,518
	<hr/>
NET POSITION, END OF YEAR	<u>\$ 1,035,898</u>

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

PROPRIETARY FUND

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended March 31, 2024

	Business-Type Activities
	Water System Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from charges for services	\$ 122,499
Other operating revenue	10,055
Cash payments to employees for services and fringe benefits	(30,768)
Cash payments to suppliers for goods and services	(87,431)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	14,355
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:	
(Increase) decrease in due (to)/from other funds	(9,638)
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(9,638)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Cash payments for capital assets	-
Interest payments on bonds	(16,672)
Principal payments on bonds	(11,000)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(27,672)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	770
(Additions) deductions to restricted assets	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	770
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,185)
Cash and cash equivalents, beginning of year	199,734
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 177,549
RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and cash equivalents	\$ 74,568
Restricted cash	102,981
TOTAL CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION	\$ 177,549
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (51,718)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	65,901
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(343)
(Increase) decrease in prepaid expense	-
Increase (decrease) in accounts payable	(45)
Increase (decrease) in accrued payroll and related liabilities	560
NET ADJUSTMENTS	66,073
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 14,355

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

March 31, 2024

	<u>Custodial Funds Tax Collection Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 1,220
TOTAL ASSETS	<u>1,220</u>
LIABILITIES:	
Due to others	<u>1,220</u>
TOTAL LIABILITIES	<u>1,220</u>
NET POSITION	
Restricted for:	
Property tax collections for other governments	<u>-</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Township of Tilden, Michigan

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended March 31, 2024

	<u>Custodial Funds</u> <u>Tax Collection Fund</u>
ADDITIONS:	
Property tax collections for other governments	\$ 7,784,985
TOTAL ADDITIONS	<u>7,784,985</u>
DEDUCTIONS:	
Payments of property tax collections for other governments	<u>7,784,985</u>
TOTAL DEDUCTIONS	<u>7,784,985</u>
CHANGE IN NET POSITION	-
Net position, beginning of year	<u>-</u>
NET POSITION, END OF YEAR	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF TILDEN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

March 31, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the Township are described below.

REPORTING ENTITY

The Township's financial statements present the Township (the primary government). In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting units) for which the Township may or may not be financially accountable and, as such, be includable within the Township's financial statements.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Township's basic financial statements include both government-wide (reporting the Township as a whole) and fund financial statements (reporting the Township's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Township's legislative, public works, public safety, community and economic development, recreation and culture and general services and administration are classified as governmental activities. The Township's Water System Fund is classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Township first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

The government-wide focus is more on the sustainability of the Township as an entity and the change in the Township's net assets resulting from the current year's activities. For the most part, the effect of interfund activities has been removed from these statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Township:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Township programs. The agency fund is custodial in nature and does not present results of operations or have a measurement focus.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The Township reports the following major governmental funds:

- The **General Fund** is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Road Fund** accounts for various road repair projects and sheriff protection agreement.
- The **Fire & Garbage Fund** accounts for activity related to fire protection and garbage collection.

The Township reports the following major proprietary funds:

- The **Water System Fund** accounts for the management of water services, including billing, maintenance, and construction.

The Township's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the Township, these funds are not incorporated into the government-wide statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

FINANCIAL STATEMENT AMOUNTS

Budgets and Budgetary Accounting – The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Township Supervisor submits to the Township Board of Trustees a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Numerous opportunities exist for public comment during the budget process including at least two formal public hearings conducted at the Township Hall to obtain taxpayer comment.
- c. Pursuant to statute, prior to March 31 of each year the budget for the ensuing year is legally enacted through adoption of an Annual General Appropriations Act.
- d. The general statute governing Township budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of the said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Tilden Township Board of Trustees, through policy action, specifically directs the Supervisor not to authorize or participate in any expenditure

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

of funds except as authorized by the Annual General Appropriations Act. The Board recognized that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violations of the Annual General Appropriations Act.

- e. The Supervisor is authorized by means of Township policy to make certain transfers:
 1. The Supervisor receives a request for a budget transfer from the head of the department whose budget is to be affected. Such request must specify the necessity for the transfer, the account name and/or group(s) and amount to be affected within prescribed limitations. Transfers in excess of those limitations must be approved by the Board of Trustees.
 2. The following considerations must be reviewed in determination of transfer approvals:
 - a) Are the transfers consistent with the intent of the Board of Trustees in adopting the annual budget?
 - b) Will the transfer maintain the financial integrity of the Township?
 - c) Will the transfer provide a reasonable solution to the departmental operating problem?

Considering the above, the Supervisor will then decide whether or not the transfer should be made. Supplemental appropriations are submitted to and reviewed by the Supervisor and submitted to the Township Board of Trustees for their review and approval. If approved, they are implemented by the Supervisor through a budget revision.

- f. The Township of Tilden, Michigan adopts its Annual Budget on a departmental basis. At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary controls exist at the most detailed level adopted by the Board of Trustees, i.e., department for analytical purposes. A detailed line item breakdown is prepared for each program. Accounting, i.e., classification control, resides at the line item detail level.
- g. Budgets for the General Funds were adopted in substance on an accrual basis which is consistent with generally accepted accounting principles. Budgeted amounts as reported in the Financial Report are as originally adopted and/or amended by the Township Board of Trustees.

Cash Equivalents and Investments – For the purposes of balance sheet classification and the statement of cash flows, cash and equivalents consist of demand deposits, cash in savings, money market accounts and short-term certificates of deposit with original maturity of three months or less. Investments are carried at fair value. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement of investments is based on the hierarchy established by generally accepted accounting principles, which has three levels based on the valuation inputs used to measure an asset's fair value.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Interfund Activity – Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a result of the reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g. streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair value on the date donated. Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Land improvements	15 years
Building, structures and improvements	40 years
Equipment	5-10 years
Water System	20-50 years
Vehicles	5-7 years

Deferred Outflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government does not have any items that qualify for reporting in this category.

Compensated Absences – the Township accrues accumulated unpaid vacation and sick leave days and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Long-Term Liabilities – In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net assets. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Deferred Inflows of Resources – In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government does not have any items that qualify for reporting in this category.

Property Taxes – Property taxes are levied as of December 1 of each year and are due by the last day of the following March. The taxes are collected by the local unit and periodically remitted to the third parties during the collection period.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

Subsequent Events – Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 20, 2024, which is the date of the accompanying independent auditor’s report, which is the date the financial statements were available to be issued.

NOTE B – DEPOSITS AND INVESTMENTS:

Cash Equivalents

As of March 31, 2024, the Township’s cash and cash equivalents and investments were reported in the basic financial statements in the following categories:

	Primary Government	Fiduciary Funds	Total
Cash and cash equivalents:			
Unrestricted	\$6,223,839	\$1,220	\$6,225,059
Restricted	102,981	-	102,981
Subtotal	<u>6,326,820</u>	<u>1,220</u>	<u>6,328,040</u>
Investments:			
Restricted	-	-	-
Unrestricted	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$6,326,820</u>	<u>\$1,220</u>	<u>\$6,328,040</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. State law does not require, and the Township does not have, a deposit policy for custodial credit risk. The carrying amounts of the Township’s deposits with financial institutions were \$6,328,040 and the bank balance was \$6,382,369. The bank balance is categorized as follows:

Amount insured by the FDIC	\$3,201,297
Amount uncollateralized and uninsured	<u>3,181,072</u>
Total	<u>\$6,382,369</u>

NOTE B – DEPOSITS AND INVESTMENTS (Continued):

Investments

As of March 31, 2024, the Township had the following investments:

	Level	Fair Value	Investment Maturities (In years)			
			Less than 1	1-5	6-10	More than 10
PRIMARY GOVERNMENT:						
Unrestricted Investments:						
None		\$-	\$-	\$-	\$-	\$-
TOTAL INVESTMENTS		<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Township’s investments. The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Michigan statutes (Act 196, PA 1997) authorize the Township to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC and authorized to operate in this state, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures within 270 days from date of purchase, bankers’ acceptances of the United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

The Township’s investment policy does not further limit its investment choices. Ratings are not required for the Township’s investment in U.S. Government Agencies or equity-type funds. The Township’s investments are in accordance with statutory authority.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer. There were no investments subject to concentration of credit risk disclosure.

NOTE C – RESTRICTED CASH/NET POSITION:

The Water System Fund has restricted net position totaling \$55,459 which represents the balance available to pay down debt.

		March 31, 2024	
		Required Balance	Actual Balance
I.	Construction Accounts:		
	These accounts are used to receive loan/grant proceeds and pay construction costs.		
	a. 2004 Water Supply System Revenue Bonds	\$-	\$-

NOTE C – RESTRICTED CASH/NET POSITION (Continued):

		March 31, 2024	
		Required Balance	Actual Balance
II.	Bond Payment Accounts: These accounts are required to be funded per bond issues. The fund shall be used solely for payment of principal and interest on the bonds as to which would otherwise be in default.		
	a. 2004 Water Supply System Revenue Bonds	\$8,378	\$39,158
III.	Bond Reserve Accounts: These accounts are required to be funded per bond issues. The fund shall be used solely for payment of principal and interest on the bonds as to which would otherwise be in default.		
	a. 2004 Water Supply System Revenue Bonds	29,000	29,854
IV.	Capital Improvement Accounts: These accounts are required to be funded per bond. These funds are to be used for repairs, replacement, or improvements to the water system. If the amounts in the bond reserve accounts are not sufficient to pay on the bonds when due, these monies may be transferred for that purpose.		
	a. 2004 Water Supply System Revenue Bonds	18,081	33,969
V.	Operations and Maintenance Accounts: These accounts are required to be funded per bond issues. The fund shall be used solely for the operation and maintenance of the System.		
	a. 2004 Water Supply System Revenue Bonds	-	-
Total		\$55,459	\$102,981

NOTE D – RECEIVABLES:

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business- Type Activities	Total
Accounts Receivable	\$29,174	\$-	\$29,174
Taxes Receivable	93,928	-	93,928
Utility Billings	-	5,889	5,889
Total	\$123,102	\$5,889	\$128,991

NOTE E – INTERFUND BALANCES:

The Township reports interfund balances between many of its funds. Some of the balances are considered immaterial and are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets/balance sheet for governmental funds. Interfund transactions resulting in interfund receivables and payables are as follows:

NOTE E – INTERFUND BALANCES (Continued):

		DUE FROM OTHER FUNDS				
		General Fund	Road Fund	Fire & Garbage Fund	Water Fund	Total Due To Other Funds
DUE TO OTHER FUNDS	General Fund	\$-	\$-	\$-	\$-	\$-
	Road Fund	-	-	-	-	-
	Fire & Garbage Fund	31,207	-	-	-	31,207
	Water Fund	20,000	-	-	-	20,000
	Total Due From Other Funds	\$51,207	\$-	\$-	\$-	\$51,207

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

		TRANSFERS IN FROM OTHER FUNDS				
		General Fund	Road Fund	Fire & Garbage Fund	Water Fund	Total Transfers Out
TRANSFERS OUT FROM OTHER FUNDS	General Fund	\$-	\$-	\$-	\$-	\$-
	Road Fund	-	-	-	-	-
	Fire & Garbage Fund	-	-	-	-	-
	Water Fund	-	-	-	-	-
	Total Transfers In	\$-	\$-	\$-	\$-	\$-

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) moves receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The Township had no transfers in the current year.

NOTE F – CAPITAL ASSETS:

A summary of the changes in governmental activities capital assets for the fiscal year is as follows:

	Balance at April 1, 2023	Additions	Disposals	Balance at March 31, 2024
GOVERNMENTAL ACTIVITIES:				
Capital Assets, not being depreciated:				
Land	\$39,650	\$-	\$-	\$39,650
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	39,650	-	-	39,650

NOTE F – CAPITAL ASSETS (Continued):

	Balance at April 1, 2023	Additions	Disposals	Balance at March 31, 2024
GOVERNMENTAL ACTIVITIES (Continued):				
Capital Assets, being depreciated:				
Land improvements	\$450,785	\$118,000	\$-	\$568,785
Buildings and improvements	565,153	150,951	-	716,104
Furniture and equipment	312,364	5,525	-	317,889
Total Capital Assets, being depreciated	<u>1,328,302</u>	<u>274,476</u>	<u>-</u>	<u>1,602,778</u>
Total Capital Asset	<u>1,367,952</u>	<u>274,476</u>	<u>-</u>	<u>1,642,428</u>
Less Accumulated Depreciation:				
Land Improvements	(131,459)	(11,360)	-	(142,819)
Buildings and improvements	(388,980)	(22,641)	-	(411,621)
Furniture and equipment	(244,252)	(18,696)	-	(262,948)
Total Accumulated Depreciation	<u>(764,691)</u>	<u>(52,697)</u>	<u>-</u>	<u>(817,388)</u>
Capital Assets, Net	<u>\$603,261</u>	<u>\$221,779</u>	<u>-</u>	<u>\$825,040</u>

Depreciation expenses for the governmental activities were charged to the following functions and activities of the primary government:

Governmental Activities:		
General Government		\$39,927
Recreation and Culture		12,770
Total Depreciation Expense		<u>\$52,697</u>

A summary of the changes in business-type activities capital assets for the fiscal year is as follows:

	Balance at April 1, 2023	Additions	Disposals	Balance at March 31, 2024
BUSINESS-TYPE ACTIVITIES:				
Capital Assets, not being depreciated:				
Land	\$22,500	\$-	\$-	\$22,500
Construction in progress	-	-	-	-
Total Capital Assets, not being depreciated	<u>22,500</u>	<u>-</u>	<u>-</u>	<u>22,500</u>
Capital Assets, being depreciated:				
Distribution System	2,508,449	-	-	2,508,449
Equipment	49,529	-	-	49,529
Total Capital Assets, being depreciated	<u>2,557,978</u>	<u>-</u>	<u>-</u>	<u>2,557,978</u>
Total Capital Assets	<u>2,580,478</u>	<u>-</u>	<u>-</u>	<u>2,580,478</u>
Less Accumulated Depreciation:				
Distribution System	(1,230,740)	(62,243)	-	(1,292,983)
Furniture and equipment	(21,817)	(3,658)	-	(25,475)
Total Accumulated Depreciation	<u>(1,252,557)</u>	<u>(65,901)</u>	<u>-</u>	<u>(1,318,458)</u>
Capital Assets, Net	<u>\$1,327,921</u>	<u>(\$65,901)</u>	<u>\$-</u>	<u>\$1,262,020</u>

NOTE F – CAPITAL ASSETS (Continued):

Depreciation expense for the business-type activities was charged to the following functions and activities of the primary government:

Business-Type Activities:	
Water System	<u>\$65,901</u>
Total Depreciation Expense	<u>\$65,901</u>

NOTE G – LONG-TERM DEBT:

Changes in long-term debt during the fiscal year are summarized as follows:

	April 1, 2023	Additions	Reductions	March 31, 2024	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Compensated Absences	\$7,221	\$6,256	\$-	\$13,477	\$5,524
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$7,221</u>	<u>\$6,256</u>	<u>\$-</u>	<u>\$13,477</u>	<u>\$5,524</u>
BUSINESS-TYPE ACTIVITIES:					
Water Bond	\$400,000	\$-	(\$11,000)	\$389,000	\$12,000
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$400,000</u>	<u>\$-</u>	<u>(\$11,000)</u>	<u>\$389,000</u>	<u>\$12,000</u>

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Township contractual agreements and installment purchase agreements are also general obligations of the government.

Individual bond and contractual obligation activity can be summarized as follows:

Water Bond March 31, 2024				
	August 1		February 1	
	Interest	Principal	Interest	Total
2025	\$8,266	\$12,000	\$8,011	\$28,277
2026	8,011	12,000	7,756	27,767
2027	7,756	13,000	7,480	28,236
2028	7,480	13,000	7,204	27,684
2029	7,204	14,000	6,906	28,110
2030-2034	31,365	78,000	29,708	139,073
2035-2039	22,270	97,000	20,208	139,478
2040-2044	11,049	120,000	8,500	139,549
2045-2046	638	30,000	-	30,638
Total	<u>\$104,039</u>	<u>\$389,000</u>	<u>\$95,773</u>	<u>\$588,812</u>

The Bond was originally issued for \$540,000 on July 16, 2004. Loan payments are due semiannually, on August 1 (principal plus interest) and on February 1 (interest only), with an interest rate of 4.25%.

NOTE H – COMPENSATED ABSENCES:

Employees can earn sick leave and vacation at various schedules dependent upon their length of employment. Upon retirement, death, termination or disability, employees or their estates are paid for all earned, but unused sick and/or vacation days accumulated at their current rate of pay.

	Accrued Sick	Accrued Vacation	Total
Primary Government:			
Current portion	\$-	\$5,524	\$5,524
Long-term portion	7,953	-	7,953
TOTAL	<u>\$7,953</u>	<u>\$5,524</u>	<u>\$13,477</u>

NOTE I – FUND BALANCES – GOVERNMENTAL FUNDS:

Fund balances of the governmental funds are classified as follows:

Non-spendable — amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees. The Board of Trustees is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Trustees.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Township’s adopted policy, only the Board of Trustees may assign amounts for specific purposes.

Unassigned — all other spendable amounts.

As of March 31, 2024, fund balances are composed of the following:

	General Fund	Road Fund	Fire & Garbage Fund	Total Governmental Funds
Non-spendable	\$-	\$-	\$-	\$-
Restricted:				
Road	-	1,578,535	-	1,578,535
Fire	-	-	704,258	704,258
Garbage	-	-	1,424,655	1,424,655
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	2,574,731	-	-	2,574,731
Total Fund Balances	<u>\$2,574,731</u>	<u>\$1,578,535</u>	<u>\$2,128,913</u>	<u>\$6,282,179</u>

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or

NOTE I – FUND BALANCES – GOVERNMENTAL FUNDS (Continued):

commitment of the fund. Assigned fund balance is established by the Board of Trustees through amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

NOTE J – PROPERTY TAXES:

The Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Local Governmental Unit as of the preceding December 31st.

Although the Township 2023 ad valorem tax is levied and collectible on December 1, 2031, it is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60) days.

The 2023 taxable valuation of the Township totaled \$74,870,923 on which ad valorem taxes levied consisted of 1.1619 mills for the Township operation purposes, 0.9953 mills for Road services, 0.3500 mills for Fire Services, and 0.6500 mills for Garbage Services. These amounts are recognized in the following respective fund financial statements as revenue: General Fund, Road Fund, and Fire & Garbage Fund.

NOTE K – CONTINGENT LIABILITIES:

Risk Management – The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained commercial insurance to handle its risk of loss.

NOTE L – PENSION PLAN:

The Township of Tilden, Michigan offers to all full-time employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this. Each employee shall be eligible to participate in the Plan upon attaining age 18 and not more than age 75. Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Township of Tilden, Michigan's financial statements. This plan is a defined contribution pension plan for Michigan Township Employees. There is no minimum service requirement. The Township contributes 5% of the employee's annual salary to the Plan. The total contribution for the year ended March 31, 2024 was \$16,477.

NOTE M – JOINT VENTURES:

Marquette County Solid Waste Management Authority

In February 1990, the Township of Tilden joined 21 other municipalities in the Marquette County Solid Waste Management Authority ("Authority"). The authority was created pursuant to Act 233 of 1955 to plan for, acquire, construct, finance, operate, maintain, repair and dispose of, whether by sale, lease, or otherwise, an Act 641 landfill, including all improvements, appurtenances, easements, accessory facilities and structure, equipment, and other property part of or incidental to the landfill sufficient to satisfy the requirements of, and function as a solid waste disposal area under Act 641 and to establish and administer procedures providing for the separation, recycling, recovery, conversion of solid waste to energy and for the disposition of such energy output and disposal at the site of Non-toxic Type II and Type III Solid Waste, to fund all of the above activities, to charge and collect fees in connection with the operation of the landfill and to provide for the reimbursement with receipt of bond proceeds to the City of Marquette and Sands Township of their respective costs and expenses incurred in connection with the establishment and administration of the Solid Waste Authority and the System Facility.

The Authority is governed by a Board of Trustees consisting of one (1) member (who shall be the Chairperson of the Board of Trustees) designated by the Sands Township Supervisor on behalf of the Sands Township, two (2) members designated by the Marquette City Commission; three (3) members designated by the Marquette County Board of Commissioners, and one resident of the City of Marquette appointed by other six Authority Board members. All decisions of the Board are made by majority vote, consisting of at least four of its members.

The Township's share of assets, liabilities, and fund equity is approximately 1 percent. Summary financial information as of and for the fiscal year ended June 30, 2023 is as follows:

Total Assets	\$21,424,040
Deferred Outflows of Resources	710,244
Total Liabilities	12,253,238
Deferred Inflows of Resources	-
Total Net Position	9,880,046
Total Operating Revenues	4,707,000
Total Operating Expenses	6,398,034
Net Operating Income (Loss)	(1,691,034)
Other Income (Expenditures)	(14,600)
Net Income (Loss)	(1,705,634)

Iron Ore Heritage Recreation Authority

In November 2008, the Township of Tilden joined with other municipalities to create the Iron Ore Heritage Recreation Authority. The Authority was created pursuant to Act 321 of 2000 (the "Recreation Authorities Act") to acquire, construct, operate, maintain or improve a public park for recreational purposes, specifically limited to a permanent, year-round signed and surfaced trail system open to the public, to provide amenities along the trail, to encourage tourism development along the trail system, to encourage municipalities to tie compatible links into the trail system allowing for greater access to businesses, parks and schools and to conduct other activities permitted under Act 321 of 2000.

NOTE M – JOINT VENTURES (Continued):

The authority is governed by a Board of Directors consisting of an odd number of members, with one (1) member to be appointed by the legislative body of each participating municipality. All Authority decisions must be passed by a majority of the members of the Board.

The Board shall obtain an annual audit of the Authority. A summary of financial information from the separately audited financial statements of the Authority for the year ended December 31, 2023 (the latest available financial report) is as follows:

Assets	\$4,024,367
Deferred Outflows of Resources	-
Liabilities	14,994
Deferred Inflows of Resources	410,705
Net Position	3,598,668
Operating Revenues	570,152
Operating Expenses	369,741
Increase in Net Position	200,411

The Township has no equity interest nor does the Township materially contribute to the continued existence of the Iron Ore Heritage Recreation Authority. During the year ended March 31, 2024 the Township distributed \$9,080 in taxes to the Iron Ore Heritage Recreation Authority.

NOTE N – TAX ABATEMENTS:

For financial reporting purposes, GASB Statement No. 77, *Tax Abatement Disclosures*, defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The Statement requires disclosure of tax abatement information about a reporting government's own tax abatement agreements and about tax abatement agreements entered into by other governments that reduce the reporting government's tax revenues.

The Township may receive reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions, Brownfield exemptions, Neighborhood Enterprise Zone (NEZ) exemptions, Obsolete Property Rehabilitation Act (OPRA) exemptions, and Eligible Manufacturing Personal Property (EMPP) exemptions granted by other governmental agencies within the Township in accordance with State laws. These tax exemptions are intended to promote economic development and/or growth within the issuing government's jurisdiction.

For purposes of disclosure under GASB 77, the Township discloses tax abatements by issuing governments and type greater than \$5,000 in the aggregate. For the fiscal year ended March 31, 2024, there were no significant tax abatements made by the Township or any other governmental unit within the Township.

NOTE O – NEW GASB STANDARDS:

Management of the Township has reviewed the following pronouncements released by the Governmental Accounting Standards Board (GASB) that are effective in the current fiscal year for applicability. Pronouncements deemed applicable to the Township by management are described below in *Recently Issued and Adopted Accounting Pronouncements*; pronouncements not applicable are described in *Other Recently Issued Accounting Pronouncements*.

NOTE O – NEW GASB STANDARDS (Continued):

Recently Issued and Adopted Accounting Pronouncements

None.

Other Recently Issued Accounting Pronouncements

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. GASB 94 will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. This statement is effective for periods beginning after June 15, 2022. The Township does not have activities that meet the criteria for GASB 94; therefore, GASB 94 is not applicable to the Township.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) for government end users (governments) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. This statement is effective for periods beginning after June 15, 2022. The Township does not have activities that meet the criteria for GASB 96; therefore, GASB 96 is not applicable to the Township.

NOTE P – UPCOMING STANDARDS:

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Township in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Township.

GASB 100: Accounting Changes and Error Corrections – An Amendment of GASB Stmt No. 62 Effective for fiscal years beginning after June 15, 2023 (Township's fiscal year 2025)

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable,

NOTE P – UPCOMING STANDARDS (Continued):

reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101: Compensated Absences

Effective for fiscal years beginning after December 15, 2023 (Township's fiscal year 2025)

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in

NOTE P – UPCOMING STANDARDS (Continued):

which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB 102: Certain Risk Disclosures

Effective for fiscal years beginning after June 15, 2024 (Township’s fiscal year 2026)

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related

NOTE P – UPCOMING STANDARDS (Continued):

events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB 103: Financial Reporting Model Improvements

Effective for fiscal years beginning after June 15, 2025 (Township's fiscal year 2027)

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed and avoid "boilerplate" discussions. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements. The requirement for presentation of major component unit information will improve comparability.

NOTE P – UPCOMING STANDARDS (Continued):

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

NOTE Q – BUDGET VIOLATIONS:

Public Act 621 of 1978, Section 18(1), as amended, provides that a Township shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures have been shown on an activity and/or program level. The following activity and/or programs had excess expenditures over appropriations:

<u>Activity/Program</u>	<u>Final</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund:			
Township hall and grounds	\$192,500	\$305,943	\$113,443
Recreation and culture	197,000	213,005	16,005
Fire & Garbage Fund:			
Fire Department	78,200	83,046	4,846

**REQUIRED SUPPLEMENTAL
INFORMATION**

Township of Tilden, Michigan

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended March 31, 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 505,300	\$ 514,150	\$ 403,143	\$ (111,007)
Licenses and permits	-	-	-	-
Federal Sources	-	104,400	104,365	(35)
State sources	91,300	120,800	119,971	(829)
Charges for services	100	100	-	(100)
Interest and rents	4,500	18,200	35,641	17,441
Other revenues	25,700	27,700	25,867	(1,833)
TOTAL REVENUES	626,900	785,350	688,987	(96,363)
EXPENDITURES:				
General Government:				
Board of trustees	7,100	6,900	5,560	1,340
Supervisor	12,600	12,600	11,626	974
Election	31,700	27,700	7,908	19,792
Assessor	43,050	42,450	35,754	6,696
Clerk	34,750	31,750	25,476	6,274
Board of review	1,950	1,950	1,432	518
Treasurer	33,000	35,200	17,458	17,742
Township hall and grounds	149,600	192,500	305,943	(113,443)
Administrative costs	112,100	105,110	102,854	2,256
Total General Government	425,850	456,160	514,011	(57,851)
Public Works:				
Streetlights	55,000	55,000	23,088	31,912
Garage and vehicles	123,100	96,400	23,842	72,558
Total Public Works	178,100	151,400	46,930	104,470
Community and economic development:				
Planning and zoning	5,900	7,100	6,698	402
Total Community and Economic Development	5,900	7,100	6,698	402
Recreation and Culture:				
Parks and recreation	42,700	197,000	213,005	(16,005)
Total Recreation and Culture	42,700	197,000	213,005	(16,005)
TOTAL EXPENDITURES	652,550	811,660	780,644	31,016
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,650)	(26,310)	(91,657)	(65,347)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
CHANGE IN FUND BALANCE	(25,650)	(26,310)	(91,657)	(65,347)
Fund balance, beginning of year	2,666,388	2,666,388	2,666,388	-
FUND BALANCE, END OF YEAR	\$ 2,640,738	\$ 2,640,078	\$ 2,574,731	\$ (65,347)

Township of Tilden, Michigan

ROAD FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended March 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 302,200	\$ 315,200	\$ 236,679	\$ (78,521)
Licenses and permits	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest	5,000	20,000	49,729	29,729
Other revenues	1,000	-	-	-
TOTAL REVENUES	<u>308,200</u>	<u>335,200</u>	<u>286,408</u>	<u>(48,792)</u>
EXPENDITURES:				
Public Safety:				
Sheriff services	50,000	51,192	51,192	-
Total Public Safety	<u>50,000</u>	<u>51,192</u>	<u>51,192</u>	<u>-</u>
Public Works:				
Streets and highways	254,100	395,908	393,548	2,360
Total Public Works	<u>254,100</u>	<u>395,908</u>	<u>393,548</u>	<u>2,360</u>
TOTAL EXPENDITURES	<u>304,100</u>	<u>447,100</u>	<u>444,740</u>	<u>2,360</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,100</u>	<u>(111,900)</u>	<u>(158,332)</u>	<u>(46,432)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	4,100	(111,900)	(158,332)	(46,432)
Fund balance, beginning of year	1,736,867	1,736,867	1,736,867	-
FUND BALANCE, END OF YEAR	<u>\$ 1,740,967</u>	<u>\$ 1,624,967</u>	<u>\$ 1,578,535</u>	<u>\$ (46,432)</u>

Township of Tilden, Michigan

FIRE & GARBAGE FUND

BUDGETARY COMPARISON SCHEDULE

For the Fiscal Year Ended March 31, 2024

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 301,400	\$ 308,950	\$ 237,790	\$ (71,160)
Licenses and permits	-	-	-	-
State sources	-	-	-	-
Charges for services	-	-	-	-
Interest	-	12,000	50,712	38,712
Other revenues	2,100	43,000	18,938	(24,062)
TOTAL REVENUES	<u>303,500</u>	<u>363,950</u>	<u>307,440</u>	<u>(56,510)</u>
EXPENDITURES:				
Public Safety:				
Fire department	78,200	78,200	83,046	(4,846)
Total Public Safety	<u>78,200</u>	<u>78,200</u>	<u>83,046</u>	<u>(4,846)</u>
Public Works:				
Garbage services	118,900	163,700	150,748	12,952
Total Public Works	<u>118,900</u>	<u>163,700</u>	<u>150,748</u>	<u>12,952</u>
TOTAL EXPENDITURES	<u>197,100</u>	<u>241,900</u>	<u>233,794</u>	<u>8,106</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>106,400</u>	<u>122,050</u>	<u>73,646</u>	<u>(48,404)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	106,400	122,050	73,646	(48,404)
Fund balance, beginning of year	<u>2,055,267</u>	<u>2,055,267</u>	<u>2,055,267</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,161,667</u>	<u>\$ 2,177,317</u>	<u>\$ 2,128,913</u>	<u>\$ (48,404)</u>

OTHER SUPPLEMENTAL INFORMATION

Township of Tilden, Michigan

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2024

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes:			
Current levy	\$ 48,500	\$ 87,594	\$ 39,094
Specific ore	303,000	187,871	(115,129)
Commercial forest	9,250	170	(9,080)
Swamp tax	37,200	39,032	1,832
Penalties and interest	2,700	-	(2,700)
Admin fee	113,500	88,476	(25,024)
Total Taxes	514,150	403,143	(111,007)
Federal Sources:			
American Rescue Plan Act (ARPA)	104,400	104,365	(35)
Total Federal Sources	104,400	104,365	(35)
State Sources:			
Local Stabilization	6,700	6,617	(83)
State revenue sharing	113,000	113,354	354
State grants	1,100	-	(1,100)
Total State Sources	120,800	119,971	(829)
Charges for Services:			
Planning Fees	100	-	(100)
Total Charges for Services	100	-	(100)
Interest and Rents:			
Interest	13,900	29,991	16,091
Rent	4,300	5,650	1,350
Total Interest and Rents	18,200	35,641	17,441
Other Revenues:			
Ordinance fines and costs	-	-	-
Miscellaneous other	27,700	25,867	(1,833)
Total Other Revenues	27,700	25,867	(1,833)
TOTAL REVENUES	785,350	688,987	(96,363)

Township of Tilden, Michigan

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2024

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES:			
GENERAL GOVERNMENT:			
Board of Trustees:			
Personnel services	\$ 3,800	\$ 3,526	\$ 274
Other services and charges	3,100	2,034	1,066
Total Board of Trustees	<u>6,900</u>	<u>5,560</u>	<u>1,340</u>
Supervisor:			
Personnel services	12,400	11,626	774
Other services and charges	200	-	200
Capital outlay	-	-	-
Total Supervisor	<u>12,600</u>	<u>11,626</u>	<u>974</u>
Election:			
Personnel services	15,200	6,537	8,663
Supplies	7,000	786	6,214
Other services and charges	5,500	585	4,915
Total Election	<u>27,700</u>	<u>7,908</u>	<u>19,792</u>
Assessor:			
Personnel services	-	-	-
Supplies	3,400	754	2,646
Other services and charges	39,000	35,000	4,000
Capital outlay	50	-	50
Total Assessor	<u>42,450</u>	<u>35,754</u>	<u>6,696</u>
Clerk:			
Personnel services	24,550	20,095	4,455
Supplies	7,000	5,381	1,619
Other services and charges	200	-	200
Capital outlay	-	-	-
Total Clerk	<u>31,750</u>	<u>25,476</u>	<u>6,274</u>
Board of Review:			
Personnel services	1,650	1,109	541
Supplies	200	226	(26)
Other services and charges	100	97	3
Total Board of Review	<u>1,950</u>	<u>1,432</u>	<u>518</u>

Township of Tilden, Michigan

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2024

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
Treasurer:			
Personnel services	\$ 29,800	\$ 12,197	\$ 17,603
Supplies	5,200	5,177	23
Other services and charges	200	84	116
Capital outlay	-	-	-
Total Treasurer	35,200	17,458	17,742
Township Hall and Grounds:			
Personnel services	70,700	73,679	(2,979)
Supplies	21,000	23,863	(2,863)
Other services and charges	16,800	15,728	1,072
Capital outlay	84,000	192,673	(108,673)
Total Township Hall and Grounds	192,500	305,943	(113,443)
Administrative Costs			
Personnel services	19,010	18,455	555
Supplies	-	-	-
Other services and charges	86,100	84,399	1,701
Capital outlay	-	-	-
Total Administrative Costs	105,110	102,854	2,256
TOTAL GENERAL GOVERNMENT	456,160	514,011	(57,851)
PUBLIC WORKS:			
Streets Lights:			
Other services and charges	55,000	23,088	31,912
Total Street Lights	55,000	23,088	31,912
Garage & Vehicles:			
Personnel services	7,600	806	6,794
Supplies	2,800	4,610	(1,810)
Other services and charges	21,000	18,426	2,574
Capital outlay	65,000	-	65,000
Total Garage & Vehicles	96,400	23,842	72,558
TOTAL PUBLIC WORKS	151,400	46,930	104,470

Township of Tilden, Michigan

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

For the Fiscal Year Ended March 31, 2024

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
COMMUNITY AND ECONOMIC DEVELOPMENT:			
Planning & Zoning:			
Personnel services	\$ 4,900	\$ 5,319	\$ (419)
Supplies	1,000	663	337
Other services and charges	1,200	716	484
Total Planning & Zoning	7,100	6,698	402
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	7,100	6,698	402
 RECREATION AND CULTURE:			
Parks and Recreation:			
Personnel services	64,100	70,209	(6,109)
Supplies	9,500	12,163	(2,663)
Other services and charges	8,100	5,900	2,200
Capital outlay	115,300	124,733	(9,433)
Total Parks and Recreation	197,000	213,005	(16,005)
TOTAL RECREATION AND CULTURE	197,000	213,005	(16,005)
TOTAL EXPENDITURES	811,660	780,644	31,016
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,310)	(91,657)	(65,347)
 OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN FUND BALANCE	(26,310)	(91,657)	(65,347)
Fund balance, beginning of year	2,666,388	2,666,388	-
FUND BALANCE, END OF YEAR	\$ 2,640,078	\$ 2,574,731	\$ (65,347)

Township of Tilden, Michigan

MAJOR GOVERNMENTAL FUNDS

ROAD FUND

SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended March 31, 2024

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Taxes:			
Current levy	\$ 54,600	\$ 75,601	\$ 21,001
Specific ore	259,700	160,932	(98,768)
Commercial forest reserve	900	146	(754)
Swamp Tax	-	-	-
Total Taxes	<u>315,200</u>	<u>236,679</u>	<u>(78,521)</u>
Interest:			
Interest income - investments	20,000	49,729	29,729
Total Interest	<u>20,000</u>	<u>49,729</u>	<u>29,729</u>
Other Revenues:			
Miscellaneous revenue	1,000	-	(1,000)
Total Other Revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
TOTAL REVENUES	<u>336,200</u>	<u>286,408</u>	<u>(49,792)</u>
EXPENDITURES:			
PUBLIC SAFETY:			
Sheriff Services:			
Personnel services	-	-	-
Supplies	-	-	-
Other services and charges	51,192	51,192	-
Capital outlay	-	-	-
Total Sheriff Services	<u>51,192</u>	<u>51,192</u>	<u>-</u>
PUBLIC WORKS:			
Streets and Highways:			
Personnel services	-	-	-
Supplies	1,800	934	866
Other services and charges	1,108	240	868
Capital outlay	393,000	392,374	626
Total Streets and Highways	<u>395,908</u>	<u>393,548</u>	<u>2,360</u>
TOTAL EXPENDITURES	<u>447,100</u>	<u>444,740</u>	<u>2,360</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(110,900)</u>	<u>(158,332)</u>	<u>(47,432)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>(110,900)</u>	<u>(158,332)</u>	<u>(47,432)</u>
Fund balance, beginning of year	1,736,867	1,736,867	-
FUND BALANCE, END OF YEAR	<u>\$ 1,625,967</u>	<u>\$ 1,578,535</u>	<u>\$ (47,432)</u>

Township of Tilden, Michigan

MAJOR GOVERNMENTAL FUNDS

FIRE & GARBAGE FUNDS

SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended March 31, 2024

	Final Budget	Actual GAAP Basis	Variance with Final Budget Positive (Negative)
REVENUES:			
Taxes:			
Current levy	\$ 51,150	\$ 75,953	\$ 24,803
Specific ore	257,500	161,691	(95,809)
Commercial forest reserve	300	146	(154)
Swamp Tax	-	-	-
Total Taxes	308,950	237,790	(71,160)
Interest:			
Interest income - investments	12,000	50,712	38,712
Total Interest	12,000	50,712	38,712
Other Revenues:			
Reimbursements	20,000	18,938	(1,062)
Recycling	-	-	-
Miscellaneous	23,000	-	(23,000)
Total Other Revenues	43,000	18,938	(24,062)
TOTAL REVENUES	363,950	307,440	(56,510)
EXPENDITURES:			
PUBLIC SAFETY:			
Fire Department:			
Personnel services	-	-	-
Supplies	1,100	282	818
Other services and charges	77,100	82,764	(5,664)
Capital outlay	-	-	-
Total Fire Department	78,200	83,046	(4,846)
PUBLIC WORKS:			
Garbage Services:			
Personnel services	-	-	-
Supplies	1,000	-	1,000
Other services and charges	162,700	150,748	11,952
Capital outlay	-	-	-
Total Garbage Services	163,700	150,748	12,952
TOTAL EXPENDITURES	241,900	233,794	8,106
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	122,050	73,646	(48,404)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
CHANGES IN FUND BALANCE	122,050	73,646	(48,404)
Fund balance, beginning of year	2,055,267	2,055,267	-
FUND BALANCE, END OF YEAR	\$ 2,177,317	\$ 2,128,913	\$ (48,404)

COMPLIANCE SUPPLEMENTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of the
Township of Tilden, Michigan
3145 County Road PG
Ishpeming, Michigan 49849

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Tilden, Michigan (the Township), as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Report to Management that we consider to be significant deficiencies (item 2024-001 and 2024-002).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Report to Management as item 2024-003.

Township's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Township's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

September 20, 2024

COMMUNICATIONS SECTION



Township of Tilden, Michigan
Report to Management
For the Year Ended March 31, 2024

To the Board of Trustees and Management of the
Township of Tilden, Michigan
3145 County Road PG
Ishpeming, Michigan 49849

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Tilden, Michigan (the Township) as of and for the year ended March 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies listed in the schedule of findings and questioned costs in internal control to be significant deficiencies:

SIGNIFICANT DEFICIENCIES

2024-001 – SEGREGATION OF DUTIES (REPEAT)

Condition/Criteria: Internal controls rely on the principle of checks and balances and an individual should not have responsibility for more than one of the three transaction components:

authorization, custody, and recordkeeping. The Township Clerk and Treasurer each have responsibility for more than one of the three components of internal control.

Cause of Condition: The size of the organization's accounting staff precludes certain internal design controls that would be preferred if the office staffs were large enough to provide optimum segregation of duties.

Effect: The lack of segregation of duties increases the chance that misstatements, whether caused by error or fraud, could occur and not be prevented or detected on a timely basis by employees in the course of performing their assigned duties.

Recommendation: Smaller organizations, due to limited resources, are generally more sensitive to the cost of implementing these design controls and often have compensating controls to partially mitigate this deficiency. We recommend that the Board continue to closely review the financial statements and all payments on a monthly basis.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Township Supervisor
- Corrective Action Planned:
 - See separate Corrective Action Plan
- Anticipated Date of Completion:
 - Not applicable

2024-002 – ASSIST IN PREPARING FINANCIAL STATEMENTS AND FOOTNOTES

Condition/Criteria: Statement on Auditing Standards #115 requires us to communicate in writing when a client requires assistance to prepare the financial statements and footnotes required in the annual audit report in accordance with accounting principles generally accepted in the United States of America.

Cause of Condition: The staff of the Township did not have adequate staffing to prepare all the information included in the annual financial statements.

Effect: We assisted management with the external financial reporting responsibility to ensure their financial statements are in accordance with generally accepted accounting principles.

Recommendation: We do not recommend any changes to this situation at this time and communicate this as required by professional standards.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Supervisor
- Corrective Action Planned:
 - See separate corrective action plan.
- Anticipated Date of Completion:
 - Not applicable

INSTANCE OF NON-COMPLIANCE

2024-003 – UNIFORM BUDGETING AND ACCOUNTING ACT (PA621)

Condition/Criteria: Public Act 621 of 1978, Section 18 (1) as amended, provides that local governmental units shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township had actual expenditures and budgeted expenditures for the Governmental Funds have been shown on a functional basis. The approved budgets of these funds were adopted on an activity and/or program level. During the year ended March 31, 2024, the Township incurred functional expenditures which were in excess of the amounts appropriated as shown within the notes to the financial statements.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Effect: The Township is not in compliance with State law.

Recommendation: The Township should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Supervisor
- Corrective Action Planned:
 - See corrective action plan
- Anticipated Date of Completion:
 - March 31, 2025

The Township's written response to the significant deficiencies identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, the Board of Trustees, and others within the Township of Tilden, Michigan, and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

September 20, 2024



Township of Tilden, Michigan
Communication with Those Charged with Governance
For the Year Ended March 31, 2024

September 20, 2024

To the Board of Trustees of the
Township of Tilden, Michigan
3145 County Road PG
Ishpeming, Michigan 49849

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Township of Tilden, Michigan (the Township) for the year ended March 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township are described in the notes to the financial statements. Newly adopted GASB standards are disclosed in the notes to the financial statements. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Township's financial statements were:

Management's estimate of the accumulated depreciation and depreciation expense is based on historical cost and estimated useful life. We evaluated the methods, assumptions, and data used to develop the accumulated depreciation and depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of compensated absences is based on employee pay rates and the various subsidiary ledgers maintained for hours balances. We evaluated the methods, assumptions, and data used to develop the compensated absence balances in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Our audit procedures did not identify any such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 20, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Our consideration of internal control was for the limited purpose described a separate letter and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Report to Management that we consider to be significant deficiencies listed as item 2024-001 and 2024-002.

Board of Trustees of the
Township of Tilden, Michigan

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Report to Management as items 2024-003.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and the Major Governmental Funds Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Other Supplemental Information (as listed in the table of contents), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Anderson, Tackman & Company, PLLC
Certified Public Accountants

TILDEN TOWNSHIP
3145 CO. RD. PG
ISHPEMING, MI 49849

Phone: 486-6580

Fax: 486-6560

*Corrective Action Plan
For the Year Ended March 31, 2024*

September 20, 2024

In response to the findings disclosed in the audited financial statements for the year ended March 31, 2024:

2024-001 – SEGREGATION OF DUTIES (REPEAT)

Corrective Action Plan:

The Township is aware of this deficiency and believes smaller organizations, due to limited resources, are generally more sensitive to the cost of implementing these design controls and often have compensating controls to partially mitigate this deficiency. The Board of Trustees closely monitors all payments and reviews the financial statements on a monthly basis.

2024-002 – ASSIST IN PREPARING FINANCIAL STATEMENTS AND FOOTNOTES

Corrective Action Plan:

The Township has evaluated the possibility of preparing the financial statements and has concluded that currently the Township staff does not have sufficient time and/or personnel available to prepare the financial statements and footnotes. Management is involved with preparing the Management's Discussion and Analysis. Additionally, management reviews and approves the financial statements prepared by Anderson, Tackman & Company, PLC prior to issuance and submission to the Michigan Department of Treasury. We do not foresee the need for any changes to this procedure at this time.

2024-003 – UNIFORM BUDGETING AND ACCOUNTING ACT (PA621)

Corrective Action Plan:

The Township will take better care in the future to make sure that expenditures are within budgeted amounts or, when necessary, to amend the budget for known changes.

GL NUMBER	DESCRIPTION	2025-26 APPROVED BUDGET
Dept 000		
101-000-360.000	ARPA DEFERRED INFLOWS	
101-000-403.000	CURRENT PROPERTY TAX	63,750
101-000-404.000	PLANNING & ZONING FEES	200
101-000-405.000	COMMERCIAL FOREST	87
101-000-417.000	DELINQUENT PROPERTY TAX	3,000
101-000-424.000	SPECIFIC ORE TAX	180,000
101-000-425.000	SWAMP TAX PILT	40,210
101-000-445.000	PENALTIES/INTEREST	
101-000-449.000	TAX ADMINISTRATION FEE	77,000
101-000-528.000	FEDERAL GRANT ARPA	
101-000-575.000	SALES TAX REVENUE SHARING	130,000
101-000-578.000	STATE ELECTION REFUNDS	1,000
101-000-664.000	INTEREST ON INVESTMENTS	45,000
101-000-670.000	HALL RENTAL	4,000
101-000-672.000	INSURANCE REIMBURSEMENTS	
101-000-677.000	EARLY VOTING REIMBURSEMENT	
101-000-680.000	METRO ACT REIMBURSEMENT	
101-000-692.000	MISCELLANEOUS	500
101-000-693.000	HOUSE WASHING - CLIFFS	25,000
101-000-716.000	EMPLOYEE HEALTH INSURANCE	23,100
101-000-717.000	EMPLOYEE LIFE INSURANCE	1,000
101-000-719.000	STATE UNEMPLOYMENT	
NET OF REVENUES/APPROPRIATIONS - 000 -		545,647
Dept 101 - TOWNSHIP BOARD		
101-101-702.000	SALARIES	4,500
101-101-715.000	PAYROLL TAXES	350
101-101-810.000	DUES	2,200
101-101-860.000	TRAVEL	200
101-101-900.000	PRINTING & PUBLISHING	1,000
101-101-962.000	MISCELLANEOUS	100
NET OF REVENUES/APPROPRIATIONS - 101 - TOWNSHIP BOAR		(8,350)
Dept 171 - SUPERVISOR		
101-171-702.000	SALARIES	10,900
101-171-703.000	DEPUTY WAGES	
101-171-715.000	PAYROLL TAXES	845
101-171-860.000	TRAVEL	100
101-171-962.000	MISCELLANEOUS	100
NET OF REVENUES/APPROPRIATIONS - 171 - SUPERVISOR		(11,945)
Dept 215 - CLERK		
101-215-702.000	SALARIES	13,887
101-215-703.000	DEPUTY WAGES	14,000
101-215-715.000	PAYROLL TAXES	2,200
101-215-727.000	OFFICE SUPPLIES	2,000
101-215-860.000	TRAVEL	100
101-215-962.000	MISCELLANEOUS	100
NET OF REVENUES/APPROPRIATIONS - 215 - CLERK		(32,287)
Dept 247 - BOARD OF REVIEW		
101-247-702.000	SALARIES	1,500
101-247-715.000	PAYROLL TAXES	115
101-247-727.000	OFFICE SUPPLIES	100
101-247-962.000	MISCELLANEOUS	200
NET OF REVENUES/APPROPRIATIONS - 247 - BOARD OF REVIE		(1,915)
Dept 250 - PLANNING & ZONING		
101-250-702.000	SALARIES	5,000
101-250-715.000	PAYROLL TAXES	385
101-250-740.000	OPERATING SUPPLIES	500
101-250-820.000	TRAINING	500
101-250-962.000	MISCELLANEOUS	200
NET OF REVENUES/APPROPRIATIONS - 250 - PLANNING & ZON		(6,585)
Dept 253 - TREASURER		
101-253-702.000	SALARIES	13,887
101-253-703.000	DEPUTY WAGES	18,772
101-253-715.000	PAYROLL TAXES	2,500
101-253-727.000	OFFICE SUPPLIES	5,000
101-253-860.000	TRAVEL	100
101-253-962.000	MISCELLANEOUS	100
NET OF REVENUES/APPROPRIATIONS - 253 - TREASURER		(40,359)
Dept 257 - ASSESSOR		
101-257-727.000	OFFICE SUPPLIES	7,000
101-257-805.000	CONTRACTUAL SERVICES	42,000

GL NUMBER	DESCRIPTION	2025-26 APPROVED BUDGET
Dept 257 - ASSESSOR		
101-257-860.000	TRAVEL	
NET OF REVENUES/APPROPRIATIONS - 257 - ASSESSOR		(49,000)
Dept 262 - ELECTIONS		
101-262-702.000	SALARIES	6,000
101-262-715.000	PAYROLL TAXES	500
101-262-740.000	OPERATING SUPPLIES	1,000
101-262-742.000	EARLY VOTING	
101-262-805.000	CONTRACTUAL SERVICES	
101-262-860.000	TRAVEL	
101-262-962.000	MISCELLANEOUS	
NET OF REVENUES/APPROPRIATIONS - 262 - ELECTIONS		(7,500)
Dept 265 - TOWNSHIP HALL		
101-265-704.000	HOURLY WAGES	75,344
101-265-715.000	PAYROLL TAXES	5,800
101-265-718.000	EMPLOYEE RETIREMENT	7,200
101-265-719.000	STATE UNEMPLOYMENT	100
101-265-727.000	OFFICE SUPPLIES	12,000
101-265-740.000	OPERATING SUPPLIES	7,000
101-265-860.000	TRAVEL	100
101-265-920.000	UTILITIES	6,500
101-265-925.000	TELEPHONE	3,500
101-265-930.000	REPAIRS & MAINTENANCE	4,000
101-265-962.000	MISCELLANEOUS	500
101-265-970.000	CAPITAL OUTLAY	
NET OF REVENUES/APPROPRIATIONS - 265 - TOWNSHIP HALL		(122,044)
Dept 268 - GARAGE & VEHICLE		
101-268-704.000	HOURLY WAGES	
101-268-715.000	PAYROLL TAXES	
101-268-718.000	EMPLOYEE RETIREMENT	
101-268-719.000	STATE UNEMPLOYMENT	
101-268-735.000	VEHICLE EXPENSE	10,500
101-268-740.000	OPERATING SUPPLIES	3,500
101-268-920.000	UTILITIES	4,200
101-268-925.000	TELEPHONE	3,100
101-268-930.000	REPAIRS & MAINTENANCE	3,000
101-268-962.000	MISCELLANEOUS	500
101-268-970.000	CAPITAL OUTLAY	
NET OF REVENUES/APPROPRIATIONS - 268 - GARAGE & VEHIC		(24,800)
Dept 448 - STREET LIGHTING		
101-448-805.000	CONTRACTUAL SERVICES	17,500
NET OF REVENUES/APPROPRIATIONS - 448 - STREET LIGHTIN		(17,500)
Dept 751 - PARKS & RECREATION		
101-751-704.000	HOURLY WAGES	38,000
101-751-715.000	PAYROLL TAXES	3,000
101-751-718.000	EMPLOYEE RETIREMENT	5,000
101-751-719.000	STATE UNEMPLOYMENT	100
101-751-740.000	OPERATING SUPPLIES	6,000
101-751-920.000	UTILITIES	1,000
101-751-930.000	REPAIRS & MAINTENANCE	6,000
101-751-962.000	MISCELLANEOUS	100
101-751-970.000	CAPITAL OUTLAY	120,000
NET OF REVENUES/APPROPRIATIONS - 751 - PARKS & RECREA		(179,200)
Dept 999 - OTHER		
101-999-801.000	LEGAL FEES	8,000
101-999-802.000	AUDIT FEES	9,500
101-999-813.000	CONTRACTUAL - LIBRARY	2,000
101-999-815.000	CONTRACTUAL- U.P.S.E.T	5,000
101-999-821.000	HOUSE WASHING COST-REIMBURSABLE	25,000
101-999-910.000	INSURANCE & BONDS	16,500
101-999-950.000	BANK SERVICE FEES	
101-999-962.000	MISCELLANEOUS	2,500
101-999-963.000	TRAINING-MTA CONFERENCES	1,000
NET OF REVENUES/APPROPRIATIONS - 999 - OTHER		(69,500)
ESTIMATED REVENUES - FUND 101		569,747
APPROPRIATIONS - FUND 101		595,085
NET OF REVENUES/APPROPRIATIONS - FUND 101		(25,338)
BEGINNING FUND BALANCE		2,532,344
ENDING FUND BALANCE		2,507,006

GL NUMBER	DESCRIPTION	2025-26 APPROVED BUDGET
Dept 000		
203-000-403.000	CURRENT PROPERTY TAX	49,067
203-000-405.000	COMMERCIAL FOREST	74
203-000-417.000	DELINQUENT PROPERTY TAX	2,001
203-000-424.000	SPECIFIC ORE TAX	154,100
203-000-445.000	PENALTIES/INTEREST	
203-000-540.000	MCRC GRANT REIMBURSEMENT	122,000
203-000-664.000	INTEREST ON INVESTMENTS	30,000
203-000-680.000	METRO ACT REIMBURSEMENT	7,208
203-000-692.000	MISCELLANEOUS	1,000
NET OF REVENUES/APPROPRIATIONS - 000 -		365,450
Dept 446 - ROAD EXPENDITURES		
203-446-740.000	OPERATING SUPPLIES	1,000
203-446-805.000	CONTRACTUAL - MCRC	250,000
203-446-808.000	CONTRACTUAL - SHERIFF	63,000
203-446-865.000	DUST CONTROL	2,500
203-446-962.000	MISCELLANEOUS	
203-446-970.000	CAPITAL OUTLAY	150,000
NET OF REVENUES/APPROPRIATIONS - 446 - ROAD EXPENDITU		(466,500)
ESTIMATED REVENUES - FUND 203		365,450
APPROPRIATIONS - FUND 203		466,500
NET OF REVENUES/APPROPRIATIONS - FUND 203		(101,050)
BEGINNING FUND BALANCE		1,563,516
ENDING FUND BALANCE		1,462,466

GL NUMBER	DESCRIPTION	2025-26 APPROVED BUDGET
Dept 000		
206-000-401.000	FIRE-AD VALOREM TAXES	19,500
206-000-402.000	FIRE-SPECIFIC ORE TAXES	55,000
206-000-403.000	CURRENT PROPERTY TAX	
206-000-406.000	COMMERCIAL FOREST-FIRE	26
206-000-407.000	COMMERCIAL FOREST TAX-GARB	48
206-000-408.000	GARBAGE-AD VALOREM TAXES	36,000
206-000-409.000	GARBAGE-SPECIFIC ORE TAXES	100,000
206-000-411.000	DELIQUENT TAXES-GARBAGE	1,307
206-000-412.000	DELIQUENT TAXES-FIRE	704
206-000-446.000	PENALTIES/INTEREST -GARBAGE	
206-000-447.000	PENALTIES/INTEREST-FIRE	
206-000-665.000	INTEREST INVEST-FIRE 35%	21,000
206-000-667.000	INTEREST INVES-GARBAGE 65%	39,000
206-000-675.000	REIMBURSEMENTS-LANDFILL	5,000
206-000-692.000	MISCELLANEOUS	500
NET OF REVENUES/APPROPRIATIONS - 000 -		278,085
Dept 336 - FIRE EXPENDITURES		
206-336-740.000	OPERATING SUPPLIES	1,000
206-336-805.000	CONTRACTUAL- ISHP TWP	60,000
206-336-807.000	FIRST RESPONDERS-ELY TWP	25,153
206-336-808.000	CONTRACTUAL SERVICES	2,000
206-336-945.000	HYDRANT RENTAL	12,000
206-336-946.000	DRY HYDRANT	500
206-336-962.000	MISCELLANEOUS	500
206-336-970.000	CAPITAL OUTLAY	
NET OF REVENUES/APPROPRIATIONS - 336 - FIRE EXPENDITU		(101,153)
Dept 528 - GARBAGE EXPENDITURES		
206-528-740.000	OPERATING SUPPLIES	3,000
206-528-800.000	CONTRACTUAL SERVICES-NORTH COUNRTY	65,000
206-528-809.000	LANDFILL - MQT CO. SOLID W	7,500
206-528-811.000	TRANSFER STATION-W. MQT CO	36,000
206-528-812.000	TRANSFER STATION TICKETS	12,600
206-528-962.000	MISCELLANEOUS	100
206-528-970.000	CAPITAL OUTLAY	
NET OF REVENUES/APPROPRIATIONS - 528 - GARBAGE EXPENI		(124,200)
ESTIMATED REVENUES - FUND 206		278,085
APPROPRIATIONS - FUND 206		225,353
NET OF REVENUES/APPROPRIATIONS - FUND 206		52,732
BEGINNING FUND BALANCE		2,340,307
ENDING FUND BALANCE		2,393,039

GL NUMBER	DESCRIPTION	2025-26 APPROVED BUDGET
Dept 000		
591-000-530.000	EGLE GRANT REIMBURSEMENT	
591-000-651.000	WATER CHARGES - FLAT	90,000
591-000-652.000	WATER CHARGES - USAGE	38,000
591-000-653.000	LATE PAYMENT FEES	2,000
591-000-654.000	TURN OFF/ON FEES	100
591-000-656.000	HYDRANT RENTAL	12,000
591-000-664.000	INTEREST ON INVESTMENTS	500
591-000-669.000	RECONCILIATION DISCREPANCIES	
591-000-692.000	MISCELLANEOUS	200
NET OF REVENUES/APPROPRIATIONS - 000 -		142,800
Dept 536 - WATER EXPENDITURES		
591-536-702.000	SALARIES	3,716
591-536-704.000	HOURLY WAGES	35,000
591-536-715.000	PAYROLL TAXES	3,000
591-536-718.000	EMPLOYEE RETIREMENT	4,550
591-536-719.000	STATE UNEMPLOYMENT	100
591-536-740.000	OPERATING SUPPLIES	5,000
591-536-801.000	LEGAL FEES	
591-536-804.000	WATER TESTING	7,000
591-536-805.000	CONTRACTUAL SERVICES	20,000
591-536-810.000	DUES	1,000
591-536-820.000	TRAINING	2,000
591-536-860.000	TRAVEL	1,500
591-536-915.000	DEPRECIATION	
591-536-920.000	UTILITIES	10,500
591-536-922.000	TELEPHONE - MISS DIG	2,300
591-536-930.000	REPAIRS & MAINTENANCE	25,000
591-536-940.000	EQUIPMENT RENTAL	2,500
591-536-950.000	BANK SERVICE FEES	
591-536-960.000	INTEREST ON WATER LOAN	19,000
591-536-962.000	MISCELLANEOUS	150
591-536-970.000	CAPITAL OUTLAY	
NET OF REVENUES/APPROPRIATIONS - 536 - WATER EXPENDI		(142,316)
ESTIMATED REVENUES - FUND 591		142,800
APPROPRIATIONS - FUND 591		142,316
NET OF REVENUES/APPROPRIATIONS - FUND 591		484
BEGINNING FUND BALANCE		1,007,710
ENDING FUND BALANCE		1,008,194
ESTIMATED REVENUES - ALL FUNDS		1,356,082
APPROPRIATIONS - ALL FUNDS		1,429,254
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS		(73,172)
BEGINNING FUND BALANCE - ALL FUNDS		7,443,878
ENDING FUND BALANCE - ALL FUNDS		7,370,706

**Nationwide Financial Services, Inc.
GOVERNMENTAL 457(b) PLAN
ADOPTION AGREEMENT**

By executing this Governmental 457(b) Plan Adoption Agreement (the "Agreement"), the undersigned Employer agrees to establish or continue a 457(b) Plan for its Employees. The Plan adopted by the Employer consists of the Governmental 457(b) Basic Plan Document (the "BPD") and the elections made under this Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Agreement.**

In completing the provisions of this Adoption Agreement, unless designated otherwise, selections under the Deferral column apply to all Salary Deferrals (including Roth Deferrals and Catch-Up Contributions).

[*Note: Certain vendor agreements associated with the Plan may restrict the application of certain Plan provisions. Additionally, some State and local laws may restrict the election of certain provisions under the Plan. Please consult with legal counsel to assess the impact of State laws, local laws and/or applicable vendor agreements on the Plan.*]

**SECTION 1
EMPLOYER INFORMATION**

1-1 EMPLOYER INFORMATION.

Name: Township of Tilden, MI
Address: 3145 County Road P.G.
City, State, Zip Code: Ishpeming, Michigan 49849-0000
Telephone: 906-486-6580

1-2 EMPLOYER IDENTIFICATION NUMBER (EIN). 38-4866580

1-3 TYPE OF EMPLOYER. (Optional)

[*Note: To adopt this Plan, the Employer must be a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, as provided under Code §457(e)(1)(A). A non-governmental tax-exempt organization, as described under Code §457(e)(1)(B), may not adopt this Plan.*]

- (a) State
- (b) Political Subdivision of a State
- (c) Agency or Instrumentality of a State
- (d) Other governmental entity: (Describe) _____

1-4 EMPLOYER'S TAX YEAR END. (Optional) The Employer's tax year ends December 31

1-5 RELATED EMPLOYERS. (Optional) List any Related Employers. A Related Employer must execute a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

**SECTION 2
PLAN INFORMATION**

2-1 PLAN NAME. Township of Tilden 457(b) Deferred Compensation Plan

Original Effective Date: December 29, 1997
Restatement Effective Date: January 1, 2024
Plan identifier (optional): _____

2-2 TYPE OF PLAN. This Plan is a Governmental 457(b) Plan.

- The Plan is intended to be a FICA Replacement Plan (as defined under Section 3.08 of the BPD).

2-3 **TYPE OF CONTRIBUTIONS. (Check all that apply.)**

- (a) Salary Deferral Contributions
- (b) Employer Matching Contributions
- (c) Employer Contributions
- (d) Rollover Contributions

2-4 **PLAN YEAR.**

- (a) Calendar year.
- (b) The 12-consecutive month period ending on _____ each year.
- (c) Other: _____

2-5 **PLAN ADMINISTRATOR.**

- (a) The Employer identified in AA §1-1.
- (b) Name: _____
Address: _____
Telephone: _____

2-6 **FROZEN PLAN.** Check this AA §2-6 if the Plan is a frozen Plan to which no contributions will be made. (See Section 3.01(c) of the BPD).

- This Plan is a frozen Plan effective _____

[Note: As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation earned after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.]

2-7 **DEFINITION OF DISABLED.** An individual is considered Disabled for purposes of applying the provisions of this Plan if:

- (a) The individual is covered by the Employer’s disability insurance plan and is determined to be disabled under such plan.
- (b) The individual is determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
- (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled.

[Note: An Employer may elect any or all of the elections above. If more than one is selected, the hierarchy for determining whether an individual is considered Disabled is in the order listed above, unless described otherwise under separate administrative procedures or as described below.]

- (d) Alternative definition of Disabled: _____

[Note: Any alternative definition described in this subsection (d) will apply uniformly to all Participants under the Plan. The Employer may describe different definitions of Disabled for different purposes under the plan.]

**SECTION 3
ELIGIBLE EMPLOYEES**

3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the BPD, the following Employees are excluded from participation under the Plan with respect to the contribution source(s) identified in this AA §3-1. (See Sections 2.02(d) and (e) of the BPD for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) No exclusions. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (b) Collectively Bargained Employees (as defined in Section 1.11 of the BPD), unless the Collective Bargaining Agreement provides otherwise. |

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Employees who normally work less than ___ hours a week.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Employees eligible for a 401(k), a 403(b) plan or another 457(b) plan sponsored by the Employer.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Part-Time Employees (as defined in Section 1.39 of the BPD).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Seasonal Employees (as defined in Section 1.57 of the BPD).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Temporary Employees (as defined in Section 1.60 of the BPD).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Employees in an appointed or elected position.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Employees paid on an hourly basis.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(k) Employees paid on a salaried basis.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(l) All other Employees except Part-Time, Temporary and Seasonal Employees.
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(m) Other: <u>Part-time Employees who normally work less than 40 hours per week and Leased Employees.</u>

3-2 **INDEPENDENT CONTRACTORS.** Unless elected otherwise under subsection (a) below, Independent Contractors (as defined in Section 1.35 of the BPD) of the Employer are excluded from participation in the Plan.

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) Independent Contractors may participate in the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Describe any special rules applicable to Independent Contractors: _____

[*Note: Select under subsection (a) the types of contributions for which Independent Contractors are eligible. If the Employer elects to allow Independent Contractors to participate in the Plan, the term Employee as used in the Plan shall include the eligible Independent Contractors, as appropriate.*]

**SECTION 4
MINIMUM AGE AND SERVICE REQUIREMENTS**

4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of such Eligible Employee’s Entry Date (as defined in AA §4-2 below).

(a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(1) There is no minimum service requirement for participation in the Plan.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) One Year of Service (as defined in Section 2.03(a)(1) of the BPD and AA §4-3).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The completion of at least ___ Hours of Service during the first ___ months of employment (or the first ___ days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier. <ul style="list-style-type: none"> <input type="checkbox"/> (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period. <input type="checkbox"/> (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. (See Section 2.03(a)(1) of the BPD for rules regarding the application of this subsection (ii).)

- | Deferral | Match | ER | |
|-------------------------------------|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (4) The completion of ___ Hours of Service during an Eligibility Computation Period. [<i>Note: If this (4) is chosen, an Employee satisfies the service requirement immediately upon completion of the designated Hours of Service.</i>] |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (5) Full-time Employees are eligible to participate as set forth in subsection (i). Employees who are “part-time” Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii). <ul style="list-style-type: none"> (i) Full-time Employees must complete the following minimum service requirements to participate in the Plan: <ul style="list-style-type: none"> <input type="checkbox"/> (A) There is no minimum service requirement for participation in the Plan. <input type="checkbox"/> (B) The completion of at least ___ Hours of Service during the first ___ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier. <input type="checkbox"/> (C) Under the Elapsed Time method as defined in AA §4-3 below. <input type="checkbox"/> (D) Describe: _____ (ii) Part-time Employees must complete a Year of Service (as defined in AA §4-3). <ul style="list-style-type: none"> <input type="checkbox"/> (A) For this purpose, a part-time Employee is any Employee whose normal work schedule is less than: <ul style="list-style-type: none"> <input type="checkbox"/> (I) ___ hours per week. <input type="checkbox"/> (II) ___ hours per month. <input type="checkbox"/> (III) ___ hours per year. <input type="checkbox"/> (B) Describe part-time Employees for this purpose: _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (6) Eligibility service will be determined under the Elapsed Time method as described in AA§4-3 below. |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (7) Describe eligibility conditions: <u>3 month(s) of Continuous Service</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Describe eligibility conditions: _____ |

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age with respect to the contribution source(s) identified in this AA §4-1(b).

- | Deferral | Match | ER | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (1) There is no minimum age for Plan eligibility. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (2) Age 21. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (3) Age ___. |
- (c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: _____
 [*Note: This subsection (c) may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan.*]

4-2 **ENTRY DATE.** An Eligible Employee who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of such Eligible Employee’s Entry Date. For this purpose, the Entry Date is the following date with respect to the contribution source(s) identified under this AA §4-2. [*Note: If any of (b) – (g) is completed for a contribution source, also complete one of (h) – (l) for the same contribution source.*]

- | Deferral | Match | ER | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (a) Immediate. The date the minimum age and service requirements are satisfied. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (b) Semi-annual. The first day of the 1st and 7th month of the Plan Year. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (c) Quarterly. The first day of the 1st, 4th, 7th and 10th month of the Plan Year. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (d) Monthly. The first day of each calendar month. |

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (e) Payroll period. The first day of the payroll period. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (f) The first day of the Plan Year. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (g) Describe Entry Date: _____ |

An Eligible Employee’s Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee’s Entry Date is the Entry Date:

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (h) next following satisfaction of the minimum age and service requirements. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (i) coinciding with or next following satisfaction of the minimum age and service requirements. |
| N/A | <input type="checkbox"/> | <input type="checkbox"/> | (j) nearest the satisfaction of the minimum age and service requirements. |
| N/A | <input type="checkbox"/> | <input type="checkbox"/> | (k) preceding the satisfaction of the minimum age and service requirements. |
| N/A | <input type="checkbox"/> | <input type="checkbox"/> | (l) coinciding with or preceding the satisfaction of the minimum age and service requirements. |

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for the same contribution sources with respect to different groups of Employees, such different Entry Date provisions may be described below.

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (m) Describe special rules for determining Entry Dates under the Plan: _____ |

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply with respect to all contribution sources under the Plan:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.33 of the BPD for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the BPD). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years (see Section 2.03(a)(2)(ii) of the BPD).

To override the default eligibility rules, complete the applicable sections of this AA §4-3. If this AA §4-3 is not completed for a particular contribution source, the default eligibility rules apply.

- | Deferral | Match | ER | |
|--------------------------|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) Year of Service. Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ Hours of Service during an Eligibility Computation Period. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (b) Eligibility Computation Period. The Plan will use Anniversary Years for all Eligibility Computation Periods. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (c) Elapsed Time method. [<i>Note: Check the same contribution source as checked in AA §4-1(a) above.</i>] Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a period of service, as designated below, to participate in the Plan. (See Section 2.03(a)(5) of the BPD.) <ul style="list-style-type: none"> <input type="checkbox"/> (1) For Deferral, must complete a ____ period of service <input type="checkbox"/> (2) For Match, must complete a ____ period of service <input type="checkbox"/> (3) For ER, must complete a ____ period of service |

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>(d) Equivalency Method. For purposes of determining an Employee’s Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the BPD). The Equivalency Method will apply to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> (1) All Employees. <input checked="" type="checkbox"/> (2) Employees who are not paid on an hourly basis. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked. <p>If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> (3) Monthly. 190 Hours of Service for each month worked. <input type="checkbox"/> (4) Weekly. 45 Hours of Service for each week worked. <input type="checkbox"/> (5) Daily. 10 Hours of Service for each day worked. <input type="checkbox"/> (6) Semi-monthly. 95 Hours of Service for each semi-monthly period worked. <input type="checkbox"/> (7) Hours worked. 870 hours worked treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service. <input type="checkbox"/> (8) Regular time hours. 750 regular time hours treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>(e) Special eligibility provisions. The following special eligibility provisions apply: _____</p>

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate with respect to all contribution sources under the Plan as of such Employee’s Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees employed on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

Deferral	Match	ER	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>(a) Automatic Eligibility. An Eligible Employee who is employed by the Employer on the following designated date will enter the Plan on the designated date without regard to minimum age and/or service conditions:</p> <ul style="list-style-type: none"> <input type="checkbox"/> (1) the Effective Date of this Plan (as designated on the Employer Signature Page, as applicable) <input type="checkbox"/> (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page) <input type="checkbox"/> (3) _____ [insert date]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>(b) Describe other effective date provisions: _____</p>

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** Service with the following Predecessor Employers will be counted for purposes of determining eligibility, vesting and/or allocation conditions under this Plan.

(a) Identify Predecessor Employer(s):

The Plan will count service with the following Predecessor Employers:

	Name of Predecessor Employer	Eligibility	Vesting	Allocation Conditions
<input type="checkbox"/> (1)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) The following special rules apply with respect to service with a Predecessor Employer: _____

**SECTION 5
COMPENSATION DEFINITIONS**

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.61 of the BPD for a specific definition of the various types of Total Compensation.

- (a) W-2 Wages
- (b) Code §415 Compensation
- (c) “Simplified” Code §415 Compensation
- (d) Wages under Code §3401(a)

[For purposes of determining Total Compensation, each definition includes pre-tax contributions to a Code §125 cafeteria plan, Code §401(k), Code §403(b) or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

5-2 **POST-SEVERANCE COMPENSATION.**

(a) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation (as defined in Section 1.61 of the BPD) includes post-severance compensation, to the extent provided in Section 1.61(b) of the BPD. For this purpose, severance pay is always excluded from the definition of Plan Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the calendar year in which severance occurs is included in Plan Compensation, unless excluded under this subsection (a). See Section 1.61(b) of the BPD.

The following amounts paid after a Participant’s severance from employment are excluded from Plan Compensation.

- (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.
 - (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee’s gross income.
- (b) **Continuation payments for disabled Participants.** Unless designated otherwise under this subsection (b), Total Compensation does not include continuation payments for disabled Participants. To count Total Compensation paid after Severance from Employment on account of disability (as defined in Code §22(e)(3)), check the box below.
- Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as defined in Code §22(e)(3).

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) No exclusions.
N/A	<input type="checkbox"/>	<input type="checkbox"/>	(b) Salary Deferrals (as defined in Section 1.55 of the BPD), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Compensation above \$___ is excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Amounts received as a bonus are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(f) Amounts received as commissions are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(g) Overtime payments are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(h) Shift differentials are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(i) Exclusions as described by the applicable Collective Bargaining Agreement.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(j) Amounts received for services performed for a non-signatory Related Employer are excluded.

[Note: If this subsection is not elected, amounts received for services

Deferral	Match	ER	
			<i>performed for a non-signatory Related Employer are INCLUDED in Plan Compensation.]</i>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(k) “Deemed §125 compensation” as defined under Total Compensation. (See Section 1.61(d) of the BPD.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(l) Amounts received after Severance from Employment are excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(m) Differential Pay (as defined in Section 1.61(e) of the BPD) is excluded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(n) Describe adjustments to Plan Compensation: _____

5-4 **PERIOD FOR DETERMINING COMPENSATION.**

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s) for the contribution sources identified in this AA §5-4. [*Note: If a period other than Plan Year applies for any contribution source, any reference to the Plan Year as it refers to Plan Compensation for that contribution source will be deemed to be a reference to the period designated under this AA §5-4.*]

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(1) The Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(2) The calendar year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(3) The Employer's fiscal tax year ending in the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(4) The 12-month period ending on ____ which ends during the Plan Year.

- (b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation paid while an individual is a Participant under the Plan with respect to a particular contribution source will be taken into account.

To count compensation for the entire Plan Year for a particular contribution source, including compensation paid while an individual is not a Participant with respect to such contribution source, check below. (See Section 1.45 of the BPD.)

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All compensation paid during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.

**SECTION 6
EMPLOYER CONTRIBUTIONS**

6-1 **EMPLOYER CONTRIBUTIONS.** Is the Employer authorized to make Employer Contributions under the Plan?

- Yes
 No [*If No, skip to Section 6A.*]

[*Note: Any Employer Contribution made pursuant to this AA §6 will count towards the Code §457(e)(15) Maximum Contribution Limit. See Section 5.01 of the BPD.*]

6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-4(a) below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-5 below. Any Employer Contribution authorized under this AA §6-2 will be allocated in accordance with the allocation formula selected under AA §6-3 and AA §6-4, as applicable.

- (a) **Discretionary contribution.** The Employer will determine in its sole discretion how much, if any, it will make as an Employer Contribution.
- (b) **Fixed contribution.**
- (1) _____% of each Participant’s Plan Compensation.
 - (2) \$____ for each Participant.
 - (3) The Employer Contribution will be determined in accordance with the personal service contract or employment contract applicable to the Participant.
 - (4) The Employer Contribution will be determined in accordance with any Collective Bargaining Agreement(s) addressing retirement benefits of Collectively Bargained Employees under the Plan.

- (c) **Service-based contribution.** The Employer will make:
 - (1) **Discretionary.** A discretionary contribution determined as a uniform percentage of Plan Compensation or a uniform dollar amount for each period of service designated below.
 - (2) **Fixed percentage.** ___% of Plan Compensation paid for each period of service designated below.
 - (3) **Fixed dollar.** \$___ for each period of service designated below.

The service-based contribution selected under this (c) will be based on the following periods of service:

 - (4) Each Hour of Service
 - (5) Each week of employment
 - (6) Describe period: _____

The service-based contribution is subject to the following rules:

 - (7) Describe any special provisions that apply to service-based contribution: _____
- (d) **FICA Replacement Contribution.** (See Section 3.08 of the BPD).
 - (1) The Employee will make the 7.5% of Plan Compensation mandatory contribution.
 - (2) The Employer will make the 7.5% of Plan Compensation mandatory contribution.
 - (3) The Employee will make a mandatory contribution equal to ___% of Plan Compensation and the Employer will make a mandatory contribution equal to ___% of Plan Compensation.
[*Note: The combined Employer and Employee contribution must equal at least 7.5% of Plan Compensation.*]
- (e) **Contributions of accrued sick, PTO and/or vacation leave.**
 - (1) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid sick leave as follows: _____
 - (2) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid PTO leave as follows: _____
 - (3) The Employer will make and allocate Employer Contributions of amounts of accrued unpaid vacation leave as follows: _____
- (f) Describe Employer Contribution formula: _____

6-3 **ALLOCATION FORMULA.**

- (a) **Pro rata allocation.** The Employer Contribution under AA §6-2(a) will be allocated as:
 - (1) a uniform percentage of Plan Compensation or
 - (2) a uniform dollar amount
- (b) **Allocation under fixed Employer Contribution.** If a fixed Employer Contribution is selected in AA §6-2(b), the Employer Contribution will be allocated in accordance with the selections made in AA §6-2(b).
- (c) **Discretionary allocation.** The Employer Contribution under AA §6-2(a) will be allocated in the sole discretion of the Employer in a manner solely determined by the Employer.
- (d) **Service-based allocation.** The service-based Employer Contribution selected in AA §6-2(c) will be allocated in accordance with the selections made in AA §6-2(c).
- (e) **Describe other allocation method:** _____

6-4 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-4.

- (a) **Period for determining Employer Contributions.** In determining the amount of the Employer Contributions to be allocated under this AA §6, the Employer Contribution will be based on Plan Compensation paid during the Plan Year, unless this (a) is selected and one of (1) – (4) is selected below.
Alternatively, the Employer may elect to base the Employer Contributions on Plan Compensation paid during the following period:
 - (1) Plan Year quarter
 - (2) calendar month
 - (3) payroll period
 - (4) Other: _____

[*Note: Although Employer Contributions are determined on the basis of Plan Compensation paid during the period designated under this subsection (a), this does not require the Employer to actually make contributions or allocate contributions on the basis of such period.*]

- (b) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:
 - (1) ___% of Plan Compensation
 - (2) \$___
 - (3) Describe: _____
- (c) **Offset of Employer Contribution.**
 - (1) A Participant’s allocation of Employer Contributions under AA §6-2 of this Plan is reduced by contributions under _____[insert name of plan(s)].
 - (2) In applying the offset under this subsection, the following rules apply: _____
- (d) **Special rules.** The following special provisions apply with respect to Employer Contributions: _____

6-5 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive an Employer Contribution, must satisfy any allocation conditions designated under this AA §6-5 to receive an allocation of Employer Contributions under the Plan. *[Note: The Plan may not impose allocation conditions on FICA Replacement Contributions.]*

- (a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.
- (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- (c) **Minimum service condition.** An Employee must be credited with at least:
 - (1) ___ Hours of Service during the Plan Year.
 - (2) ___ consecutive days of employment with the Employer during the Plan Year.
 - (3) ___ consecutive months of employment with the Employer during the Plan Year.
- (d) **Application to a specified period.** The allocation conditions selected under this AA §6-5 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6-5, the Employer may elect under this subsection to apply the allocation conditions on a periodic basis as set forth below. See Section 3.06(a) of the BPD for a description of the rules for applying the allocation conditions on a periodic basis.
 - (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:
 - (i) Plan Year quarter
 - (ii) calendar month
 - (iii) payroll period
 - (iv) Other: _____
 - (2) **Application to allocation conditions.** If this subsection (2) is checked to apply allocation conditions on the basis of specified periods, to the extent an employment or minimum service allocation condition applies under this AA §6-5, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:
 - (i) Only the employment condition will be based on the period selected in subsection (1) above.
 - (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.
 - (iii) Describe any special rules: _____
- (e) **Exceptions.**
 - (1) The above allocation condition(s) will **not** apply if an Employee, during the Plan Year:
 - (i) dies.
 - (ii) has a Severance from Employment due to becoming Disabled.
 - (iii) becomes Disabled.
 - (iv) has a Severance from Employment after attaining Normal Retirement Age.
 - If this box is checked, this waiver of allocation conditions applies only once during the Participant’s employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.
 - (v) has a Severance from Employment after attaining Early Retirement Age.
 - If this box is checked, this waiver of allocation conditions applies only once during the Participant’s employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.
 - (vi) is on an authorized leave of absence from the Employer.

- (2) The exceptions selected under subsection (1) do not apply to:
 - (i) an employment condition designated under this AA §6-5.
 - (ii) a minimum service condition designated under this AA §6-5.
 - (iii) a Discretionary Employer Contribution.
 - (iv) a Fixed Employer Contribution.
- (f) **Equivalency Method.** For purposes of determining an Employee’s Hours of Service for allocation purposes, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the BPD). The Equivalency Method will apply to:
 - (1) All Employees.
 - (2) Only Employees for whom the Employer does not maintain hourly records. For all other Employees, actual hours worked will be used.
- (g) **Elapsed Time Method.** For purposes of determining an Employee’s service for allocation purposes, the Plan will use the Elapsed Time Method.
- (h) **Describe** any special rules governing the allocation conditions under the Plan: _____

- 6-6 **OPTIONAL TREATMENT OF EMPLOYER CONTRIBUTIONS AS ROTH CONTRIBUTIONS.** Unless elected otherwise below, a Participant may not elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Roth contribution.
- (a) A Participant MAY elect to treat a nonforfeitable Employer Contribution made on behalf of such Participant as a Roth contribution. [*Note: The Employer and/or Plan Administrator will develop operational procedures to assist in administering this election.*]
 - (b) Describe any special rules relating to the optional treatment of nonforfeitable Employer Contributions as a Roth contribution: _____

6-7 **SPECIAL RULES APPLICABLE TO EMPLOYER CONTRIBUTIONS.** The following special rules apply to Employer Contributions: _____

**SECTION 6A
SALARY DEFERRALS**

- 6A-1 **SALARY DEFERRALS.** Are Employees permitted to make Salary Deferrals under the Plan?
- Yes
 - No [*If “No” is checked, skip to Section 6B.*]
- 6A-2 **MAXIMUM LIMIT ON SALARY DEFERRALS.** Unless designated otherwise under this AA §6A-2, a Participant may defer any amount up to the Code §457(e)(15) Maximum Contribution Limit.
- (a) **Salary Deferral Limit.** A Participant may not defer an amount in excess of:
 - (1) _____% of Plan Compensation.
 - (2) \$_____.

[*Note: If both (1) and (2) are checked, the deferral limit is the lesser of the amounts selected.*]

Any limit described in subsection (1) or (2) above applies with respect to the following period:

 - (3) Plan Year.
 - (4) the portion of the Plan Year during which the individual is eligible to participate.
 - (5) each separate payroll period during which the individual is eligible to participate.
 - (b) **Limits on Salary Deferrals on bonus payments.** [*Note: This §6A-2(b) only may be selected if bonus payments are not excluded under AA §5-3.*]
- (1) The same limits specified in (a)(1) and (a)(2) above apply to bonus and non-bonus Plan Compensation. Employees may defer any amounts out of bonus payments, subject to the Code §457(e)(15) Maximum Contribution Limit and any other limit on Salary Deferrals under this AA 6A-2. The Employer may impose special limits on bonus payments under the Salary Deferral Election or in separate administrative procedures.
 - (2) A Participant may defer up to ____% (*not to exceed 100%*) of any bonus payment (subject to the Code §457(e)(15) Maximum Contribution Limit) without regard to any other limits described under this AA §6A-2. The Employer may impose special limits on bonus payments under the Salary Reduction Agreement election or in separate administrative procedures.

- (3) Describe special rules applicable to deferrals on bonus payments: _____
- (c) **Deferral of sick, vacation, PTO and back pay.** Unless otherwise elected below, a Participant may elect to defer accrued sick pay, accrued vacation pay, accrued PTO pay, or back pay if: (1) such pay is otherwise included in Plan Compensation; (2) the Participant timely enters into a Salary Reduction Agreement with respect to such pay; and (3) the Participant is an Employee in the month of deferral.
- A Participant may NOT defer accrued sick pay, accrued vacation pay, accrued PTO or back pay.
- (d) **Describe** any other limits that apply with respect to Salary Deferrals under the Plan: _____

6A-3 **MINIMUM DEFERRAL RATE.** Unless designated otherwise under this AA §6A-3, no minimum deferral requirement applies under the Plan. Alternatively, a Participant must defer at least the following amount in order to make Salary Deferrals under the Plan.

- (a) _____% of Plan Compensation for a payroll period.
- (b) \$_____ for a payroll period.
- (c) Describe. _____

6A-4 **CATCH-UP CONTRIBUTIONS.** Age 50 Catch-Up Contributions and Special 457 Catch-Up Contributions (as defined in Section 3.03(d) and (e) of the BPD) are permitted under the Plan, unless designated otherwise under this AA §6A-4.

- (a) Age 50 Catch-Up Contributions are not permitted under the Plan.
- (b) Special 457 Catch-Up Contributions are not permitted under the Plan.
- (c) Describe any special rules applicable to the Age 50 Catch-Up Contributions or Special 457 Catch-Up Contributions: _____

6A-5 **ROTH DEFERRALS.**

(a) **Availability of Roth Deferrals.**

- (1) Roth Deferrals are permitted under the Plan.
- (2) Roth Deferrals are not permitted under the Plan.

[Note: If Roth Deferrals are effective as of a date later than the Effective Date of the Plan, designate such special Effective Date in AA §6A-8 below.]

(b) **Distribution of Roth Deferrals.** Unless designated otherwise under this subsection, to the extent a Participant takes a distribution or withdrawal from such Participant’s Salary Deferral Account(s), the Participant may designate the extent to which such distribution is taken from the Pre-Tax Deferral Account or from the Roth Deferral Account. If a Participant fails to designate the Account, the Plan Administrator may distribute amounts pursuant to a separate administrative policy.

Alternatively, the Employer may designate the order of distributions for the distribution types listed below:

(1) **Distributions and withdrawals.**

- (i) Any distribution will be taken on a pro rata basis from the Participant’s Pre-Tax Deferral Account and Roth Deferral Account.
- (ii) Any distribution will be taken first from the Participant’s Roth Deferral Account and then from the Participant’s Pre-Tax Deferral Account.
- (iii) Any distribution will be taken first from the Participant’s Pre-Tax Deferral Account and then from the Participant’s Roth Deferral Account.

(2) **Distribution of Excess Deferrals.**

- (i) Distribution of Excess Deferrals will be made from Roth and Pre-Tax Deferral Accounts in the same proportion that deferrals were allocated to such Accounts for the calendar year.
- (ii) Distribution of Excess Deferrals will be made first from the Roth Deferral Account and then from the Pre-Tax Deferral Account.
- (iii) Distribution of Excess Deferrals will be made first from the Pre-Tax Deferral Account and then from the Roth Deferral Account.

(c) **In-Plan Roth Conversions.** Unless elected under this AA §6A-5(c), the Plan does not permit a Participant to make an In-Plan Roth Conversion under the Plan. To override this provision to allow Participants to make an In-Plan Roth Conversion, subsection (1) must be checked.

- (1) **Effective date.** Effective _____ [not earlier than 1/1/2013], a Participant may elect to convert all or any portion of such Participant’s non-Roth vested Account Balance to an In-Plan Roth Conversion Account.

[*Note: The Plan must provide for Roth Deferrals under AA §6A-5(a) as of the effective date designated in this subsection (1). An election under this subsection (1) does not affect an In-Plan Roth Conversion that was allowed under prior Plan provisions.*]

(2) **In-Service Distribution.**

- (i) For a Participant to convert such Participant’s eligible contributions to Roth through an In-Plan Roth Conversion, the Participant need not be eligible to take a distribution from the Plan. [*Note: If this subsection (i) is checked, a Participant may convert any or all of the eligible contribution sources to Roth Deferrals through an In-Plan Roth Conversion.*]
- (ii) For a Participant to convert such Participant’s eligible contributions to Roth through an In-Plan Roth Conversion, a Participant must be eligible for a distribution of any amounts converted to Roth Deferrals through an In-Plan Roth Conversion. Thus, only amounts that are eligible for distribution under AA §9 are eligible for In-Plan Roth Conversion.

(3) **Contribution sources.** An Employee may elect to make an In-Plan Roth Conversion from all available contribution sources under the Plan. To override this default provision and limit the contribution sources available for In-Plan Roth Conversion, select the applicable contribution sources below:

- (i) Pre-tax Salary Deferrals
- (ii) Employer Contributions
- (iii) Matching Contributions
- (iv) Rollover Contributions
- (v) Describe: _____

(4) **Limits applicable to In-Plan Roth Conversions.** No special limits apply with respect to In-Plan Roth Conversions, unless designated otherwise under this subsection (4).

- (i) Roth conversions may only be made from contribution sources that are fully vested (i.e., 100% vested).
- (ii) A Participant may not make an In-Plan Roth Conversion of less than \$___ (may not exceed \$1,000).
- (iii) A Participant may not make an In-Plan Roth Conversion of any outstanding loan amount.
[*Note: If this subsection (iii) is not checked, a Participant may convert amounts that are attributable to an outstanding loan, to the extent the loan relates to a contribution source that is eligible for conversion under subsection (3) above.*]
- (iv) Only Participants who are current Employees are allowed to make In-Plan Roth Conversions.
- (v) The ability to make In-Plan Roth Conversions is limited to the following events: _____
- (vi) Describe: _____

(5) **Amounts available to pay federal and state taxes generated from an In-Plan Roth Conversion.** No special provisions apply to allow Participants to withdraw funds to pay federal or state taxes generated from an In-Plan Roth Conversion, except as provided otherwise under this subsection (5).

- (i) **In-service distribution.** If the Plan does not otherwise permit an in-service distribution at the time of the In-Plan Roth Conversion and this subsection (i) is checked, a Participant may elect to take an in-service distribution solely to pay taxes generated from the In-Plan Roth Conversion to the extent such in-service distribution would otherwise be permitted under Section 8.03 of the BPD.
[*Note: If this subsection (i) is checked, a Participant may take an in-service distribution only to the extent such distribution would otherwise be permitted under the provisions of Section 8.03 of the BPD.*]
- (ii) **Participant loan.** Generally, a Participant may request a loan from the Plan to the extent permitted under Section 13 of the BPD and AA Appendix B. However, to the extent a Participant loan is not otherwise allowed and this subsection (ii) is selected, a Participant may receive a Participant loan solely to pay taxes generated from an In-Plan Roth Conversion.
[*Note: If this subsection (ii) is selected and Participant loans are not otherwise authorized under the Plan, any Participant loan made pursuant to this subsection (ii) will be made in accordance with the default loan policy described in Section 13 of the BPD.*]

(6) **Distribution from In-Plan Roth Conversion Account.** Distributions from the In-Plan Roth Conversion Account will be permitted in the same manner as permitted for Roth Deferrals, as set forth under AA §9-2, unless designated otherwise under this subsection (6).

- Describe distribution options: _____

(d) **Describe** any special rules that apply to Roth Deferrals under the Plan: _____

6A-6 SALARY REDUCTION AGREEMENT ELECTIONS.

- (a) **Change or revocation of Salary Reduction Agreement election:** A Participant’s election to change or resume a Salary Reduction Agreement election will be effective as set forth under the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator. Unless the Salary Reduction Agreement or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke a Salary Reduction Agreement election (on a prospective basis) at any time.
- (b) **Salary deferral elections of rehired participants:** Unless designated otherwise below, a Participant’s affirmative Salary Reduction Agreement to defer (or to not defer) will cease upon Severance from Employment and the Participant will need to make a new election upon rehire.

- Participant’s affirmative election does not cease upon Severance from Employment.** If this subsection (b) is selected, a terminated Participant’s affirmative Salary Reduction Agreement election to defer (or to not defer) **will not cease** upon Severance from Employment and the Participant’s affirmative Salary Reduction Agreement election to defer (or to not defer) in effect at the time of Severance from Employment will apply upon rehire.

[Note: The Employer may modify the rules applicable to rehired Employees under the Salary Reduction Agreement or other administrative procedures.]

6A-7 AUTOMATIC CONTRIBUTION ARRANGEMENT. No automatic contribution provisions apply under Section 3.03(c) of the BPD, unless provided otherwise under this AA §6A-7. *[Note: Some States through anti-garnishment laws or otherwise may not allow Automatic Contribution Arrangements.]*

- (a) **Automatic deferral election.** Upon becoming eligible to make Salary Deferrals under the Plan (pursuant to AA §3 and AA §4), a Participant will be deemed to have entered into a Salary Deferral Election for each payroll period, unless the Participant completes a Salary Reduction Agreement election (subject to the limitations under AA §6A-2 and AA §6A-3) in accordance with procedures adopted by the Plan Administrator.

- (1) **Effective date of Automatic Contribution Arrangement.** The automatic deferral provisions under this AA §6A-7 are effective as of:

- (i) The Effective Date of this Plan as set forth under the Employer Signature Page.
- (ii) _____ *[insert date]*
- (iii) As set forth under a prior Plan document.

[Note: If this subsection (iii) is checked, the automatic deferral provisions under this AA §6A-7 will apply as of the original Effective Date of the automatic contribution arrangement. Unless provided otherwise under this AA §6A-7, an Employee who is automatically enrolled under a prior Plan document will continue to be automatically enrolled under the current Plan document.]

- (2) **Automatic Contribution Arrangement.** Check this subsection (2) if the Plan is designated as an Automatic Contribution Arrangement, as described under Section 3.03(c) of the BPD. *[Note: Unless an election is made under this AA §6A-7 that is inconsistent with the requirements of an Eligible Automatic Contribution Arrangement (EACA), the Automatic Contribution Arrangement will qualify as an EACA, as described in Section 3.03(c) of the BPD.]*

- (i) **Automatic Contribution Arrangement features determined under separate administrative procedures.** The Employer has described the features of its Automatic Contribution Arrangement in a separate administrative policy which is incorporated by reference into this Plan. To the extent that either (ii) or (iii) below is not completed, those features of the Automatic Contribution Arrangement will be determined by the terms of a separate administrative policy.

- (ii) **Automatic deferral percentage.**
 - (A) ____% of Plan Compensation
 - (B) \$_____

- (iii) **Automatic increase.** If elected under this subsection (iii), the automatic deferral amount will increase each Plan Year by the following amount. (See Section 3.03(c) of the BPD.)

- (A) ____% of Plan Compensation
- (B) \$_____
- (C) Describe: _____

Any automatic increase elected under this subsection (iii) will not cause the automatic deferral amount to exceed:

- (D) ____% of Plan Compensation
- (E) \$_____
- (F) Describe: _____

- (3) **Application of automatic deferral provisions.** The automatic deferral election under subsection (2) will apply to new Participants and existing Participants as set forth under this subsection (3).
- (i) **New Participants.** The automatic deferral provisions apply to all Participants who become eligible on or after the effective date.
- (ii) **Current Participants.** The automatic deferral provisions apply to all other eligible Participants as follows:
- (A) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election (including an election not to defer under the Plan).
- (B) Automatic deferral provisions apply to all current Participants who have not entered into a Salary Deferral Election that is at least equal to the automatic deferral amount under subsection (2)(ii). Current Participants who have made a Salary Deferral Election that is less than the automatic deferral amount or who have not made a Salary Deferral Election will automatically be increased to the automatic deferral amount unless the Participant enters into a new Salary Deferral election on or after the effective date of the automatic deferral provisions.
- (C) Automatic deferral provisions do not apply to current Participants. Only new Participants described in subsection (i) above are subject to the automatic deferral provisions.
- (D) Describe: _____
- (iii) **Treatment of automatic deferrals.** Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Pre-Tax Salary Deferrals, unless designated otherwise under this subsection (iii).
- Any Salary Deferrals made pursuant to an automatic deferral election will be treated as Roth Deferrals. [*Note: This subsection (iii) may only be checked if Roth Deferrals are permitted under AA §6A-5.*]
- (iv) **Expiration of affirmative deferral elections.** Unless this subsection (iv) is elected, for purposes of the automatic deferral provisions of the Plan, a Participant’s affirmative elective deferral election will not expire. If this subsection (iv) is elected, a Participant’s affirmative deferral election will expire:
- (A) at the end of each Plan Year.
- (B) Describe date that the affirmative election will expire: _____
- If a Participant fails to complete a new affirmative deferral election subsequent to the prior election expiring, the Participant becomes subject to the automatic deferral percentage as specified in the Plan pursuant to the automatic contribution arrangement provisions. Each year, the Participant can always complete a new affirmative election and designate a new deferral percentage.
- [*Note: Any Salary Deferral Election (including an election not to defer under the Plan) made after the effective date of the automatic deferral provisions will override such automatic deferral provisions.*]
- (4) **Application of automatic increase.** Unless designated otherwise under this subsection (4), if an automatic increase is selected under subsection (2)(iii) above, the automatic increase will take effect as of the first day of the second Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant. (See Section 3.03(c)(2)(iii) of the BPD.)
- (i) **First Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(iii) takes effect as of the appropriate date (as designated under subsection (iii) below) within the first Plan Year following the date automatic contributions begin.
- (ii) **Designated Plan Year.** Instead of applying as of the second Plan Year, the automatic increase described in subsection (2)(iii) takes effect as of the appropriate date (as designated under subsection (iii) below) within the _____ Plan Year following the Plan Year in which the automatic deferral election first becomes effective with respect to a Participant.
- (iii) **Effective date.** The automatic increase described under subsection (2)(iii) is generally effective as of the first day of the Plan Year. If this subsection (iii) is checked, instead of becoming effective on the first day of the Plan Year, the automatic increase will be effective on:
- (A) The anniversary of the Participant's date of hire.
- (B) The anniversary of the Participant's first automatic deferral contribution.
- (C) The first day of each calendar year.
- (D) Other date: _____
- (iv) **Special rules:** _____

- (5) **Treatment of Employees who have a Severance from Employment and who are rehired.** Unless designated otherwise below, in applying the automatic deferral provisions under this AA§6A-7, including the automatic increase provisions, a rehired Participant is treated as a new Employee (regardless of the amount of time since the rehired Employee had a Severance from Employment).
- (i) **Rehired Employees not treated as new Employee.** In applying the automatic deferral provisions under this AA§6A-7, including the automatic increase provisions, a rehired Participant is not treated as a new Employee. Thus, for example, a rehired Participant’s deferral percentage will be calculated based on the date the individual first began making automatic deferrals under the Plan.
 - (ii) **Describe special rules applicable to rehired employees:** _____
- (b) **Permissible Withdrawals under Automatic Contribution Arrangement.**
- (1) **Permissible withdrawals allowed.** If the Plan satisfies the requirements for an EACA (as set forth in Section 3.03(c) of the BPD), a Participant who has Salary Deferrals contributed to the Plan pursuant to an automatic deferral election under this AA §6A-7 may elect to withdraw such contributions (and earnings attributable thereto) within 90 days after the date such Salary Deferrals would otherwise have been included in gross income, unless designated otherwise under subsection (3) below. Unless elected otherwise below, if a Participant does not make automatic deferrals to the Plan for an entire Plan Year (e.g., due to Severance from Employment), the Plan may allow such Participant to take a permissive withdrawal, but only with respect to default contributions made after the Participant’s return to employment.
 - The ability to take permissible withdrawals does not apply to rehired Participants, even if such Participants have not made automatic deferrals to the Plan for an entire Plan Year due to Severance from Employment.
 - (2) **No permissible withdrawals.** Although the Plan contains an automatic deferral election that is designed to satisfy the requirements of an EACA, the permissible withdrawal provisions under this subsection (b) are not available.
 - (3) **Time period for electing a permissible withdrawal.** Instead of a 90-day election period, a Participant must request a permissible withdrawal no later than _____ [*may not be less than 30 or more than 90*] days after the date the Plan Compensation from which such Salary Deferrals are withheld would otherwise have been included in gross income.
- (c) **Other automatic contribution provisions:** _____

6A-8 **SPECIAL DEFERRAL EFFECTIVE DATES.** Unless designated otherwise under this AA §6A-8, a Participant is eligible to make Salary Deferrals under the Plan as of the Effective Date of the Plan (as designated in the Employer Signature Page). However, in no case may a Participant begin making Salary Deferrals prior to the later of the date the Employee becomes a Participant, the date the Participant executes a Salary Reduction Agreement or the date the Plan is adopted or effective. (See Section 3.03(a) of the BPD.)

To designate a later Effective Date for Salary Deferrals or Roth Deferrals, complete this AA §6A-8.

- (a) **Salary Deferrals.** A Participant is eligible to make Salary Deferrals under the Plan as of:
 - (1) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
 - (2) _____ (insert date).
- (b) **Roth Deferrals.** The Roth Deferral provisions under AA §6A-5 are effective as of _____. [*Note: If Roth Deferrals are permitted under AA §6A-5 above, Roth Deferrals are effective as of the Effective Date applicable to Salary Deferrals under this AA §6A-8, unless a later date is designated under this subsection.*]

**SECTION 6B
MATCHING CONTRIBUTIONS**

6B-1 **MATCHING CONTRIBUTIONS.** Is the Employer authorized to make Matching Contributions under the Plan?

- Yes
- No [*Check this box if there are no Matching Contributions. If “No” is checked, skip to Section 7.*]
[*Note: Any Matching Contribution made pursuant to this AA §6B will count towards the Code §457(e)(15) Maximum Contribution Limit. See Section 5.01 of the BPD.*]

6B-2 **MATCHING CONTRIBUTION FORMULA:** For the period designated in AA §6B-5 below, the Employer will make the following Matching Contribution on behalf of Participants who satisfy the allocation conditions under AA §6B-6 below.

- (a) **Discretionary match.** The Employer will determine in its sole discretion how much, if any, it will make as a Matching Contribution and how such Matching Contribution is allocated to Participants.

- (b) **Fixed match.** The Employer will make a Matching Contribution for each Participant equal to:
 - (1) 3 ___ % of Salary Deferrals made for each period designated in AA §6B-5 below.
 - (2) \$ ___ for each period designated in AA §6B-5 below.
 - (3) The Employer Contribution will be determined in accordance with the personal service contract or employment contract applicable to the Participant.
 - (4) The Employer Contribution will be determined in accordance with any Collective Bargaining Agreement(s) addressing retirement benefits of Collectively Bargained Employees under the Plan.
- (c) **Tiered match.** The Employer will/may make a Fixed/Discretionary Matching Contribution to all Participants based on the following tiers of Salary Deferrals.
 - (1) **Tiers as percentage of Plan Compensation.**

Salary Deferrals	Fixed Match	Discretionary Match
------------------	-------------	---------------------

- (i) Up to ___ % of Plan Compensation _____%
- (ii) From ___ % up to ___ % of Plan Compensation _____%
- (iii) From ___ % up to ___ % of Plan Compensation _____%
- (iv) From ___ % up to ___ % of Plan Compensation _____%

- (2) **Tiers as dollar amounts.**

Salary Deferrals	Fixed Match	Discretionary Match
------------------	-------------	---------------------

- (i) Up to \$ ___ _____%
- (ii) From \$ ___ up to \$ ___ _____%
- (iii) From \$ ___ up to \$ ___ _____%
- (iv) Above \$ ___ _____%

- (d) **Year of Service match.** The Employer will/may make a fixed %/Discretionary Matching Contribution as a uniform percentage of Salary Deferrals to all Participants based on Years of Service with the Employer.

Years of Service	Matching %	Discretionary Match
------------------	------------	---------------------

- (1) From ___ up to ___ Years of Service _____%
- (2) From ___ up to ___ Years of Service _____%
- (3) From ___ up to ___ Years of Service _____%
- (4) From ___ up to ___ Years of Service _____%
- (5) Years of Service equal to and above ___ _____%

For this purpose, a Year of Service is each Plan Year during which an Employee completes at least 1,000 Hours of Service. Alternatively, a Year of Service is: _____

- (e) **Other Matching Contribution Formula:** _____

6B-3 **CONTRIBUTIONS ELIGIBLE FOR MATCHING CONTRIBUTIONS (“ELIGIBLE CONTRIBUTIONS”).** Unless designated otherwise under this AA §6B-3, all Salary Deferrals, including any Roth Deferrals, Age 50 Catch-Up Contributions and Special 457 Catch-Up Contributions, are eligible for the Matching Contributions designated under AA §6B-2.

- (a) **Matching Contributions.** Only the following contribution sources are eligible for a Matching Contribution under AA §6B-2:
 - (1) Pre-tax Salary Deferrals
 - (2) Roth Deferrals
 - (3) Age 50 Catch-Up Contributions
 - (4) Special 457 Catch-Up Contributions

- (b) **Application of Matching Contributions to elective deferrals made under another plan maintained by the Employer.** If this subsection is checked, the Matching Contributions described in AA §6B-2 will apply to elective deferrals made under another plan maintained by the Employer.
 - (1) The Matching Contribution designated in AA §6B-2 above will apply to elective deferrals under the following plan maintained by the Employer: _____
 - (2) The following special rules apply in determining the amount of Matching Contributions under this Plan with respect to elective deferrals under the plan described in subsection (1): _____
[Note: This subsection may be used to describe special provisions applicable to Matching Contributions provided with respect to elective deferrals under another plan maintained by the Employer, including another Code §457(b) plan, a §401(a) qualified plan, or Code §403(b) plan.]
- (c) **Special rules.** The following special rules apply for purposes of determining the Matching Contribution under this AA §6B-3: _____

6B-4 **LIMITS ON MATCHING CONTRIBUTIONS.** In applying the Matching Contribution formula(s) selected under AA §6B-2 above, the following limits apply.

- (a) **No limits apply.** All Salary Deferrals are eligible for Matching Contributions.
- (b) **Limit on Salary Deferrals.** The Matching Contribution formula(s) selected in AA §6B-2 above apply only to Salary Deferrals that do not exceed:
 - (1) _____% of Plan Compensation.
 - (2) \$_____.
 - (3) A discretionary amount determined by the Employer.
- (c) **Limit on Matching Contributions.** The total Matching Contribution provided under the formula(s) selected in AA §6B-2 above will not exceed:
 - (1) _____% of Plan Compensation.
 - (2) \$_____.
- (d) **Special limits:** _____

6B-5 **PERIOD FOR DETERMINING MATCHING CONTRIBUTIONS.** The Matching Contribution formula(s) selected in AA §6B-2 above (including any limitations on such amounts under AA §6B-4) are based on Salary Deferrals for the **Plan Year**. To apply a different period for determining the Matching Contributions and limits under AA §6B-2 and AA §6B-4, check one of (a) – (d) below.

- (a) payroll period
- (b) Plan Year quarter
- (c) calendar month
- (d) Other: _____

[Note: Although Matching Contributions (and any limits on those Matching Contributions) will be determined on the basis of the period designated under this AA §6B-5, this does not require the Employer to actually make contributions or allocate contributions on the basis of such period. See Section 3.04(c) of the BPD for a discussion of the “true up” requirements applicable to Matching Contributions.]

6B-6 **ALLOCATION CONDITIONS.** A Participant who has otherwise satisfied all conditions to receive a Matching Contribution, must satisfy any allocation conditions designated under this AA §6B-6 to receive an allocation of Matching Contributions under the Plan.

- (a) **No allocation conditions** apply with respect to Matching Contributions under the Plan.
- (b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.
- (c) **Minimum service condition.** An Employee must be credited with at least:
 - (1) _____ Hours of Service during the Plan Year.
 - (2) _____ consecutive days of employment with the Employer during the Plan Year.
 - (3) _____ consecutive months of employment with the Employer during the Plan Year.
- (d) **Application to a specified period.** The allocation conditions selected under this AA §6B-6 apply on the basis of the Plan Year. Alternatively, if an employment or minimum service condition applies under this AA §6B-6, the Employer may elect under this subsection to apply the allocation conditions on a periodic basis as set forth below. (See Section 3.06(a) of the BPD for a description of the rules for applying the allocation conditions on a periodic basis.)
 - (1) **Period for applying allocation conditions.** Instead of the Plan Year, the allocation conditions set forth under subsection (2) below apply with respect to the following periods:
 - (i) Plan Year quarter
 - (ii) calendar month

- (iii) payroll period
- (iv) Other: _____
- (2) **Application to allocation conditions.** To the extent an employment or minimum service allocation condition applies under this AA §6B-6, such allocation condition will apply based on the period selected under subsection (1) above, unless designated otherwise below:
- (i) Only the employment condition will be based on the period selected in subsection (1) above.
- (ii) Only the minimum service condition will be based on the period selected in subsection (1) above.
- (iii) Describe any special rules: _____
- (e) **Exceptions.**
- (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:
- (i) dies.
- (ii) has a Severance from Employment due to becoming Disabled.
- (iii) becomes Disabled.
- (iv) has a Severance from Employment after attaining Normal Retirement Age.
- If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.
- (v) has a Severance from Employment after attaining Early Retirement Age.
- If this box is checked, this waiver of allocation conditions applies only once during the Participant's employment with the Employer. Thus, if an Employee is rehired after such a waiver was applied to such Employee, the waiver of allocation conditions will not apply to a subsequent Severance from Employment.
- (vi) is on an authorized leave of absence from the Employer.
- (2) The exceptions selected under subsection (1) do not apply to:
- (i) an employment condition designated under this AA §6B-6.
- (ii) a minimum service condition designated under this AA §6B-6.
- (iii) a Discretionary Matching Contribution.
- (iv) a Fixed Matching Contribution.
- (f) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for allocation purposes, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the BPD). The Equivalency Method will apply to:
- (1) All Employees.
- (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.
- (g) **Elapsed Time Method.** For purposes of determining an Employee's service for allocation purposes, the Plan will use the Elapsed Time Method
- (h) **Describe** any special rules governing the allocation conditions under the Plan: The Participant must contribute a minimum of 3% of Compensation to receive Employer Match

6B-7 **OPTIONAL TREATMENT OF MATCHING CONTRIBUTIONS AS ROTH CONTRIBUTIONS.** Unless elected otherwise below, a Participant may not elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Roth Deferrals.

- (a) A Participant MAY elect to treat a nonforfeitable Matching Contribution made on behalf of such Participant as a Roth Deferral. [**Note:** The Employer and/or Plan Administrator will develop operational procedures to assist in administering this election.]
- (b) Describe special any special rules relating to the optional treatment of nonforfeitable Matching Contributions as a Roth Deferral: _____

6B-8 **OPTIONAL TREATMENT OF QUALIFIED STUDENT LOAN PAYMENTS AS SALARY DEFERRALS FOR MATCHING CONTRIBUTIONS.** Unless elected otherwise below, Qualified Student Loan Payments are not treated as Salary Deferrals for Matching Contribution purposes under the Plan.

- (a) Effective ____ (no earlier than the first day of the Plan Year beginning after December 31, 2023), the Employer elects to make Matching Contributions on account of Qualified Student Loan Payments, as provided under BPD Section 3.04(e). The Employer may develop procedures to assist in the administration of this election and/or may specify any special rules under subsection (b) below.

- (b) Describe any special rules applicable to the optional treatment of Qualified Student Loan Payments as Salary Deferrals for Matching Contribution purposes: _____

6B-9 **SPECIAL RULES APPLICABLE TO MATCHING CONTRIBUTIONS.** The following special rules apply to Matching Contributions: _____

**SECTION 7
RETIREMENT AGES**

7-1 **NORMAL RETIREMENT AGE.** For purposes of applying the Special 457 Catch-Up Contribution under AA §6A-4(b) (and vesting, allocation and other provisions of the Plan referring to Normal Retirement Age, if applicable), Normal Retirement Age under the Plan is:

- (a) Age ____ (not earlier than age 65 or later than age 70 ½).
- (b) The earlier of age ____ (not earlier than age 65 or later than age 70 ½) or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD).
- (c) The Participant may designate a Normal Retirement Age that is on or after the earlier of age 65 or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD) but not later than age 70½.
- (d) The Participant may designate a Normal Retirement Age that is on or after age ____ (not earlier than age 65) but not later than age ____ (not later than age 70½).
- (e) Describe Normal Retirement Age: _____

Normal Retirement Age for Qualified Police (elect if applicable):

- (f) Age ____ (not earlier than age 40 or later than age 70 ½).
- (g) The earlier of age ____ (not earlier than age 40 or later than age 70 ½) or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(c) of the BPD).
- (h) The Participant may designate a Normal Retirement Age that is on or after the earlier of age 40 or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD) but not later than age 70½.
- (i) The Participant may designate a Normal Retirement Age that is on or after age 65 but not later than age 70½.
- (j) Describe Normal Retirement Age for Qualified Police: _____

Normal Retirement Age for Firefighters (elect if applicable):

- (k) Age ____ (not earlier than age 40 or later than age 70 ½).
- (l) The earlier of age ____ (not earlier than age 40 or later than age 70 ½) or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(c) of the BPD).
- (m) The Participant may designate a Normal Retirement Age that is on or after the earlier of age 40 or the date immediate retirement benefits are authorized under a pension plan maintained by the Employer (as set forth under Section 5.04(b) of the BPD) but not later than age 70½.
- (n) The Participant may designate a Normal Retirement Age that is on or after age 65 but not later than age 70½.
- (o) Describe Normal Retirement Age for Firefighters: _____

[*Note: A Participant’s Normal Retirement Age must be the same as such Participant’s normal retirement age under any other 457(b) plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.*]

**SECTION 8
VESTING AND FORFEITURES**

8-1 **CONTRIBUTIONS SUBJECT TO VESTING.** Does the Plan provide for Employer Contributions under AA §6 or Matching Contributions under AA §6B that are subject to vesting?

- Yes
- No [If “No” is checked, skip to Section 9.]

[*Note: The imposition of a vesting schedule creates a substantial risk of forfeiture with respect to the contributions subject to the vesting schedule. If a contribution is subject to a substantial risk of forfeiture, such contribution is not counted toward the Maximum Contribution Limit until the substantial risk of forfeiture lapses (i.e., the contributions are vested.). Where an amount is subject to a substantial risk of forfeiture, gains or losses allocable to the amount deferred, through the date that the substantial risk of forfeiture lapses, are taken into account in determining the amount that is considered deferred in the year in which the substantial risk of forfeiture lapses.*]

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows for both Employer Contributions and Matching Contributions, to the extent authorized under AA §6 and AA §6B. See Section 7.02(a) of the BPD for a description of the various vesting schedules under this AA §8-2. (Note: If the Employer imposes a vesting schedule, Employer Contributions and Matching Contributions, and attributable earnings, will count towards the Code §457(e)(15) Maximum Contribution Limit for the year in which the amounts become vested.)

- | ER | Match | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | (a) Full and immediate vesting. |
| <input type="checkbox"/> | <input type="checkbox"/> | (b) 3-year cliff vesting schedule |
| <input type="checkbox"/> | <input type="checkbox"/> | (c) 6-year graded vesting schedule |
| <input type="checkbox"/> | <input type="checkbox"/> | (d) Modified vesting schedule |
| | | ___% immediately on Plan participation |
| | | ___% after 1 Year of Service |
| | | ___% after 2 Years of Service |
| | | ___% after 3 Years of Service |
| | | ___% after 4 Years of Service |
| | | ___% after 5 Years of Service |
| | | 100% after 6 Years of Service |
| <input type="checkbox"/> | <input type="checkbox"/> | (e) Other: _____ |

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

- (a) None, all service with the Employer counts for vesting purposes.
- (b) Service before the original Effective Date of this Plan is excluded. (See Section 7.06 of the BPD for rules regarding Predecessor Service.)
- (c) Service completed before the Employee's ___ birthday is excluded.

8-4 **FULL VESTING.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee:

- (a) dies.
- (b) has a Severance from Employment due to becoming Disabled.
- (c) becomes Disabled.
- (d) attains Normal Retirement Age.
- (e) Other: _____
- (f) Not applicable. No increase in vesting applies.

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply.

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

- | ER | Match | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (a) Year of Service. Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ____ [<i>must be less than 1,000</i>] Hours of Service during a Vesting Computation Period. |
| <input type="checkbox"/> | <input type="checkbox"/> | (b) Vesting Computation Period. Instead of the Plan Year, the Vesting Computation Period is: <ul style="list-style-type: none"> <input type="checkbox"/> (1) The 12-month period beginning with the anniversary of the Employee’s date of hire. <input type="checkbox"/> (2) Describe: _____ [<i>Note: Any Vesting Computation Period described in (2) must be a 12-consecutive month period and must apply uniformly to all Participants.</i>] |
| <input type="checkbox"/> | <input type="checkbox"/> | (c) Elapsed Time Method. Vesting service will be determined under the Elapsed Time Method. (See Section 7.03(b) of the BPD.) |
| <input type="checkbox"/> | <input type="checkbox"/> | (d) Equivalency Method. For purposes of determining an Employee’s Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a)(2) of the BPD). The Equivalency Method will apply to: <ul style="list-style-type: none"> <input type="checkbox"/> (1) All Employees. <input type="checkbox"/> (2) Employees who are not paid on an hourly basis. For Employees paid on an hourly basis, vesting will be determined based on actual hours worked. If this (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method. <ul style="list-style-type: none"> <input type="checkbox"/> (3) Monthly. 190 Hours of Service for each month worked. <input type="checkbox"/> (4) Weekly. 45 Hours of Service for each week worked. <input type="checkbox"/> (5) Daily. 10 Hours of Service for each day worked. <input type="checkbox"/> (6) Semi-monthly. 95 Hours of Service for each semi-monthly period. <input type="checkbox"/> (7) Hours worked. 870 hours worked treated as 1,000 Hours of Service and 435 hours worked treated as 500 Hours of Service. <input type="checkbox"/> (8) Regular time hours. 750 regular time hours treated as 1,000 Hours of Service and 375 regular time hours treated as 500 Hours of Service. |

8-6 **ALLOCATION OF FORFEITURES.** The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-6 how forfeitures occurring during a Plan Year will be treated. [*Note: No elections are required under this AA §8-6, if the Employer decides to use its discretion on how to treat forfeitures.*]
Any forfeitures occurring during a Plan Year will be:

- | ER | Match | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | (a) N/A. All contributions are 100% vested. [<i>Do not complete the rest of this AA §8-6.</i>] |
| <input type="checkbox"/> | <input type="checkbox"/> | (b) Reallocated as additional Employer Contributions or as additional Matching Contributions. |
| <input type="checkbox"/> | <input type="checkbox"/> | (c) Used to reduce Employer and/or Matching Contributions. |

For purposes of subsection (b) or (c), forfeitures will be applied:

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (d) for the Plan Year in which the forfeiture occurs. |
| <input type="checkbox"/> | <input type="checkbox"/> | (e) for the Plan Year following the Plan Year in which the forfeitures occur. |

Prior to applying forfeitures under subsection (b) or (c):

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (f) Forfeitures may be used to pay Plan expenses. (See Section 7.08(c) of the BPD.) |
| <input type="checkbox"/> | <input type="checkbox"/> | (g) Forfeitures may not be used to pay Plan expenses. |

In determining the amount of forfeitures to be reallocated under subsection (b), the same allocation conditions apply as for the source for which the forfeiture is being allocated under AA §6-5 or AA §6B-6, unless designated otherwise below.

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | (h) Forfeitures are not subject to any allocation conditions. |
| <input type="checkbox"/> | <input type="checkbox"/> | (i) Forfeitures are subject to a last day of employment allocation condition. |

ER Match

- (j) Forfeitures are subject to a ____ Hours of Service minimum service requirement.

In determining the treatment of forfeitures under this AA §8-6, the following special rules apply:

- (k) Describe: _____

8-7 SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.

- (a) **Additional allocations.** If a Participant who has a Severance from Employment receives a complete distribution of such Participant’s vested Account Balance while still entitled to an additional allocation, the forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated.

To modify the default forfeiture rules, complete this AA §8-7(a).

- The forfeiture provisions will apply if a Participant who has a Severance from Employment takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives an Involuntary Cash-Out Distribution (as described in AA §9-4(a)) is treated as having an immediate forfeiture of such Participant’s nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon an Involuntary Cash-Out Distribution, complete this AA §8-7(b).

- A forfeiture will occur at the end of the ____ year following the Involuntary Cash-Out Distribution.

8-8 SPECIAL VESTING RULES.

ER Match

- Describe special vesting provisions: _____

**SECTION 9
DISTRIBUTION PROVISIONS**

9-1 AVAILABLE FORMS OF DISTRIBUTION.

Lump sum distribution. Unless selected otherwise under subsection (e) below, a Participant may take a distribution of such Participant’s entire vested Account Balance in a single lump sum.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1. If a lump sum distribution will not be provided under the Plan, check (e) below and indicate that no lump sum distribution is available under the Plan.

- (a) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon Severance from Employment.

- Minimum partial lump sum amount.** A Participant may not take a partial lump sum distribution of less than \$____.

- (b) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

- (c) **Installment distribution for required minimum distributions.** A Participant may take an installment distribution solely to the extent necessary to satisfy the required minimum distribution rules under Section 9 of the BPD.

- (d) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant’s vested Account Balance to purchase an annuity.

- (e) **Describe:** Repetitive Payments

[Note: Any additional distribution option described in (e) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-2 PERMISSIBLE DISTRIBUTION EVENTS.

- (a) **Distribution events.** A Participant may withdraw all or any portion of such Participant’s vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §9-2.

Deferral Match ER

- (1) No in-service distributions are permitted.

- (2) The attainment of age 59.5 (no earlier than age 59½).

- | Deferral | Match | ER | |
|-------------------------------------|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (3) The occurrence of an Unforeseeable Emergency, as described in Section 8.08 of the BPD.
<input type="checkbox"/> Participants who receive a distribution on the occurrence of an Unforeseeable Emergency may not make Salary Deferrals to the Plan for a period of 6 months. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (4) A Qualified Birth or Adoption Distribution, as described in Section 8.14 of the BPD. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (5) Upon a deemed Severance from Employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.05(c) of the BPD. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (6) An Emergency Personal Expense Distribution, as described in BPD Section 8.18. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (7) A Domestic Abuse Distribution, as described in BPD Section 8.19. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (8) A Qualified Disaster Recovery Distribution, as described in Section 8.17 of the BPD. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (9) A Qualified Long-Term Care Distribution, as described in Section 8.20 of the BPD. [Note: <i>Qualified Long-Term Care Distributions are not available under the Plan until after December 29, 2025.</i>] |
- (b) **Rollover Contributions.** Unless designated otherwise under this subsection (b), a Participant may withdraw amounts attributable to Rollover Contributions at any time. If this subsection (b) is selected, amounts attributable to Rollover Contributions may be distributed only upon the occurrence of the following event(s):
- (1) No in-service distributions are permitted.
 - (2) The attainment of age ____.
 - (3) The occurrence of an Unforeseeable Emergency, as described in Section 8.08 of the BPD.
 - (4) The Participant qualifies for a Qualified Birth or Adoption Distribution, as described in Section 8.14 of the BPD.
 - (5) Upon a deemed Severance from Employment when an individual is on active duty for a period of at least 30 days while performing service in the Uniformed Services, as described under Section 15.05(c) of the BPD.
 - (6) Describe: _____
- (c) **Distribution of Smaller Amounts.**
- (1) The Employer has discretion to make distribution of smaller amounts as described in Section 8.06 of the BPD.
 - (2) The Participant may withdraw a distribution of smaller amounts as described in Section 8.06 of the BPD.
 - (3) Special rules applicable to the distribution of smaller amounts: _____
- (d) **Describe any special distribution rules applicable to a Participant’s Transfer Account:** _____

9-3 **SPECIAL RULES FOR IN-SERVICE DISTRIBUTIONS.**

- (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.
- (b) A Participant may take no more than ____ in-service distribution(s) in a Plan Year.
- (c) A Participant may not take an in-service distribution of less than \$____.
- (d) A Participant may not take a distribution after Severance from Employment for the following in-service distributions elected under AA §9-2.
 - (1) Unforeseeable Emergency Distributions.
 - (2) Qualified Birth or Adoption Distributions.
 - (3) Emergency Personal Expense Distributions.
 - (4) Domestic Abuse Distributions.
 - (5) Qualified Long-Term Care Distributions.
- (e) Describe any special in-service distribution rules: _____

9-4 PARTICIPANT AND SPOUSAL CONSENT.

- (a) **Involuntary Cash-Out Distribution.** A Participant who has a Severance from Employment with a vested Account Balance of \$5,000 (or \$7,000, effective for distributions made after December 31, 2023) or less will receive an Involuntary Cash-Out Distribution in the form of a lump sum distribution, unless elected otherwise under this AA §9-4. If a Participant's vested Account Balance exceeds \$5,000 (or \$7,000, effective for distributions made after December 31, 2023), the Participant generally must consent to a distribution from the Plan, except to the extent provided otherwise under this AA §9-4.
- (1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A Participant who has a Severance from Employment must consent to any distribution from the Plan. (See Section 14.02(a) of the BPD for special rules upon Plan termination.)
- (2) **Involuntary Cash-Out Distribution threshold.** Instead of a vested Account Balance Involuntary Cash-Out Distribution threshold of \$5,000 (or \$7,000, effective for distributions made after December 31, 2023), a Participant who has a Severance from Employment will receive an Involuntary Cash-Out Distribution:
- (i) If the Participant's vested Account Balance is less than or equal to \$1,000.
- (ii) Regardless of the value of the Participant's vested Account Balance (i.e., a Participant who has a Severance from Employment always will receive an Involuntary Cash-Out Distribution and no Participant consent is required).
- (3) **Application of Automatic Rollover rules.**
- (i) The Automatic Rollover rules described in Section 8.09(f) of the BPD do not apply to any Involuntary Cash-Out Distribution below \$1,000, unless elected otherwise under this subsection (i). If this subsection (i) is checked, the Automatic Rollover provisions apply to all Involuntary Cash-Out Distributions (including those below \$1,000).
- (ii) The Automatic Rollover rules only apply to Involuntary Cash-Out Distributions of Participants who have not attained Normal Retirement Age or age 62, if later.
- (4) **Distribution upon attainment of stated age.** Participant consent will not be required with respect to distributions made upon attainment of Normal Retirement Age (or age 62, if later), regardless of the value of the Participant's vested Account Balance.
- (5) **Treatment of Rollover Contributions.** In determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9-4 and the Automatic Rollover provisions under Section 8.09(f) of the BPD, Rollover Contributions will be:
- (i) excluded.
- (ii) included.
- (b) **Spousal consent.** Spousal consent is not required for a Participant to receive a distribution or name an alternate Beneficiary, unless designated otherwise under this subsection (b).
- (1) **Distribution consent.** A Participant's spouse must consent to any distribution or loan, provided the Participant's vested Account Balance exceeds \$_____.
- (2) **Consent to Beneficiary.** A Participant's spouse must consent to naming someone other than the spouse as Beneficiary under the Plan.
- (3) **Spousal consent rights determined under administrative policy.** The Employer will establish spousal consent rights for the Plan under a separate administrative policy.
- (c) **Describe** any special rules relating to Participant or spousal consent: _____

9-5 **TIMING OF DISTRIBUTIONS.** The Plan Administrator will make distributions to a Participant (or Beneficiary) as soon as administratively feasible after the occurrence of an event, such as Severance from Employment, that allows a Participant or Beneficiary to receive a distribution. The Plan may condition the receipt of a distribution on Participant and/or spousal consent, as specified under AA §9-4.

9-6 DETERMINATION OF BENEFICIARY.

- (a) **Default beneficiaries.** Under Section 8.05(c) of the BPD, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.
- If this subsection (a) is checked, the default beneficiaries under Section 8.05(c) of the BPD are modified as follows:

- (1) The Plan adopts the default beneficiary rules under Section 8.05(c) of the BPD, except, if the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**.
- (2) The Plan adopts the default beneficiary rules under Section 8.05(c) of the BPD, except, if the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's estate.
- (3) The Plan adopts the default beneficiary rules under Section 8.05(c) of the BPD, except, if the Participant does not have a surviving spouse at the time of death, distribution will be made in the following order of priority: (1) to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**; (2) if there are no children, then to the Participant's surviving parents; and (3) if there are no surviving parents, to the Participant's estate.
- (4) Describe other modifications to the default beneficiaries under Section 8.05(c) of the BPD: To the extent a Beneficiary has not been named by the Participant to receive all of any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse. If the Participant does not have a surviving Spouse, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children) in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants). If the Participant has no surviving children, distribution will be made to the Participant's surviving parents in equal shares. If the Participant has no surviving parents, distribution will be made to the Participant's estate.

[Note: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.]

- (b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b).
- If this subsection (b) is checked, in order to be considered the surviving spouse, the Participant and surviving spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving spouse are not married for at least one year as of the date of the Participant's death, the spouse will not be treated as the surviving spouse for purposes of applying the distribution provisions of the Plan.
- (c) **Divorce of spouse.** Unless elected otherwise under this subsection (c), if a Participant designates such Participant's spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and spouse are divorced, the designation of the spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 8.05 of the BPD.
- If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and spouse.

[Note: Section 8.05 of the BPD and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 8.05 of the BPD.]

9-7 QUALIFIED DISTRIBUTIONS FOR RETIRED PUBLIC SAFETY OFFICERS.

Unless otherwise elected below, a Participant who is an eligible retired public safety officer may elect, after Severance from Employment, to have qualified health insurance premiums deducted from amounts to be distributed from the Plan that would otherwise be includible in gross income, and to have such amounts paid directly to the insurer or group health plan. (See Section 8.13 of the BPD.)

- If this subsection is checked, a Participant who is an eligible retired public safety officer may **NOT** elect to have qualified health insurance premiums deducted from amounts to be distributed from the Plan.

9-8 REQUIRED MINIMUM DISTRIBUTIONS

- (a) **Required Beginning Date.** In applying the required minimum distribution rules under Section 9 of the BPD, the Required Beginning Date is the later of attainment of age 72 (age 70 ½ for Participants who attained age 70 ½ prior to January 1, 2020) or Severance from Employment. To override this default provision, check this subsection (a).
- The Required Beginning Date is the date the Employee attains age 72 (age 70 ½ for Participants who attained age 70 ½ prior to January 1, 2020), even if the Employee is still employed with the Employer.
- (b) **Temporary Waiver for 2020 - Default if Participant failed to elect.** For purposes of applying the required minimum distribution rules for the 2020 calendar year, effective January 1, 2020 (or such later date as designated below), a

Participant (including an Alternate Payee or beneficiary of a deceased Participant) who was eligible to receive a required minimum distribution for the 2020 calendar year could elect whether to receive the 2020 RMD or 2020 Extended RMD (as defined in Section 9.05(a) of the BPD). If a Participant did not specifically elect to take the 2020 RMD or 2020 Extended RMD from the Plan, such distribution was not made for the 2020 calendar year. The Employer may modify this default rule below, provided such modification satisfies the requirements under Code §401(a)(9)(I) and any applicable IRS guidance. (The temporary waiver for 2020 does not apply to Plans that are established after 2020 and no elections are required for such Plans.)

- (1) **2020 RMDs and 2020 Extended RMDs were made.** 2020 RMDs and 2020 Extended RMDs were made to Participants who were otherwise required to receive a required minimum distribution for the 2020 calendar year, unless the Participant elected to not receive such distribution.
- (2) **2020 RMDs were not made, but 2020 Extended RMDs were made.** 2020 RMDs were not made for the 2020 calendar year, but 2020 Extended RMDs were made for the 2020 calendar year, unless the Participant elected otherwise.
- (3) **2020 RMDs were made, but 2020 Extended RMDs were not made.** 2020 RMDs were made for the 2020 calendar year, but 2020 Extended RMDs were not made for the 2020 calendar year, unless the Participant elected otherwise.
- (4) **Direct Rollovers.** Unless elected otherwise below, the Plan offered a Direct Rollover only for distributions that were Eligible Rollover Distributions in the absence of Code §401(a)(9)(I).
Instead of the default above, the following were treated as Eligible Rollover Distributions in 2020:
 - (i) 2020 RMDs
 - (ii) 2020 RMDs and 2020 Extended RMDs
 - (iii) 2020 RMDs, but only if paid with an additional amount that is an Eligible Rollover Distribution without regard to Code §401(a)(9)(I)
 - (iv) Describe: _____
- (5) **Describe other modifications of the default participant election rules:** _____
- (6) **Effective date.** Instead of January 1, 2020, the effective date of the amendment providing for a choice of whether a Participant or beneficiary could receive 2020 RMDs was effective: _____
- (7) **Describe any special rules, including any special effective dates, the Plan applied to RMDs for 2020:** _____

(c) **Required minimum distribution elections or rules.** Unless the Employer elects otherwise under this AA §9-8(c), RMDs under the Plan when the Participant dies prior to the Required Beginning Date shall be made as follows: (1) if the Participant does not have a Designated Beneficiary, distributions must satisfy the 5-year rule under Code §401(a)(9)(B)(ii); (2) if the participant has a Designated Beneficiary that is not an Eligible Designated Beneficiary, distributions must satisfy the 10-year rule; or (3) if the Participant has an Eligible Designated Beneficiary, distributions must satisfy the life expectancy rule. To override this default provision, complete (1) and/or (2) below.

- (1) **Application of life expectancy and 10-year rules to Eligible Designated Beneficiaries.** Instead of the default, the Plan will apply the following rule:
 - (i) The life expectancy rule applies to all Eligible Designated Beneficiaries.
 - (ii) The 10-year rule applies to all Eligible Designated Beneficiaries.
 - (iii) The entire interest of an Eligible Designated Beneficiary will be distributed by the end of the ____ calendar year [may not be greater than 9th] following the year the Participant dies.
 - (iv) The Participant or Eligible Designated Beneficiary may elect to apply either the 10-year rule or the life expectancy rule to determine the required minimum distributions when the Participant dies before such Participant's Required Beginning Date. If no election is timely made:
 - (A) the life expectancy rule applies to all Eligible Designated Beneficiaries.
 - (B) the 10-year rule applies to all Eligible Designated Beneficiaries.
 - (C) the 10-year rule, reduced to ____ years, applies to all Eligible Designated Beneficiaries.
 - (v) Describe the manner (including effective date) in which the 10-year rule and life expectancy rule apply to Eligible Designated Beneficiaries: _____
- (2) **Special rules.** Describe any special rules that apply for purposes of the required minimum distribution rules under Code §401(a)(9): _____

[*Note: Any special rules for determining required minimum distributions for calendar years beginning on or after January 1, 2022 (or such later date as specified in applicable regulations or guidance) must comply with proposed Treas. Reg §§1.401(a)(9)-1 through 1.401(a)(9)-9 issued on February 24, 2022 (or subsequent applicable final regulations).*]

9-9 **SPECIAL DISTRIBUTION RULES.**

Describe any additional distribution options or rules: _____

**SECTION 10
MISCELLANEOUS PROVISIONS**

10-1 **PLAN VALUATION.** The Plan is valued **annually**, as of the last day of the Plan Year. In addition, the Plan will be valued on the following dates:

Deferral	Match	ER	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) Daily. The Plan is valued at the end of each business day during which the New York Stock Exchange is open.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Monthly. The Plan is valued at the end of each month of the Plan Year.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Quarterly. The Plan is valued at the end of each Plan Year quarter.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Describe: _____

[Note: The Employer may elect operationally to perform interim valuations.]

10-2 **SPECIAL RULES FOR DETERMINING AMOUNT OF INCOME OR LOSS.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts: _____

10-3 **MILITARY SERVICE PROVISIONS -- BENEFIT ACCRUALS.** The benefit accrual provisions under Section 15.05(b) of the BPD do not apply. To apply the benefit accrual provisions under Section 15.05(b) of the BPD, check the box below.

- (a) **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section 15.05(b) of the BPD. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.
- (b) **Describe special rules applicable to military service:** _____

10-4 **AUTOMATIC PORTABILITY TRANSACTIONS.** If elected below or as set forth in separate administrative procedures, the Employer may elect to accept amounts pursuant to an automatic portability transaction as described in Code §4975(f)(12) and BPD Section 4.03.

- (a) **Plan will accept automatic portability transactions.** Check this box if the Plan will accept amounts pursuant to an automatic portability transaction as described in Code §4975(f)(12) and BPD Section 4.03.
- (b) **Describe special rules applicable automatic portability transactions:** _____

10-5 **GOVERNING LAW.** Unless designated otherwise below, the provisions of this Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state in which the Employer has its principal place of business.

The provisions of the Plan shall be construed, administered, and enforced in accordance with the provisions of applicable Federal Law and, to the extent applicable, the laws of the state of _____.

10-6 **OTHER SPECIAL RULES APPLICABLE TO THIS PLAN.** The following special rules, including the applicability of any vendor agreements, apply to this Plan: _____

**APPENDIX A
SPECIAL EFFECTIVE DATES**

- A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:

- A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:

- A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

- A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:

- A-5 **Salary Deferrals.** The Salary Deferral provisions under AA §6A are effective as follows:

- A-6 **Matching Contributions.** The Matching Contribution provisions under AA §6B are effective as follows:

- A-7 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:

- A-8 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:

- A-9 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

- A-10 **Miscellaneous provisions.** The provisions under AA §10 are effective as follows:

- A-11 **Special effective date provisions for merged plans.** If any Code §457(b) plan has been merged into this Plan, the following provisions apply:

- A-12 **Other special effective dates:**

**APPENDIX B
LOAN POLICY**

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Agreement by substituting an updated Appendix B with new elections.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the BPD.)

- (a) Yes
- (b) No

B-2 **LOAN PROCEDURES.**

- (a) Loans will be provided under the default loan procedures set forth in Section 13 of the BPD, unless modified under this Appendix B.
- (b) Loans will be provided under a separate written loan policy.

[Note: If this subsection (b) is checked, do not complete the rest of this Appendix B.]

B-3 **AVAILABILITY OF LOANS.** Participant loans are available to all Participants and Beneficiaries. Participant loans are not available to a former Employee or Beneficiary. To override this default provision, complete this AA §B-3.

- A former Employee or Beneficiary who has a vested Account Balance may request a loan from the Plan.

B-4 **LOAN LIMITS.** The default loan policy under Section 13.03 of the BPD allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant’s vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant’s vested Account Balance, check this AA §B-4.

- A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance.

[Note: If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the BPD.]

B-5 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the BPD restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

- (a) A Participant may have ___ loans outstanding at any time.
- (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 **LOAN AMOUNT.** The default loan policy under Section 13.04 of the BPD provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

- (a) There is no minimum loan amount.
- (b) The minimum loan amount is \$_____.
- (c) The maximum loan amount is \$_____.

B-7 **INTEREST RATE.** The default loan policy under Section 13.05 of the BPD provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.

- (a) The prime interest rate
 - plus ___ percentage point(s).

- (b) Describe: _____

[Note: Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.]

B-8 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the BPD provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, complete this AA §B-8.

- A Participant may only receive a Participant loan under the following circumstances: _____

- B-9 **APPLICATION OF LOAN LIMITS.** If Participant loans are not available from all contribution sources, the limitations under Code §72(p) and the adequate security requirements of the Department of Labor regulations will be applied by taking into account the Participant's entire Account Balance. To override this provision, complete this AA §B-9.
- The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.
- B-10 **CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.
- The cure period for determining when a Participant loan is treated as in default will be _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed.
- B-11 **PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant's primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years.
- (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.
- (b) The loan repayment period for the purchase of a principal residence may not exceed _____ years (may not exceed 30).
- (c) Loans for the purchase of a Participant's primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans.
- B-12 **SEVERANCE FROM EMPLOYMENT.** Section 13.10 of the BPD provides that a Participant loan becomes due and payable in full upon the Participant's Severance from Employment. To override this default provision, complete this AA §B-12.
- A Participant loan will not become due and payable in full upon the Participant's Severance from Employment.
- B-13 **DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.10(b) of the BPD provides that upon Severance from Employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-13.
- A Participant may **not** request the Direct Rollover of the loan note upon Severance from Employment.
- B-14 **LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.
- (a) A Participant may **not** renegotiate the terms of a loan.
- (b) The following special provisions apply with respect to renegotiated loans: _____
- B-15 **SOURCE OF LOAN.** Participant loans may be made from all available contribution sources, to the extent vested, unless designated otherwise under this AA §B-15.
- Participant loans will not be available from the following contribution sources: _____
- B-16 **SPOUSAL CONSENT.** Spousal consent is not required for a Participant to receive a loan. To override this provision, complete this AA §B-16.
- Spousal consent is required to receive a Participant loan.
- B-17 **MODIFICATIONS TO DEFAULT LOAN PROVISIONS.**
- The following special rules will apply with respect to Participant loans under the Plan: _____
- [Note: Any provision under this AA §B-17 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.]*

**APPENDIX C
 ADMINISTRATIVE ELECTIONS**

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without re-executing this Agreement by substituting an updated Appendix C with new elections.

C-1 DIRECTION OF INVESTMENTS. Are Participants permitted to direct investments?

- (a) No
- (b) Yes

Specify Accounts:

- (1) All Accounts
- (2) Pre-Tax Salary Deferral Account
- (3) Roth Deferral Account
- (4) Matching Contribution Account
- (5) Employer Contribution Account
- (6) Rollover Contributions Account
- (7) Transfer Account
- (8) Other: _____

(c) Describe any special rules that apply for purposes of direction of investments: _____

C-2 ROLLOVER CONTRIBUTIONS. Does the Plan accept **Rollover Contributions**?

- (a) No
- (b) Yes

- (1) If this subsection (1) is checked, an Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan.
- (2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Employees with an Account Balance under the Plan.

(3) Describe any special rules for accepting Rollover Contributions: _____

[Note: The Employer may designate in this subsection (3), or in separate written procedures, the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.]

C-3 QDRO PROCEDURES. Do the **default QDRO procedures** under Section 11.06 of the BPD apply?

- (a) No
- (b) Yes

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

- (a) The adoption of a **new plan**, effective _____ [Date can be no earlier than the first day of the Plan Year in which the Plan is adopted].
- (b) The **restatement** of an existing plan, effective January 1, 2024 [Date can generally be no earlier than the first day of the Plan Year in which the Plan is adopted].
 - (1) Name of Plan(s) being restated: Township of Tilden 457(b) Deferred Compensation Plan
 - (2) The original effective date of the plan(s) being restated: December 29, 1997
- (c) An **amendment** of the Plan. If this Plan is being amended, the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
 - (1) Effective Dates(s) of amendment: ____ [Date can generally be no earlier than the first day of the Plan Year in which the Plan is adopted]
 - (2) Name of plan being amended: _____
 - (3) The original effective date of the plan(s) being amended: _____
 - (4) Identify the section(s) of the Adoption Agreement being amended: _____

Township of Tilden, MI
(Name of Employer)

(Name of authorized representative) (Title)

(Signature - Electronically signed) (Date)

Employers should consult with legal counsel to ensure that the Plan meets applicable federal, State and local law requirements.

The IRS does not maintain a pre-approved plan program or a determination letter program for Code §457(b) plans. Employers who want the Internal Revenue Service to review their Code §457(b) plan document or consider any other document form issue may request a private letter ruling. See Revenue Procedure 2023-1 (or annual successor Revenue Procedure) for details.

TRUST DECLARATION

Effective date of Trust Declaration: January 1, 2024

The Trustee's Investment Powers are:

- (a) **Discretionary.** A Trustee is a Discretionary Trustee to the extent the Trustee has exclusive authority and discretion with respect to the investment, management or control of Plan assets.
- (b) **Nondiscretionary.** A Trustee is a Directed Trustee with respect to the investment of Plan assets to the extent the Trustee is subject to the direction of the Plan Administrator or the Employer.
- (c) **No Trustee.** Plan is funded exclusively with custodial accounts, annuity contracts, and/or insurance contracts. (See Section 12.12 of the BPD.)
- (d) **Determined under a separate trust agreement.**

Name of Trustee: _____

Title of Trust Agreement: _____

Address: _____

Description of any special Trustee powers: _____

Certificate Of Completion

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From time to time, Nationwide Insurance (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Nationwide Insurance:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docusign@asc-net.com

To advise Nationwide Insurance of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at docusign@asc-net.com and in the body of such request you must state: your previous

email address, your new email address. We do not require any other information from you to change your email address

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Nationwide Insurance

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to docusign@asc-net.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Nationwide Insurance

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

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- ii. send us an email to docusign@asc-net.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process.

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The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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ESTIMATE

Range Telecommunications
2342 US 41 W
Marquette, MI 49855-2456

admin@rangetele.com
+1 (906) 228-7000
www.rangetele.com



Bill to
100664
TILDEN TOWNSHIP
3145 CO RD PG
ISHPEMING, MI 49849 USA

Ship to
100664
TILDEN TOWNSHIP
3145 CO RD PG
ISHPEMING, MI 49849 USA

Estimate details

Estimate no.: 1062
Estimate date: 10/22/2025
Expiration date: 11/12/2025

Sales Rep: Mike Kerkela,
Kerkela@rangetele.com

Product or service	Description	Qty	Rate	Amount
General Item	Antenna Expansion Kit (50 Ohm)	1	\$240.00	\$240.00
Labor - Service Shop		1	\$145.00	\$145.00
Travel Charge		1	\$145.00	\$145.00
Total				\$530.00
			Expiry date	11/12/2025

Accepted date

Accepted by



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BLUE CARE
NETWORK



Small group renewal package

for

TILDEN TOWNSHIP

Customer ID: 124097

Renewal period beginning January, 2026

Published September 25, 2025

Account contacts

TILDEN TOWNSHIP

Active account contacts are listed below. Please review and make updates via a Maintenance Change in OneSource. Billing contacts may vary by segment.

Name	Role	Phone	Email
Tara Aho	Administrative	9064866580	tildenclerk@tildentwp.org
FRED VANLUVEN	Decision Maker;Executive Sponsor;Other	9064866580	tildentwp@tildentwp.org
TARA AHO			

Rate renewal change

TILDEN TOWNSHIP

CID: 124097 Rate effective: 1/1/2026
 Agent: BRIAN EDWARD MILLER Agency: MICHIGAN PLANNERS, INC.

BCN rate renewal change Current premium¹ Renewal premium¹

Total billable members ²	2	2
Total medical & pharmacy premium ³	\$1,050.95	\$1,176.51
Total dental premium	\$54.67	\$58.96
Total vision premium	\$12.14	\$12.75
Total monthly premium	\$1,117.76	\$1,248.22
Total annual premium	\$13,413.12	\$14,978.64

Projected change in monthly premium 11.67%

BCN components of rate change⁴

Components	Medical ³ & Pharmacy	Dental	Vision
Change to current rate	9.97%	6.42%	3.00%
Benefit differences ⁵	0.67%	-0.32%	0.66%
Area	-0.15%	0.00%	0.00%
Age	1.28%	1.67%	1.30%
Dependent cap	0.00%	0.00%	0.00%
Total rate change	11.95%	7.85%	5.02%

1. Premiums are based on enrollment at the time of renewal development.

2. Count based on snapshot as of 9/16/2025.

3. Medical includes Pediatric Vision.

4. The figures reflect commercial plans only.

5. Benefit Differences accounts for any changes related to moving to a healthcare reform compliant plan, members aging out of pediatric dental, members aging into adult vision and/or changes in Taxes & Fees.

Benefit summary description

TILDEN TOWNSHIP

DIV: 00124097_0001_0001

New hire narrative: The employee coverage will be effective the 91st day from the date of hire.

Rehire narrative*: The employee coverage will be effective the 91st day from the date of rehire

New hire/Rehire exception:

	Current benefits	Renewal compliant benefit conversion
Medical	2025 BCN HSASM Gold Option 3	2026 BCN HSASM Gold Option 3
Deductible (individual) ¹	\$3300	\$3400
Coinsurance ¹	0%	0%
Office visit copay ¹	Deductible Copay	Deductible Copay
Emergency room copay ¹	Deductible Copay	Deductible Copay
Out-of-pocket maximum ¹	\$3300	\$3400
Embedded Coinsurance Maximum ¹		
Drug	Deductible	Deductible
Metal level ¹	Gold	Gold
Dental	Blue DentalSM PPO Plus 100/80/50 1000 SG	Blue DentalSM PPO Plus 100/80/50 1000 SG
Annual max ¹	\$1000	\$1000
Contribution type	Non-Voluntary	Non-Voluntary
Vision	Blue VisionSM 12/12/12 \$5/\$10	Blue VisionSM 12/12/12 \$5/\$10
Contribution type	Non-Voluntary	Non-Voluntary
Total monthly premium	\$1,117.76	\$1,248.22

For a more detailed description of benefits, please refer to the Agent Portal.²

1. BCBSM plans will display values to represent "in-Network".

2. BAAGs and SBCs can be found on the Agent Portal.

*Note, most groups do not have a separate rehire narrative. In this case, the new hire narrative would apply to both new hires and rehires.

Reference Number: 437

Blue Cross Blue Shield of Michigan and Blue Care Network reserve the right to adjust rates if any of the assumptions or calculations used to develop the rates are incorrect.

Blue Care Network Benefit and rate schedule

TILDEN TOWNSHIP

Group ID:00124097 Subgroup:0001 Class:0001
 Subgroup Name:TILDEN TOWNSHIP Class Name:ACTIVE
 Rating Area: P

Your benefit package has been renewed at the following rates and is effective from 01/01/2026 through 12/31/2026.

Medical: 2026 BCN HSASM Gold Option 3

3400HD	\$3,400 individual/\$6,800 family Deductible
340MHD	\$3,400 per member/\$6,800 per family Out-of-Pocket Maximum
50CWHD	Coinsurance waver for services covered at 50%
EDEPM	Embedded Deductible and out of pocket maximum rider
HDHPSM	High Deductible Health Plan Certificate of Coverage for Small Groups
PVSN	Pediatric Vision - Small Groups

Complementary Medical: BCN65

65E250	\$250 Emergency Room Copay
65OV25	\$25 Office Visit Copay
65UR50	\$50 Urgent Care Copay
BCN65	Certificate of Coverage BCN65
MMHSAP	Mental Health Parity Rider
ONVCW	Online Office Visit Copayment Waiver Rider

Pharmacy: P0CSHD, MOPD0, 3400HD, 340MHD, EDEPM, RXVAR

P0CSHD, MOPD0, 3400HD, 340MHD, EDEPM, RXVAR	0% coinsurance after integrated deductible/covered in full after deductible - Custom Select Drug List
---	---

Complementary Pharmacy: P154CS, MOPD20, 65RXPM, RXVAR

P154CS, MOPD20, 65RXPM, RXVAR	\$15/\$40/\$60/\$80/20%/20% Prescription Drug Rider
-------------------------------	---

Dental: Blue DentalSM PPO Plus 100/80/50 1000 SG

100/80/50-1000	RIDER BD PPO PLUS 100/80/50-1000-2022 SG BLUE DENTAL
BD-SG	BLUE DENTAL GROUP BENEFITS CERTIFICATE SG
BDPEDOPM450/900	RIDER BD PED OPM \$450/\$900 SG BLUE DENTAL PEDIATRIC OUT-OF-POCKET MAXIMUM

Complementary Dental: BD-SG

100/80/50-1000	RIDER BD PPO PLUS 100/80/50-1000-2022 SG BLUE DENTAL
ADM MOS816 DNTL	ADMINISTRATIVE RIDER COMP BENEFITS - DENTAL
BD-SG	BLUE DENTAL GROUP BENEFITS CERTIFICATE SG
BDPEDOPM450/900	RIDER BD PED OPM \$450/\$900 SG BLUE DENTAL PEDIATRIC OUT-OF-POCKET MAXIMUM

Vision: Blue VisionSM 12/12/12 \$5/\$10

BV AO FRAME 200	RIDER BV-AO-FA \$200 BLUE VISIONSM ADULT ONLY FRAME ALLOWANCE-\$200
BV-ADULT	BLUE VISION ADULT-ONLY GROUP BENEFITS CERTIFICATE SG
BVFL SG	RIDER BVFL-SG - BLUE VISION FREQUENCY LIMITS (12-12-12)

Complementary Vision: BV-ADULT

ADM MOS816 VIS	ADMINISTRATIVE RIDER COMP BENEFITS - VISION
BV AO FRAME 200	RIDER BV-AO-FA \$200 BLUE VISIONSM ADULT ONLY FRAME ALLOWANCE-\$200
BV-ADULT	BLUE VISION ADULT-ONLY GROUP BENEFITS CERTIFICATE SG
BVFL SG	RIDER BVFL-SG - BLUE VISION FREQUENCY LIMITS (12-12-12)

****Rates are subject to change based on Dept. of Insurance & Financial Services approval****

To comply with requirements of the Affordable Care Act, groups may be required to make changes to their health insurance coverage. If necessary, this may result in an adjustment to the rates. Consult with your legal counsel for any legal advice on how you may comply with the law and regulations and the applicability to your plan.

Blue Cross Blue Shield of Michigan and Blue Care Network rates are guaranteed for the period stated above. However Blue Cross and BCN reserve the right to adjust rates if any of the assumptions or calculations used to calculate the rates are incorrect. Blue Cross and BCN are prepaid health plans and payment is due on or before the date noted on your billing statement.

If you have questions or wish to discuss other Blue Cross and BCN benefit plans, contact your Blue Cross sales representative or agent. We appreciate your business and look forward to providing your continuing health benefit needs.

Blue Care Network Benefit and rate schedule

TILDEN TOWNSHIP

Group ID:00124097 Subgroup:0001 Class:0001

Subgroup Name:TILDEN TOWNSHIP Class Name:ACTIVE

Rating Area: P

Your benefit package has been renewed at the following rates and is effective from 01/01/2026 through 12/31/2026.

Age	Total	Medical + Pharmacy	Dental	Vision
0	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
1	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
2	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
3	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
4	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
5	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
6	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
7	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
8	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
9	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
10	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
11	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
12	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
13	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
14	\$ 390.05	\$ 354.34	\$ 35.71	\$ 0.00
15	\$ 421.55	\$ 385.84	\$ 35.71	\$ 0.00
16	\$ 433.59	\$ 397.88	\$ 35.71	\$ 0.00
17	\$ 445.63	\$ 409.92	\$ 35.71	\$ 0.00
18	\$ 458.60	\$ 422.89	\$ 35.71	\$ 0.00
19	\$ 464.94	\$ 435.86	\$ 23.00	\$ 6.08
20	\$ 478.37	\$ 449.29	\$ 23.00	\$ 6.08
21	\$ 492.17	\$ 463.19	\$ 23.00	\$ 5.98
22	\$ 492.30	\$ 463.19	\$ 23.21	\$ 5.90
23	\$ 492.47	\$ 463.19	\$ 23.44	\$ 5.84
24	\$ 492.68	\$ 463.19	\$ 23.69	\$ 5.80
25	\$ 494.77	\$ 465.04	\$ 23.97	\$ 5.76
26	\$ 504.30	\$ 474.31	\$ 24.25	\$ 5.74
27	\$ 515.68	\$ 485.42	\$ 24.52	\$ 5.74
28	\$ 534.08	\$ 503.49	\$ 24.85	\$ 5.74
29	\$ 549.23	\$ 518.31	\$ 25.17	\$ 5.75
30	\$ 557.01	\$ 525.72	\$ 25.51	\$ 5.78
31	\$ 568.51	\$ 536.84	\$ 25.86	\$ 5.81
32	\$ 580.04	\$ 547.95	\$ 26.23	\$ 5.86
33	\$ 587.43	\$ 554.90	\$ 26.62	\$ 5.91
34	\$ 595.29	\$ 562.31	\$ 27.01	\$ 5.97

Age	Total	Medical + Pharmacy	Dental	Vision
35	\$ 599.47	\$ 566.02	\$ 27.42	\$ 6.03
36	\$ 603.68	\$ 569.72	\$ 27.86	\$ 6.10
37	\$ 607.90	\$ 573.43	\$ 28.30	\$ 6.17
38	\$ 612.14	\$ 577.13	\$ 28.76	\$ 6.25
39	\$ 620.12	\$ 584.55	\$ 29.24	\$ 6.33
40	\$ 628.10	\$ 591.96	\$ 29.72	\$ 6.42
41	\$ 639.80	\$ 603.07	\$ 30.23	\$ 6.50
42	\$ 651.08	\$ 613.73	\$ 30.76	\$ 6.59
43	\$ 666.52	\$ 628.55	\$ 31.29	\$ 6.68
44	\$ 685.68	\$ 647.08	\$ 31.84	\$ 6.76
45	\$ 708.11	\$ 668.85	\$ 32.41	\$ 6.85
46	\$ 734.71	\$ 694.79	\$ 32.99	\$ 6.93
47	\$ 764.57	\$ 723.97	\$ 33.59	\$ 7.01
48	\$ 798.61	\$ 757.32	\$ 34.21	\$ 7.08
49	\$ 832.18	\$ 790.20	\$ 34.83	\$ 7.15
50	\$ 869.95	\$ 827.26	\$ 35.47	\$ 7.22
51	\$ 907.27	\$ 863.85	\$ 36.14	\$ 7.28
52	\$ 948.29	\$ 904.15	\$ 36.81	\$ 7.33
53	\$ 989.79	\$ 944.91	\$ 37.50	\$ 7.38
54	\$ 1034.54	\$ 988.91	\$ 38.21	\$ 7.42
55	\$ 1079.27	\$ 1032.91	\$ 38.92	\$ 7.44
56	\$ 1127.74	\$ 1080.62	\$ 39.66	\$ 7.46
57	\$ 1176.68	\$ 1128.79	\$ 40.42	\$ 7.47
58	\$ 1228.86	\$ 1180.21	\$ 41.18	\$ 7.47
59	\$ 1255.09	\$ 1205.68	\$ 41.96	\$ 7.45
60	\$ 1307.29	\$ 1257.10	\$ 42.77	\$ 7.42
61	\$ 1352.51	\$ 1301.56	\$ 43.57	\$ 7.38
62	\$ 1382.46	\$ 1330.74	\$ 44.40	\$ 7.32
63	\$ 1419.84	\$ 1367.34	\$ 45.25	\$ 7.25
64	\$ 1442.83	\$ 1389.57	\$ 46.10	\$ 7.16
65+	\$ 1442.73	\$ 1389.57	\$ 46.10	\$ 7.06

Medicare supplemental benefit rates				
Age	Total	Medical + Pharmacy	Dental	Vision
All	\$ 681.80	\$ 628.64	\$ 46.10	\$ 7.06

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Renewal highlights

What you need to know for 2026



Blue Cross
Blue Shield
Blue Care Network
of Michigan

MEDICAL PRODUCTS

Additional PCP Focus options for HMO

To help meet market demand for affordable HMO options that don't shift costs to employees or further complicate benefits, we're expanding our PCP Focus product into 11 additional counties, starting Jan. 1, 2026. PCP Focus is available to groups with fewer than 300 Blue Care Network enrolled contracts.

BCN is also pairing a PCP Focus plan with every broad network HMO plan: BCN HMOSM, BCN HRASM, BCN HSASM, BCN HMO Fixed CostSM and Healthy *Blue Living*SM. This change allows you to offer multiple HMO plans and leverage PCP Focus as a buy-down strategy.

New plan designs

For greater continuity across the Blue Cross Blue Shield of Michigan and BCN product portfolios, we've introduced five new plan designs. These include HSA, HRA and classic plan types for both the PPO and HMO products.

Additionally, we're introducing new non-HSA plans with high deductibles ranging from \$4,000 to \$6,000 and 0% coinsurance. There will be three new options each for PPO and HMO and one new option for POS.

Discontinuation of Routine Care PPO and HMO plans

Due to minimal market demand and low membership, we're removing the Routine Care plans from our PPO and HMO product menus and marketing materials. If you're currently enrolled in one of the affected plans, you'll be moved to a comparable plan at renewal.

HSA indexing

Due to the annual IRS HSA indexing of minimum deductibles, the high-deductible health plan minimum deductible is increasing, effective with 2026 renewals.

If you currently have a \$1,650 aggregate or \$3,300 embedded plan, we'll update you to a \$1,700 or \$3,400 deductible plan, respectively.

SPECIALTY BENEFITS

Dental

Additional cleanings for employees with qualifying conditions

Blue Cross and BCN are offering an additional dental cleaning to employees with diabetes or cardiovascular disease and those who are pregnant. This benefit is available at no additional cost to your organization when you have medical and dental coverage with Blue Cross or BCN.

Adult orthodontics coverage change

Effective Jan. 1, 2026, or at your group's renewal, existing riders will be updated to remove the age restriction for Class IV orthodontic services.

Pediatric out-of-pocket maximum change

The pediatric out-of-pocket maximum for small group dental plans is increasing from \$425 for one member and \$850 for two or more members to \$450 for one member and \$900 for two or more. New riders will be created for this change.

Vision

The allowance for frames is increasing from \$130 to \$200 for Blue VisionSM plans, excluding the EasyOptionsSM plans. This benefit change will be effective Jan. 1, 2026, for new groups and at renewal if you currently have Blue Vision. The elective contact lens allowance remains at \$130.

Pharmacy

There are no changes to pharmacy plans for 2026.

Lowered minimum enrollment requirement for voluntary dental and vision coverage

To improve and expand our dental and vision products, we're lowering the participation levels for voluntary dental and vision coverage.

As of April 1, 2025, the minimum enrollment requirement to offer voluntary dental or vision coverage, including standalone dental benefits, decreased from 10 to two contracts. The 30% participation requirement still applies.



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AND
BLUE CARE
NETWORK

Glossary

Age (component of rate change)

This represents changes due to members aging since the prior renewal. For example, if a group has one member who aged from 21 to 22 since the prior renewal, and the age factors are 1.00 and 1.01 respectively, the percentage change due to age is 1%.

Area (component of rate change)

This represents the change in area factors from the prior renewal period due to higher or lower projected claims costs in a rating area. For example, this percentage will be positive for an area where projected claims cost increases were higher than average.

Benefit differences (component of rate change)

This represents the aggregate of changes to all benefits and product pricing relativity from the prior renewal period. This component also includes the rating impact of any plan benefit being mapped to health-care-reform-compliant products from the prior year. Blue Cross and BCN also include changes due to members aging out of pediatric dental or members aging in to adult vision plans.

For example, if projected claims cost increases compared to the prior year were higher for high-deductible plans than for other plans, then this percentage will be positive for high-deductible plans. If there's more than one plan per carrier, the change will be the aggregate change for all renewing plans of each carrier.

Billable member

A subscriber, spouse, or eligible dependents of the subscriber entitled to benefits under the subscriber's certificate. Blue Cross and BCN only include the three oldest children younger than 21 as billable members.

Change to current rate (component of rate change)

This represents the overall change of rate levels from the prior renewal period. We reflect trends, and their favorable or unfavorable results, in this component. For example, if we expect the overall pool to see increased claims costs from the prior year, then this percentage will be positive.

Dependent cap (component of rate change)

This component represents the effect of children turning 21 for the upcoming renewal when other children were not billable members for the prior renewal.

For example, a family with four children younger than 21 on their prior renewal would have only been charged for the three oldest children. If one of the children is 21 for the upcoming renewal, the family premium will include rates for all four children, and this component will be positive.



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Glossary, continued

Full-time equivalent

A method to count employees that determines the group size, using an average count from each month of the prior calendar year. Employees working 120 hours or more in a month each count as one full-time employee, while we prorate employees working less than that. We round down the average to the nearest whole number. We exclude seasonal employees working fewer than 120 days per year and employees who have medical coverage under TRICARE or certain Veterans Administration programs from this count.

Rating area

A group's rating area will be determined based on the employer's primary Michigan location.

Renewal-compliant benefit

Health care reform regulations require all small groups have health-care-reform-compliant products. We map small groups to health-care-reform-compliant products at each renewal.

Small group rating type

Groups with a count of 50 or fewer FTEs and with at least one eligible employee enrolling.

Summary of Benefits and Coverage

The *Summary of Benefits and Coverage* is a document available to subscribers, which describes their covered benefits, cost sharing, coverage limitations and exceptions.

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AllPaid
7820 Innovation Boulevard Suite 250
Indianapolis, IN 46278
24hr. Customer Service #: 888-604-7888

Environmental Health Payment Confirmation (Ref #: 48894770)

PLC: Marquette County Health Department
A00085 184 U. S. 41 East
Negaunee, Michigan 49866
For: Environmental Health

Date: 11/07/2025 15:26 EST

TRANSACTION INFORMATION

Name Of Person:	Jeff West	Transaction Reference #:	48894770
Address Of Facility:	100 Portage Street Houghton, Mi 49931	Transaction Date/Time:	11/07/2025 15:26 EST
Day-time Contact Phone:	(906)482-4810		
Pay Code :	Well & Septic Site Evaluation/revisit		
Comments:	Site Evaluations For (5) Lots In Tilden Twp @ The National Mine School Site.		

BILLING INFORMATION

Name: Jeff West
Address: 100 Portage Street
City, State Zip: Houghton, Mi 49931
Phone #: (906)482-4810
Card #: xxxx-xxxx-xxxx-1191

PAYMENT INFORMATION

Approval #:	417062
Payment Amount:	\$575.00
Service Fee:	\$23.25
Total Amount:	\$598.25

The service fee is not refundable.

ATTENTION CARDHOLDER

If you have questions about the processing of your payment, please call AllPaid at 888-604-7888.

Thank you for using AllPaid



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Proposal Request For:

TILDEN TOWNSHIP
MI 49849

Presented By:

BRIAN EDWARD MILLER

Requested Effective Date: 1/1/2026

Renewal Month: January

Quote ID: 00296413

Quote Name: TILDEN TOWNSHIP-Quote-AQ

Quote Type: Alternate Quote

Rating Area: P

Small Group Census with Rates

Dental Contribution Type: Non-Voluntary
Vision Contribution Type: Non-Voluntary

Dental Plan: Blue Dental PPO Plus 100/80/50 1000 SG						
First Name	Last Name	Date of Birth	Age	Relationship	Member Type	Rate
MATTHEW	CHAMPION	5/8/1985	40	Employee	Regular	\$29.72
					Family Total:	\$29.72
STEFAN	BUTLER	3/23/1986	39	Employee	Regular	\$29.24
					Family Total:	\$29.24
					Total Premium:	\$58.96

Medical Plan: 2026 BCN HSA Gold Option 3						
First Name	Last Name	Date of Birth	Age	Relationship	Member Type	Rate
MATTHEW	CHAMPION	5/8/1985	40	Employee	Regular	\$591.96
					Family Total:	\$591.96
STEFAN	BUTLER	3/23/1986	39	Employee	Regular	\$584.55
					Family Total:	\$584.55
					Total Premium:	\$1176.51

Medical Plan: 2026 BCN HSA Silver Option 1						
First Name	Last Name	Date of Birth	Age	Relationship	Member Type	Rate
MATTHEW	CHAMPION	5/8/1985	40	Employee	Regular	\$516.4
					Family Total:	\$516.4
STEFAN	BUTLER	3/23/1986	39	Employee	Regular	\$509.94
					Family Total:	\$509.94
					Total Premium:	\$1026.34

Vision Plan: Blue Vision 12/12/12 \$5/\$10						
First Name	Last Name	Date of Birth	Age	Relationship	Member Type	Rate
MATTHEW	CHAMPION	5/8/1985	40	Employee	Regular	\$6.42
					Family Total:	\$6.42
STEFAN	BUTLER	3/23/1986	39	Employee	Regular	\$6.33
					Family Total:	\$6.33
					Total Premium:	\$12.75

- * We reserve the right to adjust rates if any of the assumptions or calculations used in the quoting process are incorrect. Final rates will be determined based on actual group enrollment and participation.
- * Plans and rates are not final until they have been approved by DIFS and CMS
- * Your agent is providing a Summary of Benefits and Coverage with this quote.
- * To comply with the Patient Protection and Affordable Care Act, groups may be required to make changes to their health insurance coverage. This may result in an adjustment to the rates.



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Benefits-at-a-Glance 2026 BCN HSA Gold Option 3 TILDEN TOWNSHIP Effective Date: 01/01/2026

This is intended as an easy-to-read summary and provides only a general overview of your benefits. **It is not a contract.** Additional limitations and exclusions may apply to covered services. For a complete description of benefits, please see the applicable Blue Care Network certificates and riders. Payment amounts are based on the Blue Care Network approved amount, less any applicable deductible, coinsurance and/or copay amounts required by the plan. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan documents, the plan document will control. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan. Services must be provided or arranged by the member's primary care physician or health plan.

Preauthorization for Select Services - Services listed in this summary are covered when provided in accordance with Certificate requirements and, when required, are preauthorized or approved by BCN except in an emergency.

Note: A list of services that require approval **before** they are provided is available online at <https://bcbsm.com/priorauth>.

Member's responsibility (deductibles, copays, coinsurance and dollar maximums)

Benefits	
Deductible Note: The Deductible will apply to all services except preventive services	\$3,400 per member/\$6,800 per family per calendar year (no 4th quarter carry-over)
The deductible is combined for both medical and prescription drug coverage.	The deductible is embedded. The deductible paid by all Members will be combined to satisfy the family deductible. However, one individual member cannot contribute more than the individual deductible amount toward the family deductible
Coinsurance Note: Coinsurance applies once the deductible has been met	None
Out of Pocket Maximum - applies to deductibles, copays and coinsurance amounts for all covered services	\$3,400 per member/\$6,800 per family per calendar year The out-of-pocket maximum is embedded. For members with more than one person on the contract, if the one member maximum is met even if the family maximum is not, that member does not pay any more cost-sharing for the rest of the year

Preventive services

Benefits	
Health Maintenance Exam	100%
Annual Gynecological Exam	100%
Pap Smear Screening	100%
Well-Baby and Well-Child Visits	100%
Immunizations	100%

Preventive services (continued)

Benefits	
Prostate Specific Antigen (PSA) Screening - laboratory services only - laboratory services only	100%
Routine Colonoscopy	100%
Mammography Screening	100%
Voluntary Sterilization of Female Reproductive Organs	100%
Breast Pumps (DME guidelines apply.)	100%
Routine Maternity Prenatal and Postnatal Care	100%

Physician office services

Benefits	
PCP Office Visits Note: Applicable cost sharing applies when other services are received in the office	100% after deductible
Medical Online Visits - when performed by a BCN participating provider or BCN designated online vendor Note: Not all services delivered virtually are considered an online visit but may be considered telemedicine. Telemedicine services will be subject to the applicable cost share associated with the service provided.	100% after deductible
Referral Physician Visits - when referred	100% after deductible

Emergency medical care

Benefits	
Hospital Emergency Room	100% after deductible
Urgent Care Center	100% after deductible
Retail Health Clinic	100% after deductible
Ambulance Services - medically necessary	100% after deductible

Diagnostic services

Benefits	
Laboratory and Pathology Tests	100% after deductible
Diagnostic Tests and X-rays	100% after deductible
High Technology Radiology Imaging (MRI, MRA, CAT, PET)	100% after deductible
Radiation Therapy	100% after deductible

Maternity services provided by a physician

Benefits	
Routine Prenatal and Postnatal Care Visits	100%
Delivery and Nursery Care	100% after deductible

Hospital care

Benefits

General Nursing Care, Hospital Services and Supplies	100% after deductible
Outpatient Surgery - see member certificate for specific surgical coinsurance	100% after deductible

Alternatives to hospital care

Benefits

Skilled Nursing Care	100% after deductible Up to 45 days per calendar year
Hospice Care	100% after deductible
Home Health Care	100% after deductible

Surgical services

Benefits

Surgery - includes all related surgical services and anesthesia.	100% after deductible
Voluntary Sterilization of Male Reproductive Organs - see Preventive Services for Voluntary Sterilization of Female Reproductive Organs	100% after deductible
Elective Abortion Services	Not covered
Human Organ Transplants (subject to medical criteria)	100% after deductible
Reduction Mammoplasty (subject to medical criteria)	100% after deductible
Male Mastectomy (subject to medical criteria)	100% after deductible
Temporomandibular Joint Syndrome (subject to medical criteria)	100% after deductible
Orthognathic Surgery (subject to medical criteria)	100% after deductible
Weight Reduction Procedures (subject to medical criteria) - Limited to one procedure per lifetime	100% after deductible

Behavioral health services (mental health and substance use disorder treatment)

Benefits

Inpatient Mental Health Care	100% after deductible
Residential Substance Use Disorder	100% after deductible
Outpatient Mental Health Care includes online and telemedicine visits Note: For diagnostic and therapeutic services, see the Diagnostic Services section above for applicable cost sharing.	100% after deductible
Outpatient Substance Use Disorder	100% after deductible

Autism spectrum disorders, diagnoses and treatment

Benefits	
Applied behavioral analysis (ABA) treatment Note: Prior to seeking ABA treatment, the member must be evaluated by an interdisciplinary team including, but not limited to, a physician, behavioral health specialist, and a speech and language specialist for the services to be authorized. This interdisciplinary evaluation can be performed at an approved autism evaluation center (AAEC)	100% after deductible
Outpatient physical therapy, speech therapy and occupational therapy for autism spectrum disorder. Unlimited visits for PT/OT/ST with autism spectrum disorder diagnosis.	100% after deductible
Other covered services, including mental health services, for autism spectrum disorder	See your outpatient mental health, medical office visit and preventive benefit.

Other services

Benefits	
Allergy Testing and Therapy	100% after deductible
Allergy Injections	100% after deductible
Chiropractic Spinal Manipulation - when referred	100% after deductible Limited to 30 visits per calendar year
Rehabilitative Services -subject to meaningful improvement within 90 days	100% after deductible Rehabilitative outpatient physical and occupational therapy - limited to a combined benefit maximum of 30 visits per calendar year. Rehabilitative outpatient speech therapy - limited to 30 visits per calendar year.
Habilitative Services	100% after deductible Habilitative outpatient physical and occupational therapy - limited to a combined benefit maximum of 30 visits per calendar year Habilitative outpatient speech therapy - limited to 30 visits per calendar year
Outpatient Cardiac and Pulmonary Rehabilitation	100% after deductible Cardiac and pulmonary rehab limited to 30 visits combined per calendar year
Infertility Counseling and Treatment	100% after deductible
Durable Medical Equipment	100% after deductible
Prosthetic and Orthotic Appliances	100% after deductible
Diabetic Supplies Note: Certain diabetic supplies are covered through the pharmacy benefit. Applicable pharmacy cost-sharing will apply.	100% after deductible
Pediatric Vision - Eye exam and prescription glasses (chosen from a select collection) limited to once per calendar year through the last day of the year in which an individual turns 19.	100%
Hearing Aid	Not Covered

Prescription drugs

Benefits	
Generic Tier	Covered 100% after deductible
Preferred Brand Tier	Covered 100% after deductible
Nonpreferred Brand Tier	Covered 100% after deductible
Contraceptives	Women's Contraceptives - Preferred Generic - 100%, Non-Preferred Generic - 100% after deductible, Preferred Brand - 100% after deductible, Non-Preferred Brand - 100% after deductible.
Drugs for the Treatment of Sexual Dysfunction, Weight Loss, Cough & Cold	Not covered
Mail Order Prescription Drugs	Covered 100% after deductible up to a 90 day supply. Specialty drugs are not covered through mail order pharmacies. after deductible.
Diabetic Supplies	Select diabetic supplies and equipment are covered, applicable cost sharing will apply. Cost sharing may not apply to certain preferred glucometers as defined on the drug list.
Specialty Drug Pharmacy	Specialty drugs are covered only when purchased through the BCN Exclusive Pharmacy Network for Specialty Drugs
Variable Cost Share Coupon Program	Your plan includes a prescription drug discount program for certain medications. When a manufacturer coupon is used through the BCN discount program, the amount paid after the discount applies toward the out of pocket maximum.
Prescription Drug Deductible	Prescription drug deductible integrated with the medical deductible
Custom Select Drug List	The list of prescription drugs that have been approved by the U.S. Food and Drug Administration and approved by the BCBSM/BCN Pharmacy and Therapeutics Committee. The list represents the clinical judgment of Michigan physicians, pharmacists and other experts in the diagnosis and treatment of disease and promotion of health. Medications are selected based on clinical effectiveness, safety and opportunity for cost savings. Some drugs included in the Custom Select Drug List require prior authorization and/or step therapy by BCN before they are covered. The Custom Select Drug List may be modified by BCN as needed to remove or add a covered drug or to modify the requirements for authorization of a covered drug. The list may be found at https://www.bcbsm.com/druglists

For Internal Purposes Only

Benefits Selected - HDHPSM : 3400HD,34OMHD,50CWHD,EDEPM,MOPD0,P0CSHD,PVSN,RXVAR



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Benefits-at-a-Glance

2026 BCN HSA Silver Option 1

TILDEN TOWNSHIP

Effective Date: 01/01/2026

This is intended as an easy-to-read summary and provides only a general overview of your benefits. **It is not a contract.** Additional limitations and exclusions may apply to covered services. For a complete description of benefits, please see the applicable Blue Care Network certificates and riders. Payment amounts are based on the Blue Care Network approved amount, less any applicable deductible, coinsurance and/or copay amounts required by the plan. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan documents, the plan document will control. This coverage is provided pursuant to a contract entered into in the state of Michigan and shall be construed under the jurisdiction and according to the laws of the state of Michigan. Services must be provided or arranged by the member's primary care physician or health plan.

Preauthorization for Select Services - Services listed in this summary are covered when provided in accordance with Certificate requirements and, when required, are preauthorized or approved by BCN except in an emergency.

Note: A list of services that require approval **before** they are provided is available online at <https://bcbsm.com/priorauth>.

Member's responsibility (deductibles, copays, coinsurance and dollar maximums)

Benefits	
Deductible Note: The Deductible will apply to all services except preventive services	\$3,400 per member/\$6,800 per family per calendar year (no 4th quarter carry-over)
The deductible is combined for both medical and prescription drug coverage.	The deductible is embedded. The deductible paid by all Members will be combined to satisfy the family deductible. However, one individual member cannot contribute more than the individual deductible amount toward the family deductible
Coinsurance Note: Coinsurance applies once the deductible has been met	50% for select services as noted below 20% for select services as noted below
Out of Pocket Maximum - applies to deductibles, copays and coinsurance amounts for all covered services	\$7,500 per member/\$15,000 per family per calendar year The out-of-pocket maximum is embedded. For members with more than one person on the contract, if the one member maximum is met even if the family maximum is not, that member does not pay any more cost-sharing for the rest of the year

Preventive services

Benefits	
Health Maintenance Exam	100%
Annual Gynecological Exam	100%
Pap Smear Screening	100%
Well-Baby and Well-Child Visits	100%
Immunizations	100%

Preventive services (continued)

Benefits	
Prostate Specific Antigen (PSA) Screening - laboratory services only - laboratory services only	100%
Routine Colonoscopy	100%
Mammography Screening	100%
Voluntary Sterilization of Female Reproductive Organs	100%
Breast Pumps (DME guidelines apply.)	100%
Routine Maternity Prenatal and Postnatal Care	100%

Physician office services

Benefits	
PCP Office Visits Note: Applicable cost sharing applies when other services are received in the office	80% after deductible
Medical Online Visits - when performed by a BCN participating provider or BCN designated online vendor Note: Not all services delivered virtually are considered an online visit but may be considered telemedicine. Telemedicine services will be subject to the applicable cost share associated with the service provided.	80% after deductible
Referral Physician Visits - when referred	80% after deductible

Emergency medical care

Benefits	
Hospital Emergency Room	80% after deductible
Urgent Care Center	80% after deductible
Retail Health Clinic	80% after deductible
Ambulance Services - medically necessary	80% after deductible

Diagnostic services

Benefits	
Laboratory and Pathology Tests	80% after deductible
Diagnostic Tests and X-rays	80% after deductible
High Technology Radiology Imaging (MRI, MRA, CAT, PET)	80% after deductible
Radiation Therapy	80% after deductible

Maternity services provided by a physician

Benefits	
Routine Prenatal and Postnatal Care Visits	100%
Delivery and Nursery Care	80% after deductible

Hospital care

Benefits

General Nursing Care, Hospital Services and Supplies	80% after deductible
Outpatient Surgery - see member certificate for specific surgical coinsurance	80% after deductible

Alternatives to hospital care

Benefits

Skilled Nursing Care	80% after deductible Up to 45 days per calendar year
Hospice Care	80% after deductible
Home Health Care	80% after deductible

Surgical services

Benefits

Surgery - includes all related surgical services and anesthesia.	80% after deductible
Voluntary Sterilization of Male Reproductive Organs - see Preventive Services for Voluntary Sterilization of Female Reproductive Organs	50% after deductible
Elective Abortion Services	Not covered
Human Organ Transplants (subject to medical criteria)	80% after deductible
Reduction Mammoplasty (subject to medical criteria)	50% after deductible
Male Mastectomy (subject to medical criteria)	50% after deductible
Temporomandibular Joint Syndrome (subject to medical criteria)	50% after deductible
Orthognathic Surgery (subject to medical criteria)	50% after deductible
Weight Reduction Procedures (subject to medical criteria) - Limited to one procedure per lifetime	50% after deductible

Behavioral health services (mental health and substance use disorder treatment)

Benefits

Inpatient Mental Health Care	80% after deductible
Residential Substance Use Disorder	80% after deductible
Outpatient Mental Health Care includes online and telemedicine visits Note: For diagnostic and therapeutic services, see the Diagnostic Services section above for applicable cost sharing.	80% after deductible
Outpatient Substance Use Disorder	80% after deductible

Autism spectrum disorders, diagnoses and treatment

Benefits	
Applied behavioral analysis (ABA) treatment Note: Prior to seeking ABA treatment, the member must be evaluated by an interdisciplinary team including, but not limited to, a physician, behavioral health specialist, and a speech and language specialist for the services to be authorized. This interdisciplinary evaluation can be performed at an approved autism evaluation center (AAEC)	80% after deductible
Outpatient physical therapy, speech therapy and occupational therapy for autism spectrum disorder. Unlimited visits for PT/OT/ST with autism spectrum disorder diagnosis.	80% after deductible
Other covered services, including mental health services, for autism spectrum disorder	See your outpatient mental health, medical office visit and preventive benefit.

Other services

Benefits	
Allergy Testing and Therapy	80% after deductible
Allergy Injections	80% after deductible
Chiropractic Spinal Manipulation - when referred	80% after deductible Limited to 30 visits per calendar year
Rehabilitative Services -subject to meaningful improvement within 90 days	80% after deductible Rehabilitative outpatient physical and occupational therapy - limited to a combined benefit maximum of 30 visits per calendar year. Rehabilitative outpatient speech therapy - limited to 30 visits per calendar year.
Habilitative Services	80% after deductible Habilitative outpatient physical and occupational therapy - limited to a combined benefit maximum of 30 visits per calendar year Habilitative outpatient speech therapy - limited to 30 visits per calendar year
Outpatient Cardiac and Pulmonary Rehabilitation	80% after deductible Cardiac and pulmonary rehab limited to 30 visits combined per calendar year
Infertility Counseling and Treatment	50% after deductible (excludes in-vitro fertilization)
Durable Medical Equipment	50% after deductible
Prosthetic and Orthotic Appliances	50% after deductible
Diabetic Supplies Note: Certain diabetic supplies are covered through the pharmacy benefit. Applicable pharmacy cost-sharing will apply.	80% after deductible
Pediatric Vision - Eye exam and prescription glasses (chosen from a select collection) limited to once per calendar year through the last day of the year in which an individual turns 19.	100%
Hearing Aid	Not Covered

Prescription drugs

Benefits	
Preferred Generic Tier	\$6 copay after deductible
Nonpreferred Generic Tier	\$25 copay after deductible
Preferred Brand Tier	\$60 copay after deductible
Nonpreferred Brand Tier	\$80 copay after deductible
Preferred Specialty Tier	20% coinsurance after deductible (Max \$200)
Nonpreferred Specialty Tier	20% coinsurance after deductible (Max \$300)
Contraceptives	Women's Contraceptives -Preferred Generic - Covered in full, Non-Preferred Generic - \$25 copay after deductible, Preferred Brand - \$60 copay after deductible, Non-Preferred Brand - \$80 copay after deductible.
Drugs for the Treatment of Sexual Dysfunction, Weight Loss, Cough & Cold	Not covered
Mail Order Prescription Drugs	30 day supply or less - applicable tiered copay/coinsurance, 31-90 day supply - 3x's the 30 day copay/coinsurance minus \$10 after deductible.
Diabetic Supplies	Select diabetic supplies and equipment are covered, applicable cost sharing will apply. Cost sharing may not apply to certain preferred glucometers as defined on the drug list.
Specialty Drug Pharmacy	Specialty drugs are covered only when purchased through the BCN Exclusive Pharmacy Network for Specialty Drugs
Variable Cost Share Coupon Program	Your plan includes a prescription drug discount program for certain medications. When a manufacturer coupon is used through the BCN discount program, the amount paid after the discount applies toward the out of pocket maximum.
Prescription Drug Deductible	Prescription drug deductible integrated with the medical deductible
Custom Select Drug List	The list of prescription drugs that have been approved by the U.S. Food and Drug Administration and approved by the BCBSM/BCN Pharmacy and Therapeutics Committee. The list represents the clinical judgment of Michigan physicians, pharmacists and other experts in the diagnosis and treatment of disease and promotion of health. Medications are selected based on clinical effectiveness, safety and opportunity for cost savings. Some drugs included in the Custom Select Drug List require prior authorization and/or step therapy by BCN before they are covered. The Custom Select Drug List may be modified by BCN as needed to remove or add a covered drug or to modify the requirements for authorization of a covered drug. The list may be found at https://www.bcbsm.com/druglists

For Internal Purposes Only
 Benefits Selected - HDHPSM : 20COHD,3400HD,75OMHD,90D3X,EDEPM,P6256D,PVSN,RXVAR



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TILDEN TOWNSHIP

AOA-0000308270

Dental Coverage

Effective Date: On or after January 2026

Benefits-at-a-glance

This is intended as an easy-to-read summary and provides only a general overview of your benefits. It is not a contract. Additional limitations and exclusions may apply. Payment amounts are based on BCBSM's approved amount, less any applicable deductible and/or copay. For a complete description of benefits please see the applicable BCBSM certificates and riders, if your group is underwritten. If your group is self-funded, please see any other plan documents your group uses. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan document, the plan document will control.

Note: Pediatric members are members who are 18 years of age or younger on the group's renewal date. They will receive pediatric dental benefits up to the group's renewal date after they turn age 19.

Dentist information

With Blue Dental PPO, you can choose any licensed dentist anywhere. However, you'll get the best coverage and save the most money when you choose a Tier 1 PPO (in-network) dentist.

You have outstanding access to thousands of Tier 1 PPO dentists across the country through the Blue Dental PPO network. Tier 1 PPO dentists agree to accept our PPO approved amount as full payment for covered services, so you'll pay your applicable coinsurance and deductible amounts. To find a Tier 1 PPO dentist near you, log into your member account at bcbsm.com or call **1-888-826-8152**.

If you go to a non-PPO dentist, you can still save money by choosing a Tier 2 participating non-PPO (out-of-network) dentist. Tier 2 dentists participate with us on a "per claim" basis through our Blue Par Select (BPS) arrangement. They accept our BPS approved amount as full payment for covered services, so you'll pay your applicable coinsurance and deductible amounts. To find a Tier 2 participating non-PPO dentist near you, log into your member account at bcbsm.com. You should ask your dentist if they participate with BCBSM before every treatment.

Note: If you go to a nonparticipating dentist, you are responsible for any difference between our approved amount and the dentist's charge.

Member's responsibility (deductible, coinsurance and dollar maximums)	
Benefits	Coverage
Deductibles <ul style="list-style-type: none"> Applies to Class II and Class III services only 	\$25 per member, \$50 for two members, \$75 per family per calendar year
Coinsurance (percentage of BCBSM's approved amount for covered services) <ul style="list-style-type: none"> Class I services Class II services Class III services Class IV services 	None (covered at 100%) 20% 50% Not covered
Dollar maximums <ul style="list-style-type: none"> Annual maximum for Class I, II and III services Lifetime maximum for Class IV services 	\$1,000 per non-pediatric member per calendar year. The annual benefit maximum does not apply to pediatric members. Not applicable

100/80/50-1000;BD-SG;BDPEDOPM450/900

Benefits	Coverage
Out-of-pocket maximum <ul style="list-style-type: none"> The maximum out-of-pocket expense pediatric members will pay in a calendar year for deductible and coinsurance amounts applied to most covered in-network dental services. The out-of-pocket maximum does not apply to charges that exceed our approved PPO fee, services provided by non-PPO dentists, non-covered services, or orthodontic services. 	\$450 for one pediatric member or \$900 for two or more pediatric members per calendar year. There is no out-of-pocket maximum for non-pediatric members. Note: This out-of-pocket maximum is separate from the annual out-of-pocket maximum that applies under your hospital and medical coverage (if any).

Plan's responsibility

The plan's responsibility is subject to a review of the reported diagnosis, dental necessity verification and the availability of dental benefits at the time the claim is processed, as well as the conditions, exclusions and limitations, and deductible and coinsurance requirements under the applicable BCBSM certificates and riders.

Class I services	
Benefits	Coverage
Most diagnostic and preventive services: <ul style="list-style-type: none"> Periodic oral examinations/evaluations - twice per calendar year 	100% of approved amount
<ul style="list-style-type: none"> Prophylaxes (cleanings) three times per calendar year for pediatric members; two times per calendar year for all other members 	100% of approved amount
<ul style="list-style-type: none"> Fluoride treatments or topical fluoride varnishes- twice every calendar year for members to the end of the month of their 19th birthday. For members under age three, topical fluoride varnishes four times every calendar year. 	100% of approved amount
<ul style="list-style-type: none"> Sealants - once per fully erupted first and second permanent molar every 36 months for members to the end of the month of their 16th birthday 	100% of approved amount
Bitewing X-rays - one set (up to four films) per calendar year	100% of approved amount
Oral brush biopsy sample collection - twice per calendar year	100% of approved amount

Class II services	
Benefits	Coverage
Other diagnostic and preventive services: <ul style="list-style-type: none"> Diagnostic tests and laboratory examinations 	80% of approved amount after deductible
<ul style="list-style-type: none"> Space maintainers - for missing posterior primary teeth for members to the end of the month of their 15th birthday 	80% of approved amount after deductible
Panoramic or full-mouth X-rays - once per 60 months	80% of approved amount after deductible
Emergency palliative treatment	80% of approved amount after deductible
Minor restorative services: <ul style="list-style-type: none"> Amalgam and resin-based composite fillings and fillings of similar materials - once per tooth and surface per 48 months for permanent teeth; once per tooth and surface per 24 months for primary teeth 	80% of approved amount after deductible
<ul style="list-style-type: none"> Recementation or repair of posts, crowns, veneers, inlays and onlays - three times per tooth per calendar year 	80% of approved amount after deductible
Simple and surgical extractions of non-impacted teeth	80% of approved amount after deductible
Non-surgical endodontic services: <ul style="list-style-type: none"> Root canal treatments - once per tooth per lifetime (retreatment of a root canal is payable once per tooth per lifetime) 	80% of approved amount after deductible
<ul style="list-style-type: none"> Therapeutic pulpotomies or pulpal debridement 	80% of approved amount after deductible
<ul style="list-style-type: none"> Vital pulpotomies on primary teeth 	80% of approved amount after deductible

100/80/50-1000;BD-SG;BDPEDOPM450/900

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Benefits	Coverage
<ul style="list-style-type: none"> Apexification 	80% of approved amount after deductible
Non-surgical periodontic services: <ul style="list-style-type: none"> Periodontal maintenance - three times per calendar year in place of routine dental prophylaxis for pediatric members; two times per calendar year in place of routine dental prophylaxis for all other members 	80% of approved amount after deductible
<ul style="list-style-type: none"> Periodontal scaling and root planing - once per quadrant per 24 months for pediatric members and once per quadrant per 36 months for all other members 	80% of approved amount after deductible
<ul style="list-style-type: none"> Localized delivery of antimicrobial agents - one surface per tooth and three teeth per quadrant with a maximum of 12 teeth per year for non-pediatric members only 	80% of approved amount after deductible
Basic prosthodontic services for removable prosthetic appliances: <ul style="list-style-type: none"> Adjustments and repairs 	80% of approved amount after deductible
<ul style="list-style-type: none"> Relines or rebases of partial dentures or complete denture - once per 36 months per arch 	80% of approved amount after deductible
<ul style="list-style-type: none"> Tissue conditioning - once per 36 months per arch 	80% of approved amount after deductible
Adjunctive general services: <ul style="list-style-type: none"> General anesthesia or IV sedation 	80% of approved amount after deductible
<ul style="list-style-type: none"> Office visits for observation (during regularly scheduled hours) for non-pediatric members only 	80% of approved amount after deductible
<ul style="list-style-type: none"> Office visits after regularly scheduled hours 	80% of approved amount after deductible
<ul style="list-style-type: none"> House and hospital calls for non-pediatric members only 	80% of approved amount after deductible
<ul style="list-style-type: none"> Antibiotic injections for non-pediatric members only 	80% of approved amount after deductible
<ul style="list-style-type: none"> Limited occlusal adjustments - up to five times per 60 months for non-pediatric members only 	80% of approved amount after deductible
<ul style="list-style-type: none"> Occlusal biteguards (and relines and repairs to occlusal biteguards) - once per 60 months for non-pediatric members only 	80% of approved amount after deductible

Class III services	
Benefits	Coverage
Major restorative services: <ul style="list-style-type: none"> Onlays, crowns and veneers - once per permanent tooth per 60 months 	50% of approved amount after deductible
<ul style="list-style-type: none"> Substructures, including cores and posts - once per permanent tooth every 60 months 	50% of approved amount after deductible
Oral surgery services: <ul style="list-style-type: none"> Surgical exposure and facilitation of eruption of unerupted teeth 	50% of approved amount after deductible
<ul style="list-style-type: none"> Extractions of impacted teeth 	50% of approved amount after deductible
<ul style="list-style-type: none"> Incision and drainage of cellulitis or fascial space abscesses of intraoral soft tissue 	50% of approved amount after deductible
<ul style="list-style-type: none"> Removal of exostoses (excess bony growths of the upper and lower jaw) 	50% of approved amount after deductible
<ul style="list-style-type: none"> Excision of hyperplastic tissue per arch 	50% of approved amount after deductible
<ul style="list-style-type: none"> Frenulectomies 	50% of approved amount after deductible
Surgical endodontic services: <ul style="list-style-type: none"> Apical surgery on permanent teeth 	50% of approved amount after deductible
Surgical periodontic services: <ul style="list-style-type: none"> Gingivectomy and gingivoplasty 	50% of approved amount after deductible
<ul style="list-style-type: none"> Osseous surgery for non-pediatric members only 	50% of approved amount after deductible
<ul style="list-style-type: none"> Gingival flap procedures 	50% of approved amount after deductible

100/80/50-1000;BD-SG;BDPEDOPM450/900

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Benefits	Coverage
• Soft tissue grafts	50% of approved amount after deductible
• Bone replacement grafts - for non-pediatric members only	50% of approved amount after deductible
Prosthodontic services:	50% of approved amount after deductible
• Complete dentures - once per 84 months	
• Removable partial dentures and fixed partial dentures (bridges), including abutment crowns and pontics - once per 84 months for members age 16 and older only	50% of approved amount after deductible
• Recementation and repairs of bridges	50% of approved amount after deductible
• Stayplates to replace recently extracted permanent anterior (front) teeth	50% of approved amount after deductible
• Endosteal implants and implant-related services - once per tooth per lifetime for teeth numbered 2 through 15 and 18 through 31 for non-pediatric members only	50% of approved amount after deductible

Class IV services	
Benefits	Coverage
Orthodontics and related services	Not covered

100/80/50-1000;BD-SG;BDPEDOPM450/900



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TILDEN TOWNSHIP

AOA-0000308270

Vision Coverage

Effective Date: On or after January 2026

Benefits-at-a-glance

This is intended as an easy-to-read summary and provides only a general overview of your benefits. It is not a contract. Additional limitations and exclusions may apply. Payment amounts are based on BCBSM's approved amount, less any applicable deductible and/or copay. For a complete description of benefits please see the applicable BCBSM certificates and riders, if your group is underwritten. If your group is self-funded, please see any other plan documents your group uses. If there is a discrepancy between this Benefits-at-a-Glance and any applicable plan document, the plan document will control.

Blue Vision benefits are provided by Vision Service Plan (VSP), the largest provider of vision care in the nation. VSP is an independent company providing vision benefit services for Blues members. To find a VSP doctor, call **1-800-877-7195** or log on to the VSP Web site at **vsp.com**.

Note: Vision benefits are only available to covered members (subscribers, spouses and dependent children) age 19 and older. Members may choose between prescription glasses (lenses and frame) **or** contact lenses, but not both.

Member's responsibility (copays)		
Benefits	In-network	Out-of-network
Eye exam	\$5 copay	\$5 copay applies to charge
Prescription glasses (lenses and/or frames)	Combined \$10 copay	Member responsible for difference between approved amount and provider's charge, after \$10 copay
Medically necessary contact lenses	\$10 copay	Member responsible for difference between approved amount and provider's charge, after \$10 copay

Eye exam		
Benefits	In-network	Out-of-network
Complete eye exam by an ophthalmologist or optometrist. The exam includes refraction, glaucoma testing and other tests necessary to determine the overall visual health of the patient.	\$5 copay	Reimbursement up to \$34 less \$5 copay (member responsible for any difference)
One eye exam every calendar year		

Lenses and Frames		
Benefits	In-network	Out-of-network
Standard lenses (must not exceed 60 mm in diameter) prescribed and dispensed by an ophthalmologist or optometrist. Lenses may be molded or ground, glass or plastic. Also covers prism, slab-off prism and special base curve lenses when medically necessary. Note: Discounts on additional prescription glasses and savings on lens extras when obtained from a VSP doctor.	\$10 copay (one copay applies to both lenses and frames)	Reimbursement up to approved amount based on lens type less \$10 copay (member responsible for any difference)
One pair of lenses, with or without frames, once every calendar year		

BV AO FRAME 200;BV-ADULT;BVFL SG

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Benefits	In-network	Out-of-network
Standard frames Note: All VSP network doctor locations are required to stock at least 100 different frames within the frame allowance.	\$200 allowance that is applied toward frames (member responsible for any cost exceeding the allowance) less \$10 copay (one copay applies to both lenses and frames)	Reimbursement up to \$38.25 less \$10 copay (member responsible for any difference)
One frame every calendar year		

Contact Lenses		
Benefits	In-network	Out-of-network
Medically necessary contact lenses (requires prior authorization approval from VSP and must meet criteria of medically necessary)	\$10 copay	Reimbursement up to \$210 less \$10 copay (member responsible for any difference)
One pair of contact lenses once every calendar year		
Elective contact lenses that improve vision (prescribed, but does not meet criteria of medically necessary)	\$130 allowance that is applied toward contact lens exam (fitting and materials) and the contact lenses (member responsible for any cost exceeding the allowance)	\$100 allowance that is applied toward contact lens exam (fitting and materials) and the contact lenses (member responsible for any cost exceeding the allowance)
Contact lenses are covered up to allowance once every calendar year		

BV AO FRAME 200;BV-ADULT;BVFL SG



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Dental Contribution Type: Non-Voluntary

Vision Contribution Type: Non-Voluntary

Requested Effective Date: 1/1/2026

Rating Area: P

Small Group Rate Grid

Age	2026 BCN HSA Silver Option 1	2026 BCN HSA Gold Option 3	Blue Dental PPO Plus 100/80/50 1000 SG \$1000
0	\$ 309.11	\$ 354.34	\$ 35.71
1	\$ 309.11	\$ 354.34	\$ 35.71
2	\$ 309.11	\$ 354.34	\$ 35.71
3	\$ 309.11	\$ 354.34	\$ 35.71
4	\$ 309.11	\$ 354.34	\$ 35.71
5	\$ 309.11	\$ 354.34	\$ 35.71
6	\$ 309.11	\$ 354.34	\$ 35.71
7	\$ 309.11	\$ 354.34	\$ 35.71
8	\$ 309.11	\$ 354.34	\$ 35.71
9	\$ 309.11	\$ 354.34	\$ 35.71
10	\$ 309.11	\$ 354.34	\$ 35.71
11	\$ 309.11	\$ 354.34	\$ 35.71
12	\$ 309.11	\$ 354.34	\$ 35.71
13	\$ 309.11	\$ 354.34	\$ 35.71
14	\$ 309.11	\$ 354.34	\$ 35.71
15	\$ 336.59	\$ 385.84	\$ 35.71
16	\$ 347.10	\$ 397.88	\$ 35.71
17	\$ 357.60	\$ 409.92	\$ 35.71
18	\$ 368.92	\$ 422.89	\$ 35.71
19	\$ 380.23	\$ 435.86	\$ 23.00
20	\$ 391.95	\$ 449.29	\$ 23.00
21	\$ 404.07	\$ 463.19	\$ 23.00
22	\$ 404.07	\$ 463.19	\$ 23.21
23	\$ 404.07	\$ 463.19	\$ 23.44
24	\$ 404.07	\$ 463.19	\$ 23.69
25	\$ 405.69	\$ 465.04	\$ 23.97
26	\$ 413.77	\$ 474.31	\$ 24.25
27	\$ 423.47	\$ 485.42	\$ 24.52
28	\$ 439.22	\$ 503.49	\$ 24.85
29	\$ 452.15	\$ 518.31	\$ 25.17
30	\$ 458.62	\$ 525.72	\$ 25.51
31	\$ 468.32	\$ 536.84	\$ 25.86
32	\$ 478.01	\$ 547.95	\$ 26.23

Age	2026 BCN HSA Silver Option 1	2026 BCN HSA Gold Option 3	Blue Dental PPO Plus 100/80/50 1000 SG \$1000
33	\$ 484.08	\$ 554.90	\$ 26.62
34	\$ 490.54	\$ 562.31	\$ 27.01
35	\$ 493.77	\$ 566.02	\$ 27.42
36	\$ 497.01	\$ 569.72	\$ 27.86
37	\$ 500.24	\$ 573.43	\$ 28.30
38	\$ 503.47	\$ 577.13	\$ 28.76
39	\$ 509.94	\$ 584.55	\$ 29.24
40	\$ 516.40	\$ 591.96	\$ 29.72
41	\$ 526.10	\$ 603.07	\$ 30.23
42	\$ 535.39	\$ 613.73	\$ 30.76
43	\$ 548.32	\$ 628.55	\$ 31.29
44	\$ 564.49	\$ 647.08	\$ 31.84
45	\$ 583.48	\$ 668.85	\$ 32.41
46	\$ 606.11	\$ 694.79	\$ 32.99
47	\$ 631.56	\$ 723.97	\$ 33.59
48	\$ 660.65	\$ 757.32	\$ 34.21
49	\$ 689.34	\$ 790.20	\$ 34.83
50	\$ 721.67	\$ 827.26	\$ 35.47
51	\$ 753.59	\$ 863.85	\$ 36.14
52	\$ 788.74	\$ 904.15	\$ 36.81
53	\$ 824.30	\$ 944.91	\$ 37.50
54	\$ 862.69	\$ 988.91	\$ 38.21
55	\$ 901.08	\$ 1032.91	\$ 38.92
56	\$ 942.70	\$ 1080.62	\$ 39.66
57	\$ 984.72	\$ 1128.79	\$ 40.42
58	\$ 1029.57	\$ 1180.21	\$ 41.18
59	\$ 1051.79	\$ 1205.68	\$ 41.96
60	\$ 1096.65	\$ 1257.10	\$ 42.77
61	\$ 1135.44	\$ 1301.56	\$ 43.57
62	\$ 1160.89	\$ 1330.74	\$ 44.40
63	\$ 1192.81	\$ 1367.34	\$ 45.25
64	\$ 1212.21	\$ 1389.57	\$ 46.10
65+	\$ 1212.21	\$ 1389.57	\$ 46.10

Age	2026 BCN HSA Silver Option 1	2026 BCN HSA Gold Option 3	Blue Dental PPO Plus 100/80/50 1000 SG \$1000
COMP	\$ 628.64	\$ 628.64	\$ 46.10

* We reserve the right to adjust rates if any of the assumptions or calculations used in the quoting process are incorrect. Final rates will be determined based on actual group enrollment and participation.

* Plans and rates are not final until they have been approved by DIFS and CMS

* Your agent is providing a Summary of Benefits and Coverage with this quote.

* To comply with the Patient Protection and Affordable Care Act, groups may be required to make changes to their health insurance coverage. This may result in an adjustment to the rates.



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Account Name: TILDEN TOWNSHIP

Dental Contribution Type: Non-Voluntary

Vision Contribution Type: Non-Voluntary

Requested Effective Date: 1/1/2026

Rating Area: P

Small Group Rate Grid

Age	Blue Vision SG 12-12-12 5/10 (BVSG-FL)
0	\$ 0.00
1	\$ 0.00
2	\$ 0.00
3	\$ 0.00
4	\$ 0.00
5	\$ 0.00
6	\$ 0.00
7	\$ 0.00
8	\$ 0.00
9	\$ 0.00
10	\$ 0.00
11	\$ 0.00
12	\$ 0.00
13	\$ 0.00
14	\$ 0.00
15	\$ 0.00
16	\$ 0.00
17	\$ 0.00
18	\$ 0.00
19	\$ 6.08
20	\$ 6.08
21	\$ 5.98
22	\$ 5.90
23	\$ 5.84
24	\$ 5.80
25	\$ 5.76
26	\$ 5.74
27	\$ 5.74
28	\$ 5.74
29	\$ 5.75
30	\$ 5.78
31	\$ 5.81
32	\$ 5.86

Age	Blue Vision SG 12-12-12 5/10 (BVSG-FL)
33	\$ 5.91
34	\$ 5.97
35	\$ 6.03
36	\$ 6.10
37	\$ 6.17
38	\$ 6.25
39	\$ 6.33
40	\$ 6.42
41	\$ 6.50
42	\$ 6.59
43	\$ 6.68
44	\$ 6.76
45	\$ 6.85
46	\$ 6.93
47	\$ 7.01
48	\$ 7.08
49	\$ 7.15
50	\$ 7.22
51	\$ 7.28
52	\$ 7.33
53	\$ 7.38
54	\$ 7.42
55	\$ 7.44
56	\$ 7.46
57	\$ 7.47
58	\$ 7.47
59	\$ 7.45
60	\$ 7.42
61	\$ 7.38
62	\$ 7.32
63	\$ 7.25
64	\$ 7.16
65+	\$ 7.06

Age	Blue Vision SG 12-12-12 5/10 (BVSG-FL)
COMP	\$ 7.06

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* Plans and rates are not final until they have been approved by DIFS and CMS

* Your agent is providing a Summary of Benefits and Coverage with this quote.


* To comply with the Patient Protection and Affordable Care Act, groups may be required to make changes to their health insurance coverage. This may result in an adjustment to the rates.



TILDEN TOWNSHIP

2026 BCN HSA Gold Option 3

Coverage for: All Contract Types | Plan Type: HMO

 **The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. NOTE: Information about the cost of this plan (called the premium) will be provided separately. This is only a summary.** For more information about your coverage, or to get a copy of the complete terms of coverage, visit www.bcbsm.com or call (800) 662-6667 . For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at (<https://www.healthcare.gov/sbc-glossary>) or call (800) 662-6667 to request a copy.

Important Questions	Answers: Member / Family	Why This Matters:
What is the overall <u>deductible</u> ?	\$3,400/\$6,800	Generally, you must pay all of the costs from <u>providers</u> up to the <u>deductible</u> amount before this <u>plan</u> begins to pay. If you have other family members on the <u>plan</u> , each family member must meet their own individual <u>deductible</u> until the total amount of <u>deductible</u> expenses paid by all family members meets the overall family <u>deductible</u> .
Are there services covered before you meet your <u>deductible</u> ?	Yes. <u>Preventive care</u> and routine maternity care	This <u>plan</u> covers some items and services even if you haven't yet met the <u>deductible</u> amount. But a <u>copayment</u> or <u>coinsurance</u> may apply. For example, this <u>plan</u> covers certain <u>preventive services</u> without <u>cost-sharing</u> and before you meet your <u>deductible</u> . See a list of covered <u>preventive services</u> at https://www.healthcare.gov/coverage/preventive-care-benefits/
Are there other <u>deductibles</u> for specific services?	No.	You don't have to meet <u>deductibles</u> for specific services.
What is the <u>out-of-pocket limit</u> for this <u>plan</u> ?	\$3,400/\$6,800	The <u>out-of-pocket limit</u> is the most you could pay in a year for covered services. If you have other family members in this <u>plan</u> , they have to meet their own <u>out-of-pocket limits</u> until the overall family <u>out-of-pocket limit</u> has been met.
What is not included in the <u>out-of-pocket limit</u> ?	<u>Premiums</u> , balance billed charges and health care this <u>plan</u> does not cover	Even though you pay these expenses, they don't count toward the <u>out-of-pocket limit</u>
Will you pay less if you use a <u>network provider</u> ?	Yes. See (www.BCBSM.com) or call customer service for a list of <u>network providers</u> and out-of-state coverage. (800) 662-6667	This <u>plan</u> uses a <u>provider network</u> . You will pay less if you use a <u>provider</u> in the <u>plan's network</u> . You will pay the most if you use an <u>out-of-network provider</u> , and you might receive a bill from a <u>provider</u> for the difference between the <u>provider's</u> charge and what your <u>plan</u> pays (<u>balance billing</u>). Be aware, your <u>network provider</u> might use an <u>out-of-network provider</u> for some services (such as lab work). Check with your <u>provider</u> before you get services.
Do you need a <u>referral</u> to see a <u>specialist</u> ?	Yes.	This <u>plan</u> will pay some or all of the costs to see a <u>specialist</u> for covered services but only if you have a <u>referral</u> before you see the <u>specialist</u> .



All **copayment** and **coinsurance** costs shown in this chart are after your **deductible** has been met, if a **deductible** applies.

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	No charge	Not covered	No charge for medical online visits with a BCN participating online <u>provider</u> . <u>Deductible</u> does not apply to <u>preventive services</u> .
	<u>Specialist visit</u>	No charge	Not covered	Requires <u>referral</u> /30 combined visits for spinal manipulations performed by a chiropractor or osteopathic physician
	<u>Preventive care/screening/immunization</u>	No charge, <u>Deductible</u> does not apply	Not covered	<u>Deductible</u> does not apply to <u>preventive services</u> . You may have to pay for services that aren't <u>preventive</u> . Ask your <u>provider</u> if the services needed are <u>preventive</u> . Then check what your <u>plan</u> will pay for.
If you have a test	<u>Diagnostic test</u> (x-ray, blood work)	No charge	Not covered	May require <u>preauthorization</u> for non-preventive services
	Imaging (CT/PET scans, MRIs)	No charge	Not covered	Requires <u>preauthorization</u> .
If you need drugs to treat your illness or condition More information about <u>prescription drug coverage</u> is available at www.bcbsm.com/csdl25	Preferred Generic Tier	No charge	Not covered	Any overall <u>deductible/out-of-pocket maxes</u> apply. 90 day mail order prescriptions are covered in full after <u>deductible</u> has been met. Your <u>plan</u> includes a prescription drug discount program for certain medications.
	Non-Preferred Generic Tier	No charge	Not covered	
	Preferred Brand Tier	No charge	Not covered	
	Non-Preferred Brand Tier	No charge	Not covered	When a manufacturer coupon is used through the BCN discount program, the amount paid after the discount applies toward the out of pocket maximum.
	Preferred <u>Specialty</u> Tier	No charge	Not covered	Limited to a 30 day supply
	Non-Preferred <u>Specialty</u> Tier	No charge	Not covered	

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	No charge	Not covered	May require <u>preauthorization</u> . No charge after <u>deductible</u> for weight reduction, TMJ, orthognathic surgery, reduction mammoplasty and male mastectomy.
	Physician/surgeon fees	No charge	Not covered	See "Outpatient surgery facility fee"
If you need immediate medical attention	<u>Emergency room care</u>	No charge	No charge	None
	<u>Emergency medical transportation</u>	No charge	No charge	Non-emergent transport is covered when preauthorized
	<u>Urgent care</u>	No charge	No charge	None
If you have a hospital stay	Facility fee (e.g., hospital room)	No charge	Not covered	May require <u>preauthorization</u> . No charge after <u>deductible</u> for weight reduction, TMJ, orthognathic surgery, reduction mammoplasty and male mastectomy.
	Physician/surgeon fee	No charge	Not covered	See "Hospital stay facility fee"
If you need behavioral health services (mental health and substance use disorder)	Outpatient services	No charge	Not covered	None
	Inpatient services	No charge	Not covered	<u>Preauthorization</u> is required
If you are pregnant	Office visits	No charge for routine prenatal and postnatal	Not covered	<u>Deductible</u> does not apply to routine maternity services. Maternity care may include tests and services described elsewhere in the SBC (i.e. ultrasound) and depending on the type of services, <u>cost share</u> may apply.
	Childbirth/delivery professional services	No charge	Not covered	None
	Childbirth/delivery facility services	No charge	Not covered	None

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you need help recovering or have other special health needs	<u>Home health care</u>	No charge	Not covered	Requires <u>preauthorization</u> . Custodial care not covered.
	<u>Rehabilitation services</u>	No charge	Not covered	Requires <u>preauthorization</u> /Limited to 30 visits per calendar year for PT/OT combined / 30 visits per calendar year for speech therapy/30 visits per calendar year for pulmonary/cardiac.
	<u>Habilitation services</u>	No Charge	Not covered	Requires <u>preauthorization</u> /limited to 30 visits per calendar year for PT/OT combined. 30 visits per calendar year for speech therapy.
	<u>Skilled nursing care</u>	No charge	Not covered	Requires <u>preauthorization</u> /Limited to 45 days per calendar year. Custodial care not covered.
	<u>Durable medical equipment</u>	No charge	Not covered	Requires <u>preauthorization</u> and must be obtained from a BCN supplier. Convenience and comfort items not covered. Diabetic supplies covered in full. Certain diabetic supplies are covered through the pharmacy benefit. Applicable pharmacy cost-sharing will apply.
	<u>Hospice services</u>	No charge	Not covered	Inpatient care requires <u>preauthorization</u> . Housekeeping and custodial care not covered.
If your child needs dental or eye care	Children's eye exam	No Charge	Difference between approved amount and <u>provider's</u> charge.	Limited to once/calendar year through the last day of the year in which the individual turns age 19
	Children's glasses	No Charge	Difference between approved amount and <u>provider's</u> charge.	Frames and lenses covered once/calendar year through the last day of the year in which the individual turns age 19.
	Children's dental check-up	Contact your benefit administrator for coverage information.	Contact your benefit administrator for coverage information.	None

Excluded Services & Other Covered Services:

Services Your Plan Generally Does NOT Cover (Check your policy or plan document for more information and a list of any other excluded services.)

- Acupuncture
- Cosmetic surgery
- Dental Care (Adult)
- Hearing aids
- Long-term care
- Non-emergency care when traveling outside the U.S.
- Private-duty nursing
- Routine eye care (Adult)
- Routine foot care
- Weight loss programs

Other Covered Services (Limitations may apply to these services. This isn't a complete list. Please see your plan document.)

- Bariatric surgery (Limited to one per lifetime. Requires preauthorization)
- Chiropractic care
- Infertility treatment (Coverage includes diagnosis/counseling/treatment of infertility when medically necessary and preauthorized by BCN. See Certificate of Coverage for exclusions)

Your Rights to Continue Coverage:

There are agencies that can help if you want to continue your coverage after it ends. The contact information for those agencies is: U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or www.dol.gov/ebsa/healthreform, or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or www.cciio.cms.gov. Other coverage options may be available to you too, including buying individual insurance coverage through the Health Insurance Marketplace. For more information about the Marketplace, visit www.HealthCare.gov or call 1-800-318-2596.

Your Grievance and Appeals Rights:

There are agencies that can help if you have a complaint against your plan for a denial of a claim. This complaint is called a grievance or appeal. For more information about your rights, look at the explanation of benefits you will receive for that medical claim. Your plan documents also provide complete information to submit a claim, appeal or a grievance for any reason to your plan. For more information about your rights, this notice, or assistance, contact : Blue Care Network, Appeals and Grievance Unit, MC C248, P.O. Box 284, Southfield, MI 48086 or fax. 1-866-522-7345. For state of Michigan assistance contact the Department of Insurance and Financial Services, Office of General Counsel-Appeals Section, 530 W. Allegan Street, 7th Floor, P. O. Box 30220, Lansing, MI 48909-7720, <http://www.michigan.gov/difs>; call 1-877-999-6442 or fax: 517-284-8838.

For Department of Labor assistance contact the Employee Benefits Security Administration at 1-866-444- EBSA (3272) or www.dol.gov/ebsa/healthreform

Additionally, a consumer assistance program can help you file your appeal. Contact the Michigan Health Insurance Consumer Assistance Program (HICAP), Department of Insurance and Financial Services, P. O. Box 30220, Lansing, MI 48909-7720, <http://www.michigan.gov/difs> or difs-HICAP@michigan.gov

Does this Plan Provide Minimum Essential Coverage? Yes

Minimum Essential Coverage generally includes plans, health insurance available through the Marketplace or other individual market policies, Medicare, Medicaid, CHIP, TRICARE, and certain other coverage. If you are eligible for certain types of Minimum Essential Coverage, you may not be eligible for the premium tax credit.

Does this Plan Meet the Minimum Value Standard? Yes

If your plan doesn't meet the Minimum Value Standards, you may be eligible for a premium tax credit to help you pay for a plan through the Marketplace. (IMPORTANT: Blue Care Network of Michigan is assuming that your coverage provides for all Essential Health Benefits (EHB) categories as defined by the State of Michigan. The minimum value of your plan may be affected if your plan does not cover certain EHB categories, such as prescription drugs, or if your plan provides coverage for specific EHB categories, for example, prescription drugs, through another carrier.)

Translation available

To get help reading in your language call the customer service number on the back of your ID card.

To see examples of how this plan might cover costs for a sample medical situation, see the next page.

About these Coverage Examples:



This is not a cost estimator. Treatments shown are just examples of how this plan might cover medical care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. Focus on the cost sharing amounts (deductibles, copayments and coinsurance) and excluded services under the plan. Use this information to compare the portion of costs you might pay under different health plans. Please note these coverage examples are based on self-only coverage.

Peg is Having a Baby
(9 months of in-network pre-natal care and a hospital delivery)

- The plan's overall deductible \$3400
- Specialist copayment \$0
- Hospital (facility) coinsurance 0%
- Other coinsurance 0%

This EXAMPLE event includes services like:
Specialist office visits (*prenatal care*)
 Childbirth/Delivery Professional Services
 Childbirth/Delivery Facility Services
Diagnostic tests (*ultrasounds and blood work*)
Specialist visit (*anesthesia*)

Total Example Cost	\$12,700
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In this example, Peg would pay:

<i>Cost Sharing</i>	
<u>Deductibles</u>	\$3,400
<u>Copayments</u>	\$0
<u>Coinsurance</u>	\$0
<i>What isn't covered</i>	
Limits or exclusions	\$60
The total Peg would pay is	\$3,460

Managing Joe's Type 2 Diabetes
(a year of routine in-network care of a well-controlled condition)

- The plan's overall deductible \$3400
- Specialist copayment \$0
- Hospital (facility) coinsurance 0%
- Other coinsurance 0%

This EXAMPLE event includes services like:
Primary care physician office visits (*including disease education*)
Diagnostic tests (*blood work*)
Prescription drugs
Durable medical equipment (*glucose meter*)

Total Example Cost	\$5,600
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In this example, Joe would pay:

<i>Cost Sharing</i>	
<u>Deductibles</u>	\$3,400
<u>Copayments</u>	\$0
<u>Coinsurance</u>	\$0
<i>What isn't covered</i>	
Limits or exclusions	\$20
The total Joe would pay is	\$3,420

Mia's Simple Fracture
(in-network emergency room visit and follow up care)

- The plan's overall deductible \$3400
- Specialist copayment \$0
- Hospital (facility) coinsurance 0%
- Other coinsurance 0%

This EXAMPLE event includes services like:
Emergency room care (*including medical supplies*)
Diagnostic tests (*x-ray*)
Durable medical equipment (*crutches*)
Rehabilitation services (*physical therapy*)

Total Example Cost	\$2,800
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In this example, Mia would pay:

<i>Cost Sharing</i>	
<u>Deductibles</u>	\$2,800
<u>Copayments</u>	\$0
<u>Coinsurance</u>	\$0
<i>What isn't covered</i>	
Limits or exclusions	\$0
The total Mia would pay is	\$2,800

If you are also covered by an account-type plan such as an integrated health reimbursement arrangement (HRA), and/or an health savings account (HSA), then you may have access to additional funds to help cover certain out-of-pocket expenses-like deductible, copayments, or coinsurance or benefits not otherwise covered.

The plan would be responsible for the other costs of these EXAMPLE covered services.

ADDENDUM – LANGUAGE ACCESS SERVICES and NON-DISCRIMINATION

We speak your language

If you, or someone you're helping, needs assistance, you have the right to get help and information in your language at no cost. To talk to an interpreter, call the Customer Service number on the back of your card, or 877-469-2583, TTY: 711 if you are not already a member.

Si usted, o alguien a quien usted está ayudando, necesita asistencia, tiene derecho a obtener ayuda e información en su idioma sin costo alguno. Para hablar con un intérprete, llame al número telefónico de Servicio al cliente, que aparece en la parte trasera de su tarjeta, o 877-469-2583, TTY: 711 si usted todavía no es un miembro.

إذا كنت أنت أو شخص آخر تساعد بحاجة لمساعدة، فلديك الحق في الحصول على المساعدة والمعلومات الضرورية بلغتك دون أية تكلفة. للتحدث إلى مترجم اتصل برقم خدمة العملاء الموجود على ظهر بطاقتك، أو برقم 877-469-2583 TTY:711 إذا لم تكن مشتركاً بالفعل.

如果您，或是您正在協助的對象，需要協助，您有權利免費以您的母語得到幫助和訊息。要洽詢一位翻譯員，請撥在您的卡背面的客戶服務電話：如果您還不是會員，請撥電話 877-469-2583, TTY: 711。

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ، نَبِّدْ فِیْ رَفْقِ رَفَقَةٍ دَوَّارِیَّةٍ، هِیْمِیْرُ مَدَقِ نَبِّیْنِکُمْ،
بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ، نَبِّدْ فِیْ رَفْقِ رَفَقَةٍ دَوَّارِیَّةٍ، هِیْمِیْرُ مَدَقِ نَبِّیْنِکُمْ،
طَلْعَتِهِنَّ جَفَّ ذَلِكُمْ لِهَيْمِیْرُ مَدَقِ نَبِّیْنِکُمْ، خَيْرُ نَبِّدْ مَدَقِ رَفَقَتِكُمْ، مَدَقِ نَبِّ
بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ، نَبِّدْ فِیْ رَفْقِ رَفَقَةٍ دَوَّارِیَّةٍ، هِیْمِیْرُ مَدَقِ نَبِّیْنِکُمْ،
877-469-2583 TTY:711

Nếu quý vị, hay người mà quý vị đang giúp đỡ, cần trợ giúp, quý vị sẽ có quyền được giúp và có thêm thông tin bằng ngôn ngữ của mình miễn phí. Để nói chuyện với một thông dịch viên, xin gọi số Dịch vụ Khách hàng ở mặt sau thẻ của quý vị, hoặc 877-469-2583, TTY: 711 nếu quý vị chưa phải là một thành viên.

Nëse ju, ose dikush që po ndihmoni, ka nevojë për asistencë, keni të drejtë të merrni ndihmë dhe informacion falas në gjuhën tuaj. Për të folur me një përkthyes, telefononi numrin e Shërbimit të Klientit në anën e pasme të kartës tuaj, ose 877-469-2583, TTY: 711 nëse nuk jeni ende një anëtar.

만약 귀하 또는 귀하가 돕고 있는 사람이 지원이 필요하다면, 귀하는 도움과 정보를 귀하의 언어로 비용 부담 없이 얻을 수 있는 권리가 있습니다. 통역사와 대화하려면 귀하의 카드 뒷면에 있는 고객 서비스 번호로 전화하거나, 이미 회원이 아닌 경우 877-469-2583, TTY: 711로 전화하십시오.

যদি আপনার, বা আপনি সাহায্য করছেন এমন কারো, সাহায্য প্রয়োজন হয়, তাহলে আপনার ভাষায় বিনামূল্যে সাহায্য ও তথ্য পাওয়ার অধিকার আপনার রয়েছে। কোনো একজন দোভাষীর সাথে কথা বলতে, আপনার কার্ডের পেছনে দেওয়া গ্রাহক সহায়তা নম্বরে কল করুন বা 877-469-2583, TTY: 711 যদি ইতোমধ্যে আপনি সদস্য না হয়ে থাকেন।

Jeśli Ty lub osoba, której pomagasz, potrzebujecie pomocy, masz prawo do uzyskania bezpłatnej informacji i pomocy we własnym języku. Aby porozmawiać z tłumaczem, zadzwoń pod numer działu obsługi klienta, wskazanym na odwrocie Twojej karty lub pod numer 877-469-2583, TTY: 711, jeżeli jeszcze nie masz członkostwa.

Falls Sie oder jemand, dem Sie helfen, Unterstützung benötigt, haben Sie das Recht, kostenlose Hilfe und Informationen in Ihrer Sprache zu erhalten. Um mit einem Dolmetscher zu sprechen, rufen Sie bitte die Nummer des Kundendienstes auf der Rückseite Ihrer Karte an oder 877-469-2583, TTY: 711, wenn Sie noch kein Mitglied sind.

Se tu o qualcuno che stai aiutando avete bisogno di assistenza, hai il diritto di ottenere aiuto e informazioni nella tua lingua gratuitamente. Per parlare con un interprete, rivolgiti al Servizio Assistenza al numero indicato sul retro della tua scheda o chiama il 877-469-2583, TTY: 711 se non sei ancora membro.

ご本人様、またはお客様の方の身の方で支援を必要とされる方でご質問がございましたら、ご希望の言語でサポートを受けたり、情報を入力したりすることができます。料金はかかりません。通訳とお話される場合はお持ちのカードの裏面に記載されたカスタマーサービスの電話番号(メンバーでない方は 877-469-2583, TTY: 711)までお電話ください。

Если вам или лицу, которому вы помогаете, нужна помощь, то вы имеете право на бесплатное получение помощи и информации на вашем языке. Для разговора с переводчиком позвоните по номеру телефона отдела обслуживания клиентов, указанному на обратной стороне вашей карты, или по номеру 877-469-2583, TTY: 711, если у вас нет членства.

Ukoliko Vama ili nekome kome Vi pomažete treba pomoć, imate pravo da besplatno dobijete pomoć i informacije na svom jeziku. Da biste razgovarali sa prevodiocem, pozovite broj korisničke službe sa zadnje strane kartice ili 877-469-2583, TTY: 711 ako već niste član.

Kung ikaw, o ang iyong tinutulungan, ay nangangailangan ng tulong, may karapatan ka na makakuha ng tulong at impormasyon sa iyong wika ng walang gastos. Upang makausap ang isang tagasalin, tumawag sa numero ng Customer Service sa likod ng iyong tarheta, o 877-469-2583, TTY: 711 kung ikaw ay hindi pa isang miyembro.

Important disclosure

Blue Cross Blue Shield of Michigan and Blue Care Network comply with Federal civil rights laws and do not discriminate on the basis of race, color, national origin, age, disability, or sex. Blue Cross Blue Shield of Michigan and Blue Care Network provide free auxiliary aids and services to people with disabilities to communicate effectively with us, such as qualified sign language interpreters and information in other formats. If you need these services, call the Customer Service number on the back of your card, or 877-469-2583, TTY: 711 if you are not already a member. If you believe that Blue Cross Blue Shield of Michigan or Blue Care Network has failed to provide services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance in person, by mail, fax, or email with: Office of Civil Rights Coordinator, 600 E. Lafayette Blvd., MC 1302, Detroit, MI 48226, phone: 888-605-6461, TTY: 711, fax: 866-559-0578, email: CivilRights@bcbsm.com. If you need help filing a grievance, the Office of Civil Rights Coordinator is available to help you.


You can also file a civil rights complaint with the U.S. Department of Health & Human Services Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail, phone, or email at: U.S. Department of Health & Human Services, 200 Independence Ave, S.W., Washington, D.C. 20201, phone: 800-368-1019, TTD: 800-537-7697, email: OCRComplaint@hhs.gov. Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.



TILDEN TOWNSHIP

2026 BCN HSA Silver Option 1

Coverage for: All Contract Types | Plan Type: HMO

 **The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. NOTE: Information about the cost of this plan (called the premium) will be provided separately. This is only a summary.** For more information about your coverage, or to get a copy of the complete terms of coverage, visit www.bcbsm.com or call (800) 662-6667 . For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at (<https://www.healthcare.gov/sbc-glossary>) or call (800) 662-6667 to request a copy.

Important Questions	Answers: Member / Family	Why This Matters:
What is the overall <u>deductible</u> ?	\$3,400/\$6,800	Generally, you must pay all of the costs from <u>providers</u> up to the <u>deductible</u> amount before this <u>plan</u> begins to pay. If you have other family members on the <u>plan</u> , each family member must meet their own individual <u>deductible</u> until the total amount of <u>deductible</u> expenses paid by all family members meets the overall family <u>deductible</u> .
Are there services covered before you meet your <u>deductible</u> ?	Yes. <u>Preventive care</u> and routine maternity care	This <u>plan</u> covers some items and services even if you haven't yet met the <u>deductible</u> amount. But a <u>copayment</u> or <u>coinsurance</u> may apply. For example, this <u>plan</u> covers certain <u>preventive services</u> without <u>cost-sharing</u> and before you meet your <u>deductible</u> . See a list of covered <u>preventive services</u> at https://www.healthcare.gov/coverage/preventive-care-benefits/
Are there other <u>deductibles</u> for specific services?	No.	You don't have to meet <u>deductibles</u> for specific services.
What is the <u>out-of-pocket limit</u> for this <u>plan</u> ?	\$7,500/\$15,000	The <u>out-of-pocket limit</u> is the most you could pay in a year for covered services. If you have other family members in this <u>plan</u> , they have to meet their own <u>out-of-pocket limits</u> until the overall family <u>out-of-pocket limit</u> has been met.
What is not included in the <u>out-of-pocket limit</u> ?	<u>Premiums</u> , balance billed charges and health care this <u>plan</u> does not cover	Even though you pay these expenses, they don't count toward the <u>out-of-pocket limit</u>
Will you pay less if you use a <u>network provider</u> ?	Yes. See (www.BCBSM.com) or call customer service for a list of <u>network providers</u> and out-of-state coverage. (800) 662-6667	This <u>plan</u> uses a <u>provider network</u> . You will pay less if you use a <u>provider</u> in the <u>plan's network</u> . You will pay the most if you use an <u>out-of-network provider</u> , and you might receive a bill from a <u>provider</u> for the difference between the <u>provider's</u> charge and what your <u>plan</u> pays (<u>balance billing</u>). Be aware, your <u>network provider</u> might use an <u>out-of-network provider</u> for some services (such as lab work). Check with your <u>provider</u> before you get services.
Do you need a <u>referral</u> to see a <u>specialist</u> ?	Yes.	This <u>plan</u> will pay some or all of the costs to see a <u>specialist</u> for covered services but only if you have a <u>referral</u> before you see the <u>specialist</u> .



All **copayment** and **coinsurance** costs shown in this chart are after your **deductible** has been met, if a **deductible** applies.

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you visit a health care provider's office or clinic	Primary care visit to treat an injury or illness	20% <u>coinsurance</u>	Not covered	20% <u>coinsurance</u> for online visits with a BCN participating online <u>provider</u> . <u>Deductible</u> does not apply to <u>preventive services</u> .
	<u>Specialist visit</u>	20% <u>coinsurance</u>	Not covered	Requires <u>referral</u> /30 combined visits for spinal manipulations performed by a chiropractor or osteopathic physician
	<u>Preventive care/screening/immunization</u>	No charge, <u>Deductible</u> does not apply	Not covered	<u>Deductible</u> does not apply to <u>preventive services</u> . You may have to pay for services that aren't <u>preventive</u> . Ask your <u>provider</u> if the services needed are <u>preventive</u> . Then check what your <u>plan</u> will pay for.
If you have a test	<u>Diagnostic test</u> (x-ray, blood work)	20% <u>coinsurance</u>	Not covered	May require <u>preauthorization</u> for non-preventive services
	Imaging (CT/PET scans, MRIs)	20% <u>coinsurance</u>	Not covered	Requires <u>preauthorization</u> .

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you need drugs to treat your illness or condition More information about <u>prescription drug coverage</u> is available at www.bcbsm.com/csdl26	Preferred Generic Tier	\$6/30 days	Not covered	Prior-auth & step therapy may apply. Drugs for sexual dysfunction, weight loss, cough & cold and compounds are excluded. No charge for Preferred Generic contraceptives and <u>preventive</u> drugs. 84-90 day retail & 31-90 day mail order <u>copays</u> are 3x the 30-day <u>copay</u> minus \$10. Your <u>plan</u> includes a prescription drug discount program for certain medications. When a manufacturer coupon is used through the BCN discount program, the amount paid after the discount applies toward the out of pocket maximum.
	Non-Preferred Generic Tier	\$25/30 days	Not covered	
	Preferred Brand Tier	\$60/30 days	Not covered	
	Non-Preferred Brand Tier	\$80/30 days	Not covered	
	Preferred <u>Specialty</u> Tier	20% <u>coinsurance</u>	Not covered	
Non-Preferred <u>Specialty</u> Tier	20% <u>coinsurance</u>	Not covered	\$200 <u>copay</u> max. <u>Specialty drugs</u> are covered only when obtained from the BCN Exclusive <u>Specialty Pharmacy Network</u> . Limited to a 30 day supply.	
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	20% <u>coinsurance</u>	Not covered	May require <u>preauthorization/50% coinsurance</u> for weight reduction, TMJ, orthognathic surgery, reduction mammoplasty, male mastectomy.
	Physician/surgeon fees	20% <u>coinsurance</u>	Not covered	See "Outpatient surgery facility fee"
If you need immediate medical attention	<u>Emergency room care</u>	20% <u>coinsurance</u>	20% <u>coinsurance</u>	None
	<u>Emergency medical transportation</u>	20% <u>coinsurance</u>	20% <u>coinsurance</u>	Non-emergent transport is covered when preauthorized
	<u>Urgent care</u>	20% <u>coinsurance</u>	20% <u>coinsurance</u>	None

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you have a hospital stay	Facility fee (e.g., hospital room)	20% <u>coinsurance</u>	Not covered	<u>Preauthorization</u> is required. 50% <u>coinsurance</u> for weight reduction procedures, TMJ, orthognathic surgery, reduction mammoplasty, male mastectomy
	Physician/surgeon fee	20% <u>coinsurance</u>	Not covered	See "Hospital stay facility fee"
If you need behavioral health services (mental health and substance use disorder)	Outpatient services	20% <u>coinsurance</u>	Not covered	None
	Inpatient services	20% <u>coinsurance</u>	Not covered	<u>Preauthorization</u> is required
If you are pregnant	Office visits	No charge for routine prenatal and postnatal	Not covered	Nonroutine prenatal and postnatal office visits- 20% <u>coinsurance</u> / <u>Deductible</u> applies except for routine maternity care
	Childbirth/delivery professional services	20% <u>coinsurance</u>	Not covered	None
	Childbirth/delivery facility services	20% <u>coinsurance</u>	Not covered	None

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Out-of-Network Provider (You will pay the most)	
If you need help recovering or have other special health needs	<u>Home health care</u>	20% <u>coinsurance</u>	Not covered	Requires <u>preauthorization</u> . Custodial care not covered.
	<u>Rehabilitation services</u>	20% <u>coinsurance</u>	Not covered	Requires <u>preauthorization</u> /Limited to 30 visits per calendar year for PT/OT combined / 30 visits per calendar year for speech therapy/30 visits per calendar year for pulmonary/cardiac.
	<u>Habilitation services</u>	ABA - 20% <u>coinsurance</u>	Not covered	Requires <u>preauthorization</u> /limited to 30 visits per calendar year for PT/OT combined. 30 visits per calendar year for speech therapy.
	<u>Skilled nursing care</u>	20% <u>coinsurance</u>	Not covered	Requires <u>preauthorization</u> /Limited to 45 days per calendar year. Custodial care not covered.
	<u>Durable medical equipment</u>	50% <u>coinsurance</u>	Not covered	Requires <u>preauthorization</u> and must be obtained from a BCN supplier. Convenience and comfort items not covered. Diabetic supplies covered with 20% <u>coinsurance</u> .. Certain diabetic supplies are covered through the pharmacy benefit. Applicable pharmacy cost-sharing will apply.
	<u>Hospice services</u>	20% <u>coinsurance</u>	Not covered	Inpatient care requires <u>preauthorization</u> . Housekeeping and custodial care not covered.
If your child needs dental or eye care	Children's eye exam	No Charge	Difference between approved amount and <u>provider's charge</u> .	Limited to once/calendar year through the last day of the year in which the individual turns age 19
	Children's glasses	No Charge	Difference between approved amount and <u>provider's charge</u> .	Frames and lenses covered once/calendar year through the last day of the year in which the individual turns age 19.
	Children's dental check-up	Contact your benefit administrator for coverage information.	Contact your benefit administrator for coverage information.	None

Excluded Services & Other Covered Services:

Services Your Plan Generally Does NOT Cover (Check your policy or plan document for more information and a list of any other excluded services.)

- Acupuncture
- Cosmetic surgery
- Dental Care (Adult)
- Hearing aids
- Long-term care
- Non-emergency care when traveling outside the U.S.
- Private-duty nursing
- Routine eye care (Adult)
- Routine foot care
- Weight loss programs

Other Covered Services (Limitations may apply to these services. This isn't a complete list. Please see your plan document.)

- Bariatric surgery (Limited to one per lifetime. Requires preauthorization)
- Chiropractic care
- Infertility treatment (Coverage includes diagnosis/counseling/treatment of infertility when medically necessary and preauthorized by BCN. See Certificate of Coverage for exclusions)

Your Rights to Continue Coverage:

There are agencies that can help if you want to continue your coverage after it ends. The contact information for those agencies is: U.S. Department of Labor, Employee Benefits Security Administration at 1-866-444-3272 or www.dol.gov/ebsa/healthreform, or the U.S. Department of Health and Human Services at 1-877-267-2323 x61565 or www.cciio.cms.gov. Other coverage options may be available to you too, including buying individual insurance coverage through the Health insurance Marketplace. For more information about the Marketplace, visit www.HealthCare.gov or call 1-800-318-2596.

Your Grievance and Appeals Rights:

There are agencies that can help if you have a complaint against your plan for a denial of a claim. This complaint is called a grievance or appeal. For more information about your rights, look at the explanation of benefits you will receive for that medical claim. Your plan documents also provide complete information to submit a claim, appeal or a grievance for any reason to your plan. For more information about your rights, this notice, or assistance, contact : Blue Care Network, Appeals and Grievance Unit, MC C248, P.O. Box 284, Southfield, MI 48086 or fax. 1-866-522-7345. For state of Michigan assistance contact the Department of Insurance and Financial Services, Office of General Counsel-Appeals Section, 530 W. Allegan Street, 7th Floor, P. O. Box 30220, Lansing, MI 48909-7720, <http://www.michigan.gov/difs>; call 1-877-999-6442 or fax: 517-284-8838.

For Department of Labor assistance contact the Employee Benefits Security Administration at 1-866-444- EBSA (3272) or www.dol.gov/ebsa/healthreform

Additionally, a consumer assistance program can help you file your appeal. Contact the Michigan Health Insurance Consumer Assistance Program (HICAP), Department of Insurance and Financial Services, P. O. Box 30220, Lansing, MI 48909-7720, <http://www.michigan.gov/difs> or difs-HICAP@michigan.gov

Does this Plan Provide Minimum Essential Coverage? Yes

Minimum Essential Coverage generally includes plans, health insurance available through the Marketplace or other individual market policies, Medicare, Medicaid, CHIP, TRICARE, and certain other coverage. If you are eligible for certain types of Minimum Essential Coverage, you may not be eligible for the premium tax credit.

Does this Plan Meet the Minimum Value Standard? Yes

If your plan doesn't meet the Minimum Value Standards, you may be eligible for a premium tax credit to help you pay for a plan through the Marketplace. (IMPORTANT: Blue Care Network of Michigan is assuming that your coverage provides for all Essential Health Benefits (EHB) categories as defined by the State of Michigan. The minimum value of your plan may be affected if your plan does not cover certain EHB categories, such as prescription drugs, or if your plan provides coverage for specific EHB categories, for example, prescription drugs, through another carrier.)

Translation available

To get help reading in your language call the customer service number on the back of your ID card.

To see examples of how this plan might cover costs for a sample medical situation, see the next page.

About these Coverage Examples:



This is not a cost estimator. Treatments shown are just examples of how this plan might cover medical care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. Focus on the cost sharing amounts (deductibles, copayments and coinsurance) and excluded services under the plan. Use this information to compare the portion of costs you might pay under different health plans. Please note these coverage examples are based on self-only coverage.

Peg is Having a Baby

(9 months of in-network pre-natal care and a hospital delivery)

■ The plan's overall deductible	\$3400
■ Specialist coinsurance	20%
■ Hospital (facility) coinsurance	20%
■ Other coinsurance	20%

This EXAMPLE event includes services like:

Specialist office visits (*prenatal care*)
 Childbirth/Delivery Professional Services
 Childbirth/Delivery Facility Services
Diagnostic tests (*ultrasounds and blood work*)
Specialist visit (*anesthesia*)

Total Example Cost	\$12,700
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In this example, Peg would pay:

<u>Cost Sharing</u>	
<u>Deductibles</u>	\$3,400
<u>Copayments</u>	\$10
<u>Coinsurance</u>	\$1,800
<u>What isn't covered</u>	
Limits or exclusions	\$60
The total Peg would pay is	\$5,270

Managing Joe's Type 2 Diabetes

(a year of routine in-network care of a well-controlled condition)

■ The plan's overall deductible	\$3400
■ Specialist coinsurance	20%
■ Hospital (facility) coinsurance	20%
■ Other coinsurance	20%

This EXAMPLE event includes services like:

Primary care physician office visits (*including disease education*)
Diagnostic tests (*blood work*)
Prescription drugs
Durable medical equipment (*glucose meter*)

Total Example Cost	\$5,600
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In this example, Joe would pay:

<u>Cost Sharing</u>	
<u>Deductibles</u>	\$3,400
<u>Copayments</u>	\$400
<u>Coinsurance</u>	\$100
<u>What isn't covered</u>	
Limits or exclusions	\$20
The total Joe would pay is	\$3,920

Mia's Simple Fracture

(in-network emergency room visit and follow up care)

■ The plan's overall deductible	\$3400
■ Specialist coinsurance	20%
■ Hospital (facility) coinsurance	20%
■ Other coinsurance	20%

This EXAMPLE event includes services like:

Emergency room care (*including medical supplies*)
Diagnostic tests (*x-ray*)
Durable medical equipment (*crutches*)
Rehabilitation services (*physical therapy*)

Total Example Cost	\$2,800
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In this example, Mia would pay:

<u>Cost Sharing</u>	
<u>Deductibles</u>	\$2,800
<u>Copayments</u>	\$0
<u>Coinsurance</u>	\$0
<u>What isn't covered</u>	
Limits or exclusions	\$0
The total Mia would pay is	\$2,800

If you are also covered by an account-type plan such as an integrated health reimbursement arrangement (HRA), and/or an health savings account (HSA), then you may have access to additional funds to help cover certain out-of-pocket expenses-like deductible, copayments, or coinsurance or benefits not otherwise covered.

The plan would be responsible for the other costs of these EXAMPLE covered services.

