



WESTPORT

**TOWN OF WESTPORT**  
**REPRESENTATIVE TOWN MEETING**  
**REPRESENTATIVE TOWN MEETING PACKET**  
**JULY 1, 2025**  
**07:30 PM**



## REPRESENTATIVE TOWN MEETING AGENDA

JULY 1, 2025  
07:30 PM

### Call

All Representative Town Meeting members and inhabitants of the Town of Westport are hereby notified that a meeting of the Representative Town Meeting members will be held at Town Hall, 110 Myrtle Ave. in the auditorium on Tuesday July 1, 2025, at 7:30 PM for the purposes listed below. If necessary, the meeting shall reconvene on Tuesday, July 15, 2025, to deal with any agenda items not disposed of at the adjournment of the July 1, 2025, meeting.

Attachment: [Resolutions.pdf](#)

### 1. Pickleball Courts Naming & Plaque Installation- Tom Lowrie

To take such action as the meeting may determine, in accordance with the Policy for Naming Town Property, and upon the recommendation of the Parks & Recreation Commission, to approve the installation of a plaque and to name the Pickleball Courts located at Compo Beach the "Lowrie Courts" in recognition of the contributions of Tom Lowrie.

Attachment: [\\_1 Request Tom Lowrie Plaque.pdf](#)

### 2. Collective Bargaining Agreement- Town of Westport & Westport Police Union, Fraternal Order of Police, Lodge 045

To take such action as the meeting may determine, upon the request of the Finance Director, to ratify and approve a collective bargaining agreement between the Town of Westport and Westport Police Union, Fraternal Order of Police, Lodge 045 for the period July 1, 2025, through June 30, 2028.

Attachment: [\\_2 Tentative Agreement - revised.pdf](#)

Attachment: [\\_2 Tentative Agreement -revised-red line.docx](#)

Attachment: [\\_2 Westport Police Contract - revised draft with Promotion change removed.pdf](#)

Attachment: [\\_2 Westport Police Contract - revised draft with Promotion change removed-red line.docx](#)

Attachment: [\\_2 Summary of Contract Costs 2025-2028.pdf](#)

### 3. Town employees voluntary 457 savings plan

To take such action as the meeting may determine, upon the request of the Finance Director, to establish a voluntary 457 savings plan for Town employees effective September 1, 2025. The Plan will mirror the current 401(k) and Defined Contribution Plans with VOYA. Investment choices will be the same as the 401(k) and DC savings plans. The purpose being to allow employees who reach the maximum contribution in the 401(k) or DC Plans to save additional tax deferred or Roth contributions in the 457 Plan.

Attachment: [\\_3 Certification Statement.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.aaa.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.pef.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.res.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.sea.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.sum.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.sem.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.pla.pdf](#)

Attachment: [\\_3 Town of Westport 457 Plan.loa.pdf](#)

**RTM Meeting  
July 1, 2025**

**RESOLUTIONS**

(1)

**RESOLVED:** That upon the recommendation of the Board of Selectwomen and the Parks & Recreation Commission, in accordance with the Policy for Naming Town Property, the installation of a plaque and the naming of the Pickleball Courts located at Compo Beach the “Lowrie Courts” in recognition of the contributions of Tom Lowrie are hereby approved.

(2)

**RESOLVED:** That upon the request of the Finance Director, a collective bargaining agreement between the Town of Westport and Westport Police Union, Fraternal Order of Police, Lodge 045 for the period July 1, 2025, through June 30, 2028 is hereby ratified and approved.

(3)

**RESOLVED:** That upon the request of the Finance Director, a voluntary 457 savings plan for Town employees effective September 1, 2025 is hereby established. The Plan will mirror the current 401(k) and Defined Contribution Plans with VOYA. Investment choices will be the same as the 401(k) and DC savings plans. The purpose being to allow employees who reach the maximum contribution in the 401(k) or DC Plans to save additional tax deferred or Roth contributions in the 457 Plan.



**WESTPORT**<sup>SM</sup>  
CONNECTICUT

Jennifer S. Tooker, First Selectwoman

TO: Jeff Wieser, RTM Moderator  
Jeff Dunkerton, Town Clerk

FROM: Jennifer S. Tooker, First Selectwoman 

DATE: June 25, 2025

RE: Request for RTM Approval – Installing Plaque in honor of Tom Lowrie

At its public hearing of June 25, 2025, the Board of Selectwomen unanimously approved the following:

RESOLVED, that in accordance with the Policy for Naming Town Property, and upon the recommendation of the Parks & Recreation Commission, the installation of a plaque and to name the Pickleball Courts located at Compo Beach the “Lowrie Courts” in recognition of the contributions of Tom Lowrie is hereby APPROVED.

In accordance with the Policy for Naming Town Property, I am forwarding the request to you to include the item on the next available Representative Town Meeting agenda for final approval.

On behalf of the Board of Selectwomen, I recommend that the plaque honoring Tom Lowrie be installed at the Town Pickleball Courts at Compo Beach.

Thank you.

Attachments

RECEIVED  
WESTPORT TOWN CLERK  
2025 JUN 25 A 11:44  
DUNKERTON

Town Hall • 110 Myrtle Avenue • Westport, CT 06880 • (203) 341-1111 • Fax (203) 341-1038  
Email: [selectwoman@westportct.gov](mailto:selectwoman@westportct.gov) • Website: [www.westportct.gov](http://www.westportct.gov)

POLICY FOR NAMING TOWN PROPERTY  
(APPROVED 7-29-98)  
Page 1 of 2

**POLICY FOR NAMING TOWN PROPERTY  
(APPROVED 7-29-98)**

**1. Purpose.**

*It is the general policy of the Board of Selectmen, when presented with a request to honor an individual by naming Town-owned real or personal property after the individual, to erect a plaque commemorating the contributions of the individual in lieu of naming town-owned property after the individual. The Board of Selectmen reserves the right to specify the manner in which plaques shall be worded and where they shall be placed, and further reserves the right to reject those requests which it deems inappropriate or unsuitable.*

In extraordinary circumstances the Board of Selectmen shall be empowered to name town-owned property in honor of an individual if it is determined to be in the best interests of the town. No public facility shall be so named without the approval of the RTM. Public facilities include land, buildings, rooms within a building and the like, but do not include park benches, and the like. The Board of Selectmen shall make the final determination as to whether town-owned property is a public facility.

This policy shall not apply to requests to name town-owned streets.

**2. Administrative procedures.**

- A. A naming request shall be submitted in writing to the First Selectman, indicating the nature of the contributions the individual has made to the community, and describing the property to be named.
- B. Upon receipt of the written submission, the First Selectman shall review all pertinent information related to the request and prepare a recommendation as to approval or disapproval by the Board of Selectmen.
- C. If the Board of Selectmen approves of the naming request, and the naming request involves a public facility, it shall forward its approval to the Moderator of the RTM to be placed on the agenda for the next available meeting. No public facility shall be so named without the final approval of the RTM.
- D. When reviewing a naming request involving property which is under the control of the Board of Education, the First Selectman shall forward to the Board of Education the naming request to be placed on the agenda for the next available meeting. The Board of Education shall communicate and objection to the naming request to the First Selectman within one week after said meeting. The Board of Selectmen shall consider any objection of the Board of Education when reviewing said naming request.

POLICY FOR NAMING TOWN PROPERTY  
(APPROVED 7-29-98)  
Page 2 of 2

3. **Criteria.**

A. When considering whether to approve of a plaque and or/naming of town-owned property, the Board of Selectmen shall consider the following:

- 1) Whether it would be appropriate and in the best interests of the town to name the property which is the subject of the request.
- 2) Whether it would be appropriate to name and/or erect a plaque in honor of the individual who is the subject of the request.
- 3) Whether naming the property may conflict in any way with the town's ethical or moral policies.
- 4) Service to the town or community
- 5) The nature and significance of the individual's contribution to the community.
- 6) The individual should be respected throughout the community.

**Francis, Eileen**

---

**From:** Colabella, Andrew  
**Sent:** Friday, June 20, 2025 8:10 AM  
**To:** Mathon-Martin, Michele; Francis, Eileen; Tooker, Jennifer; Moore, Andrea L.; Savin, Candice; Ira Bloom; Amaro, Sara; Kiely, Thomas  
**Subject:** Lowrie Courts for BOS Agenda  
**Attachments:** 771488EF-DF7A-4559-B29C-527E304E7B0E.jpeg

To All:

Below is a rendering attached to the sign I have in mind that would be affixed to the fence, next to the gate entrance into the current pickleball courts located at Compo Beach.

Parks & Recreation Commission voted unanimously to recommend to the Board of Selectwomen the naming of the Compo Beach Pickleball courts to being named "Lowrie Courts."

Would like to thank David Floyd's touch to the verbiage that was added below the name and approved by Tom and Anne Lowrie.

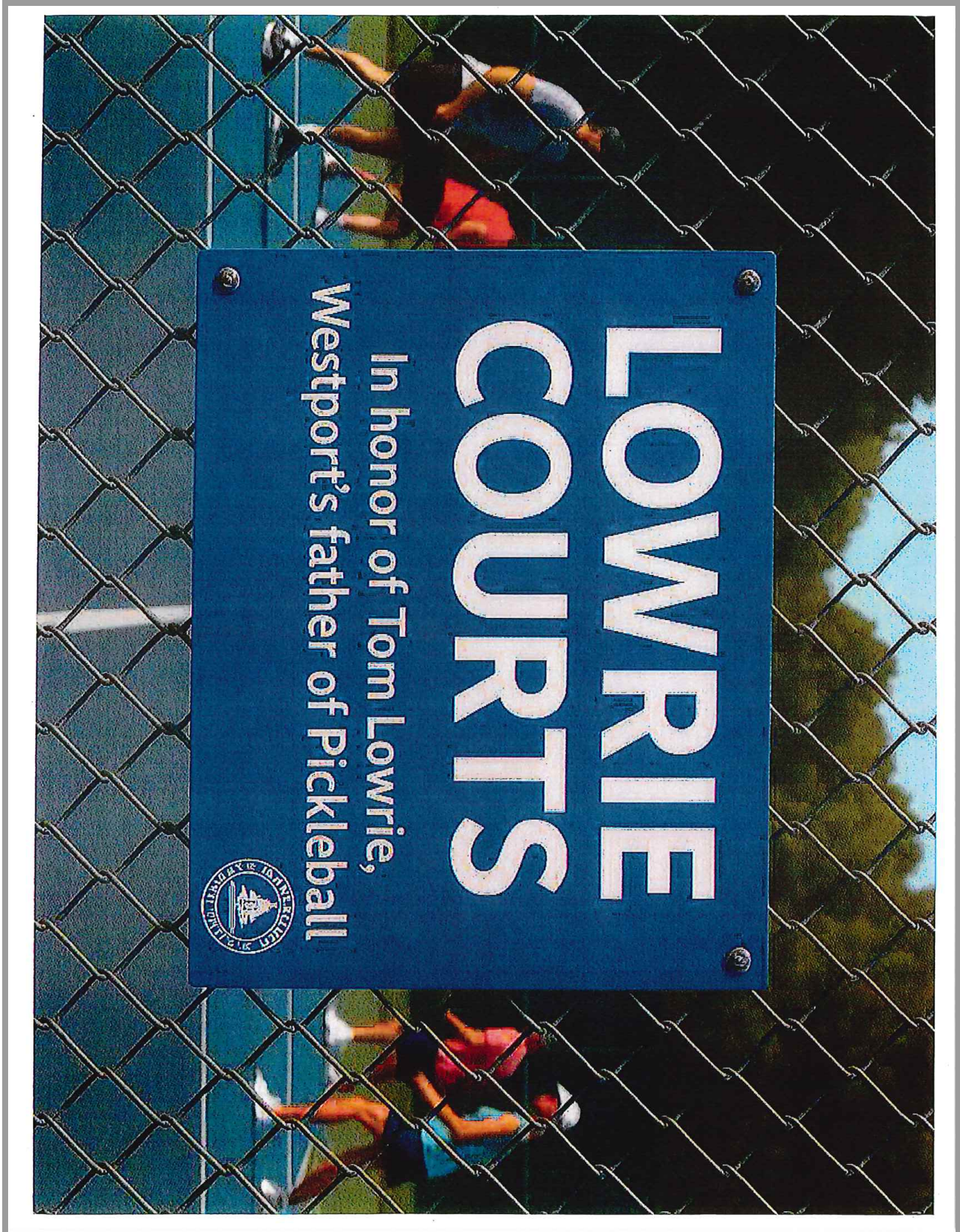
Would love the sign to be the same style as Parks and Recreation park's signage with the PR logo in lower right corner.

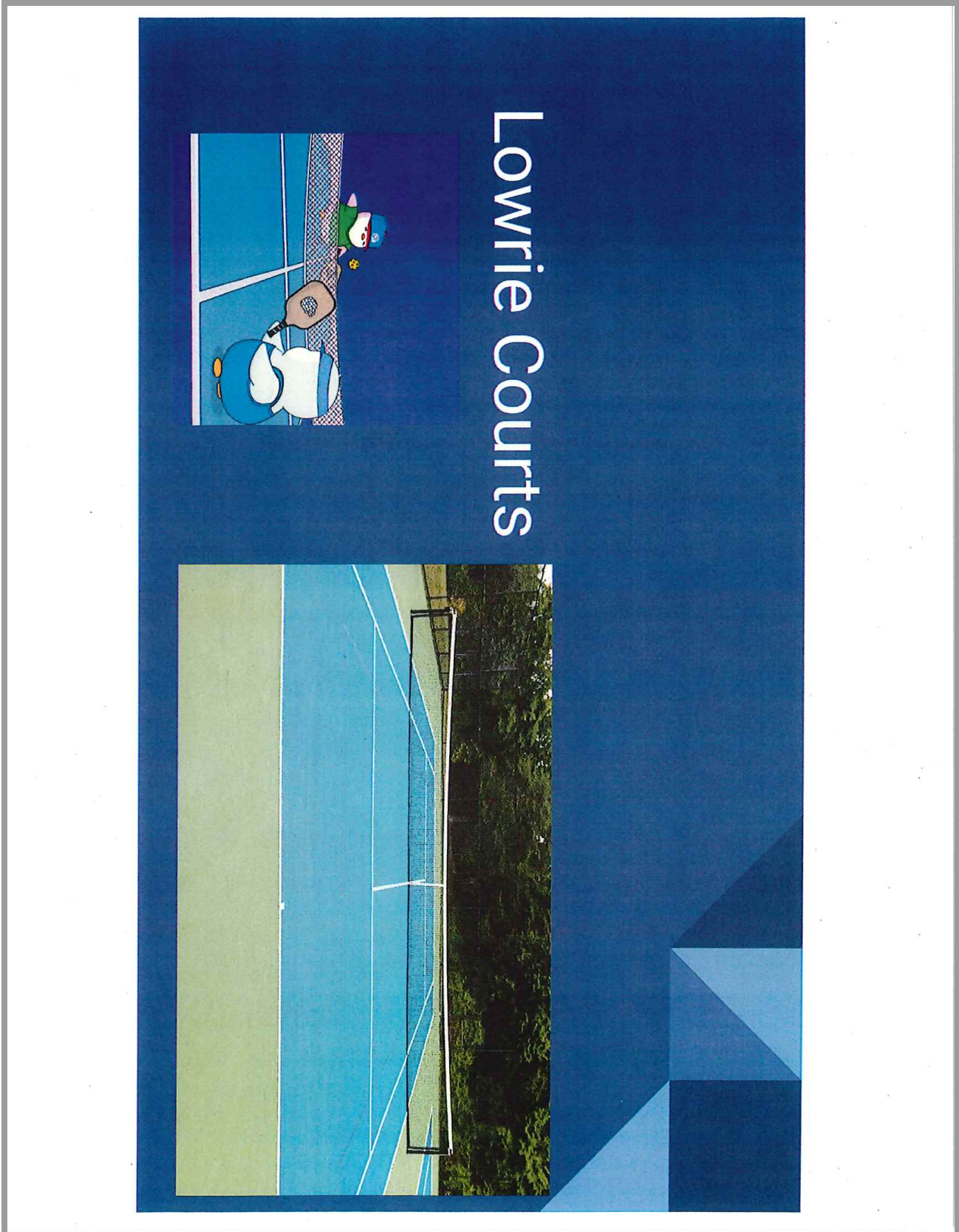
I am looking/hoping to have this added to the agenda of the BOS for this coming Wednesday, and then added to the RTM July Agenda as it will be a light month agenda wise, and just around Tom Lowrie's 97th birthday on July 3rd.

Thank you to all who put their touch and efforts to this including my co-sponsor, Chris Tait.

I understand ms. Flug is out of office until Monday and am copying whomever to add this small easy request to the agenda for this coming 6/25 Wednesday meeting.

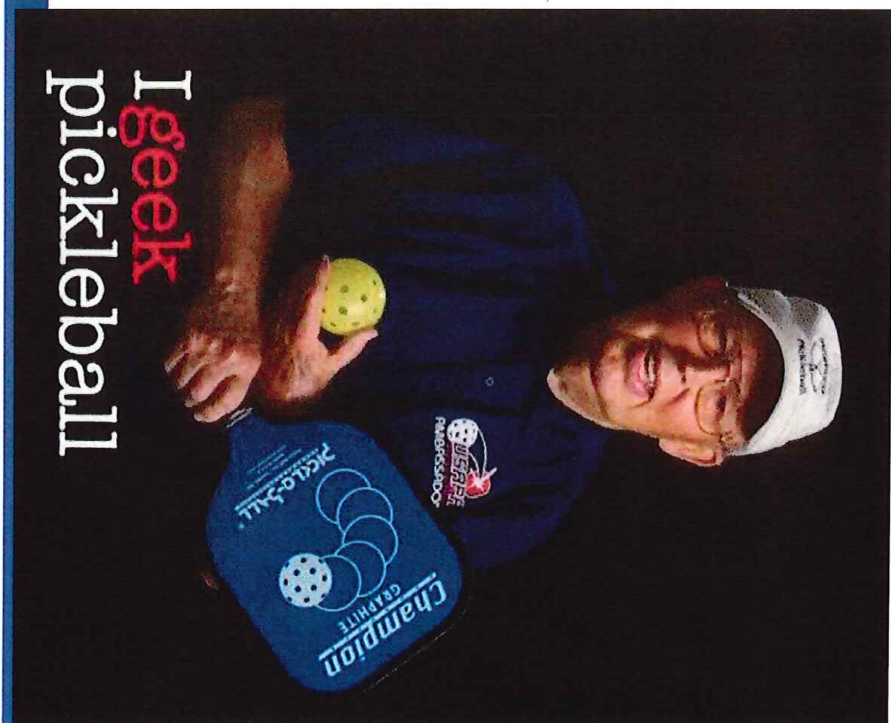
Andrew J. Colabella, MPA  
RTM District 4 Representative  
Westport Police Athletic League  
Sons of the American Legion, Commander  
203-984-7077





## Tom Lowrie

- Ambassador, USA Pickleball Association
- 96 (Turning 97 July 3rd)
- Architect
- Former Parks & Recs Racquets Advisory
- Resident, 1966
- Sunrise Rotarian
- YMCA
- Y's Men
- Princeton Graduate
- Navy
- Skydiver
- Father to Anne & Dave Lowrie



# Proposed Site



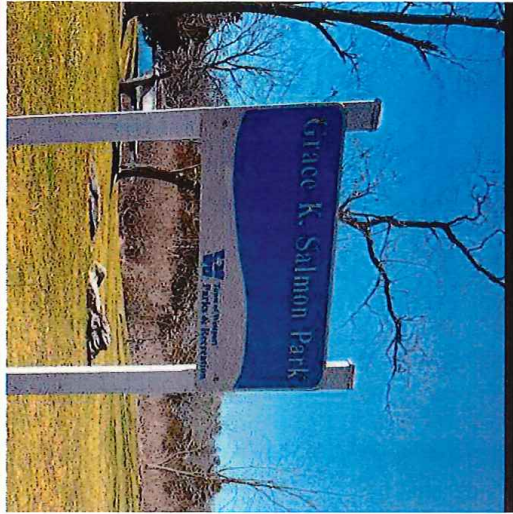
# Proposed Location

Gate Entrance(s)



## Signage

- “Lowrie Courts”
- Standard sign



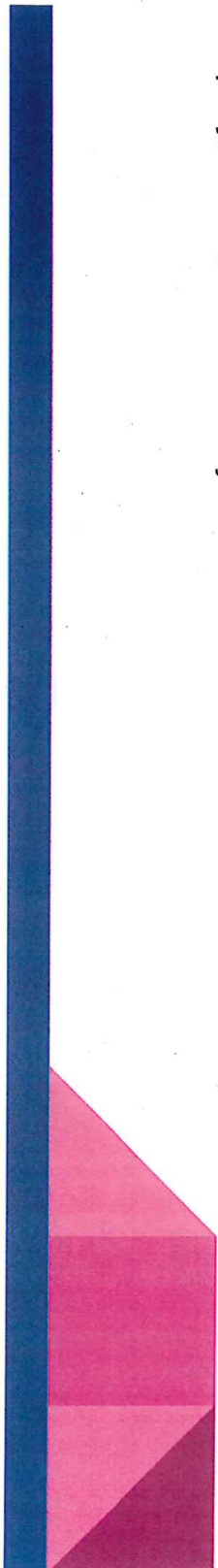
## Tom's Legacy

His natural benevolent soul has been blessing Westport since 1966.

Tom was the lead advocate and creator, working with Parks & Recreation Commission to build the Pickleball Courts at the beach.

Still active, Tom further continues to collaboratively pursue and expand access to the sport in Westport.

Since 2015, start to finish, Tom has given professionals and newbies a place to play, thrive, and even try!



Tentative Agreement

between

The Town of Westport

and

Westport Police Union, Fraternal Order of Police, Lodge 045

June 11, 2025

The Town of Westport and the Westport Police Union, Fraternal Order of Police, Lodge 045, hereby reach a Tentative Agreement on the terms of a successor agreement to commence July 1, 2025. The negotiating committees for the Town and Union agree to recommend that the Tentative Agreement be ratified.

Proposal #	Description								
Town #1	<p style="text-align: center;"><b>ARTICLE 9</b></p> <p style="text-align: center;"><b>PAYROLL DEDUCTION OF UNION DUES, FEES AND ASSESSMENTS</b></p> <p><u>SECTION 1.</u></p> <p>The TOWN agrees to deduct UNION membership dues from the pay of those who individually and in writing authorize such deductions. The UNION Treasurer shall notify the TOWN of the amount to be payroll deducted and remitted to the UNION Treasurer each such pay date by the TOWN or paid monthly by the employee directly to the UNION Treasurer.</p>								
Town #2	<p style="text-align: center;"><b>ARTICLE 25</b></p> <p style="text-align: center;"><b>INSURANCE</b></p> <p style="text-align: center;">* * * * *</p> <p><u>SECTION 6.</u></p> <p>The health and medical as herein specified provided by the Town shall include a contribution, under Section 125 of the IRS Code, by a covered employee in an amount equal to a percentage of the premium cost as defined in this Section for the health and medical coverage.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Effective date</u></th> <th style="text-align: center;"><u>Percentage of premium cost</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">7/1/2025</td> <td style="text-align: center;">16.5%</td> </tr> <tr> <td style="text-align: center;">7/1/2026</td> <td style="text-align: center;">17.0%</td> </tr> <tr> <td style="text-align: center;">7/1/2027</td> <td style="text-align: center;">17.5%</td> </tr> </tbody> </table>	<u>Effective date</u>	<u>Percentage of premium cost</u>	7/1/2025	16.5%	7/1/2026	17.0%	7/1/2027	17.5%
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7/1/2025	16.5%								
7/1/2026	17.0%								
7/1/2027	17.5%								
Town #3	<p style="text-align: center;"><b>ARTICLE 30</b></p> <p style="text-align: center;"><b>GENERAL PROVISIONS</b></p> <p style="text-align: center;">* * * * *</p>								

Proposal #	Description
Town #4	<p style="text-align: center;"><b>ARTICLE 31 DURATION</b></p> <p>The provisions of this Agreement shall continue in full force and effect without reopening or change of any kind to June 30, 2028. Either party may demand negotiations for a new Agreement on at least six (6) months written notice prior to June 30, 2028 and the parties shall meet within thirty (30) days of receipt of such request for negotiations for a successor Agreement.</p> <p>IN WITNESS WHEREOF, the parties have caused their names to be signed on this ____ day of _____, 2025.</p>
Union #5	<p style="text-align: center;"><b>ARTICLE 20 IN-SERVICE TRAINING</b></p> <p><u>SECTION 1.</u> Each employee shall be entitled to ten (10) working days off in each fiscal year as compensation for performing the work outside normal work hours as follows: Two (2) days off for starting shift @ 5 minutes of the hour Forty (40) hours of training annually One (1) day off for marching in the Memorial Day Parade 1- 1/2 day off for participation in the Fireworks Detail Four (4) hours for annual physical</p>
Union #7	<p style="text-align: center;"><b>ARTICLE 25 INSURANCE</b></p> <p><u>SECTION 3.</u> The TOWN shall provide and pay for a Group Life Insurance Policy for each employee equal to that employee’s salary up to \$100,000. If an employee proves that he/she is paying for similar coverage for group life insurance as set forth in this Section, at his/her option, the TOWN shall disburse to him/her the amount it would pay for the premium for the aforesaid policy, and the TOWN shall be relieved of its responsibilities to provide such coverage.</p>
Union #8	<p style="text-align: center;"><b>ARTICLE 25 INSURANCE</b></p> <p style="text-align: center;">* * * * *</p> <p><u>SECTION 3. [NEW]</u> In the event a police officer dies in the line of duty, the Town shall contribute up to twenty-five thousand dollars (\$25,000.00) toward the funeral expenses. “Line of Duty”, shall mean any action that a police officer is obligated and</p>

Proposal #	Description
	<p>authorized to perform while controlling or reducing crime and enforcing criminal laws, such as making arrests, conducting searches, or while using whatever force is necessary, including deadly force, to enforce such laws and regulations. The First Selectwoman - in consultation with the Chief of Police and the President of the Union shall be the body to decide eligibility. Therefore, this provision is not subject to the grievance procedure of this Agreement.</p> <p style="text-align: center;"><b>ARTICLE 4 PROMOTIONS</b></p> <p style="text-align: center;">* * * * *</p> <p><b>SECTION 10. [NEW]</b> In the event a police officer dies in the line of duty who is in the defined benefit plan (including the hybrid defined benefit plan), the police officer will be promoted posthumously to the next highest rank for pension purposes.</p>
Union #10	<p style="text-align: center;"><b>ARTICLE 26 WAGES</b></p> <p>Effective July 1, 2025, pay steps shall receive a two and ninety-five hundredths percent (2.95%) general wage increase over the rates in effect June 30, 2025.</p> <p>Effective July 1, 2026, pay steps shall receive a two and ninety-five hundredths percent (2.95%) general wage increase over the rates in effect June 30, 2026.</p> <p>Effective July 1, 2027, pay steps shall receive a two and ninety-five hundredths percent (2.95%) general wage increase over the rates in effect June 30, 2027.</p>
Town Counter – Wage Package	<p style="text-align: center;"><b>ARTICLE 10 PAID HOLIDAYS</b></p> <p style="text-align: center;">* * * * *</p> <p><b>SECTION 2. PAY</b> Holiday pay shall be computed by multiplying each employee’s regular straight-time hourly rate by eight (8) hours. (See Article 24, Section 1).</p> <p>If an employee volunteers to work for another employee on a holiday, that employee shall be considered “non-contiguous” or “day off” and shall not be subject to a call in or hold over unless other “contiguous” or “working” personnel are not eligible to be ordered.</p>

\_\_\_\_\_  
For the Town

\_\_\_\_\_  
Date

\_\_\_\_\_  
For the Union

\_\_\_\_\_  
Date

\_\_\_\_\_  
For the Union Date

The following attachment is not a PDF, so a link to the native file format is being provided instead:

[\\_ 2 Tentative Agreement -revised-red line.docx \(LINK\)](#)

**DRAFT**  
**June 10, 2025**

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

THE TOWN OF WESTPORT

AND

WESTPORT POLICE UNION, FRATERNAL ORDER OF POLICE, LODGE 045

JULY 1, 2025 to JUNE 30, 2028

4931-0245-8701, v. 1

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4931-0245-8701, v. 1

**PREAMBLE**

The following Collective Bargaining Agreement effective July 1, 2025, except as indicated otherwise, by and between the TOWN OF WESTPORT, HEREINAFTER REFERRED TO AS THE "TOWN", and the WESTPORT POLICE UNION, FRATERNAL ORDER OF POLICE, LODGE 045, hereinafter referred to as the "UNION", is designed to maintain and promote a harmonious relationship between the TOWN and its police officers who are covered by the provisions of this Agreement, in order that more effective and progressive public service may be rendered.

It is mutually agreed as follows:

**ARTICLE 1  
RECOGNITION**

The TOWN hereby recognizes the UNION as the exclusive representative and bargaining agent for the regular full-time police officers employed by the Police Department, except the Chief of Police, Deputy Police Chiefs, Captains and Police Lieutenants.

**ARTICLE 2  
PROBATION**

SECTION 1.

All appointments to the Police Department shall be subject to a probationary period of eighteen (18) months for non-certified officers and one (1) year for certified police officers, except that promotions to Sergeant shall be subject to a probationary period of one (1) year; and promotions to the position of Lieutenant shall be subject to a probationary period of one (1) year.

SECTION 2.

A probationary patrolman/patrolwoman may be summarily dismissed without a hearing and shall not have the right to institute a grievance for said dismissal.

SECTION 3.

Any employee promoted for a probationary period and, found to have performed unsatisfactorily during such period shall be reinstated to his/her previous position or equivalent, without loss of seniority, rank, grade or pay of his/her previous position.

SECTION 4.

Any employee who has satisfactorily completed his/her probation period shall be deemed to be a permanent employee in that rank.

SECTION 5.

Lateral entry hires must have one (1) year of service at the Westport Police Department before being assigned to a specialized position, unless all other officers meeting the criteria have declined the assigned position.

**ARTICLE 3  
SENIORITY**

SECTION 1.

Police Department seniority shall mean the total length of continuous service as a full-time officer in the Westport Police Department. An employee's length of continuous service shall not be reduced by time lost due to sick or injury leave, or any approved leave of absence or other authorized absence. Completed probationary periods shall be included in continuous service.

SECTION 2.

Rank seniority (Sergeant) shall mean total length of continuous service of an employee as an appointee to a rank including all completed probationary periods. No employee shall acquire rank seniority in any rank for a period served in such rank in an acting capacity. During such temporary service, he/she shall continue to accrue rank seniority in his/her permanent rank.

SECTION 3.

In the event of a force reduction in the required personnel of any rank or any change or reduction in the present Table of Organization for the Westport Police Department, rank seniority shall prevail, e.g. the employee with the least seniority in any rank will be the first to be reduced from the rank.

SECTION 4.

In the event of need for additional personnel following a force reduction, patrolmen/patrolwomen on lay-off shall have recall rights for one (1) year from the date of lay-off and shall be recalled in the inverse order of lay-off, e.g., the last patrolman/patrolwomen laid off shall be the first entitled to recall. Departmental seniority earned prior to lay-off shall be retained. A Sergeant reduced in rank as the result of a force reduction shall be entitled to reinstatement to the applicable rank in the event of a vacancy in said rank, provided such vacancy occurs and is to be filled in the two (2) years from the date of reduction; and provided further that any rank seniority earned prior to the reduction shall be retained.

SECTION 5.

Any two (2) or more employees having the same date of appointment or promotion, the employee who placed higher on the eligibility list from which such appointment or promotion was made, shall have the higher rank seniority rating.

SECTION 6.

Each June 30th, during the life of this Agreement, a departmental and rank seniority list will be published and posted.

**ARTICLE 4  
PROMOTIONS**

SECTION 1.

The First Selectman and the Chief of Police may, from time to time, and shall, pursuant to this Article, cause competitive examinations to be held by an independent agency. The Personnel Director reserves the right to make the final choice of agency after meeting with the Union Executive Committee. Each examination shall be open to only those persons who meet the minimum qualifications established in this Article for the rank/classification for which such examination is being conducted. Each candidate who meets such minimum requirements/qualifications shall be permitted to participate in all parts of the examination, provided he/she has attained a minimum grade of seventy percent (70%) in the written examination. Every reasonable effort shall be made to hold the oral examination within sixty (60) calendar days of receipt of the written scores. Seniority points as provided in this Article shall be a part of any such examination. All employees who receive a final total passing grade/score of seventy percent (70%) in an examination for a certain classification and/or rank shall be placed on the eligibility list for such rank/classification in the order of their final total grade/score in such examination. Such eligibility list shall be posted by the TOWN on the official departmental bulletin board showing each part of the examination.

SECTION 2.

A) The following minimums in years of service and acquired rank in the Westport Police Department shall be required for eligibility for participation in an examination for promotion or permanent placement in the below listed rank classifications:

Detective: Three (3) years of regular continuous active service immediately preceding the closing date of the application for such promotional examination. The eligibility list for this position shall be in effect for a period of eighteen (18) months and such duration period shall commence in accordance with the provisions specified in this Article.

Sergeant: Five (5) years of regular continuous active service immediately preceding the closing date of the application for such promotional examination.

- B) Sergeants who have served in that capacity for least six (6) months and who have completed seven (7) years of regular continuous active service in the Westport Police Department immediately preceding the closing date of the application for such promotional examination shall be eligible to participate in an examination for the rank of Lieutenant.

SECTION 3.

Seniority points shall be given in all aforesaid examinations by adding to the final grade of each candidate one quarter (1/4) point, up to a maximum of five (5) points, for each year of continuous service as a full-time police officer in the Westport Police Department in his/her respective rank on the closing date of the application for such promotional examination. If a tie exists after a score is established for any such examination by totaling the score/grade of the written examination, the oral examination, and seniority points, the higher rating shall be determined by the highest combination score/grade of the individual's written examination and oral examination grade. The parties agree that the written examination shall count fifty (50%) percent and the oral examination shall count fifty (50%) percent.

SECTION 4.

Whenever a vacancy is created in a promotional position (Detective, Sergeant, Lieutenant) in the Westport Police Department, and an eligibility list established in accordance with this Article exists for the rank to which the position is allocated, the Chief of Police shall recommend to the First Selectman who shall appoint the person standing highest on such eligibility list to fill such vacancy within thirty (30) days of the date on which such vacancy is created, except as provided in Article 3, Section 4.

SECTION 5.

In any case where a vacancy occurs and the eligibility list has less than thirty (30) days to its expiration, then the person standing highest on such list shall be recommended and appointed forthwith, or in the case of the absence of the Chief of Police and/or First Selectman at the time of the vacancy, at the earliest convenient date.

SECTION 6.

Whenever a vacancy is created in a promotional position, (Detective, Sergeant, Lieutenant), in the Westport Police Department, and an eligibility list does not exist for that rank, the Chief of Police shall initiate steps within fifteen (15) days of the date on which such vacancy was created for a competitive examination to be held in accordance with the provisions of this Article for the purpose of establishing an eligibility list for that rank. After an eligibility list is established for such rank, the First Selectman shall appoint the person standing highest on such eligibility list to fill such vacancy within thirty (30) days of the date on which the last appeal from the results of such

examination is processed and determined. If no appeal has been filed from such results within said thirty (30) days, the First Selectman shall make the appropriate appointment within such thirty (30) day period or as outlined in Section 5 above. The person promoted to Sergeant or Lieutenant shall serve one (1) year probation in that position.

Except as otherwise provided in this Agreement, an eligibility list created pursuant to this section shall be valid for two (2) years commencing with the date of the first appointment made from such list.

The provisions of this Article also shall apply to developing eligibility lists for Detectives, except that these shall be valid for eighteen (18) months commencing with the date of first appointment from the particular list. The Chief of Police will make the assignments from the top person on these lists. The person promoted to Detective shall serve one (1) year probation in that position.

SECTION 7.

All regular assignments as Detective shall be made from an eligibility list as provided in this Article. Any employee so assigned may be reassigned at the discretion of the Chief of Police and such assignment shall not be considered as permanent placement.

SECTION 8.

Staff Corporal

The Staff Corporal position shall be open to any member of the Union with three (3) or more years of continuous law enforcement experience with the Westport Police Department. Applicants will be interviewed by the Chief of Police or his / her designee(s). The Chief will appoint the applicant for Staff Corporal in his / her discretion and will take into consideration Supervisor recommendations. Staff Corporal pay shall be 5% higher than corresponding patrol officer rates. Corporal seniority shall be based on time in rank.

SECTION 9.

Corporals

The Corporal position shall be open to any member of the Union with three (3) or more years of law enforcement experience with the Westport Police Department. Applicants will be interviewed by the Chief of Police or his / her designee(s). The Chief will appoint the applicant for Corporal in his / her discretion and will take into consideration Supervisor recommendations. Corporals shall assume Field Training Officer responsibilities and shall receive the associated training. Corporal pay shall be 2.5% higher than corresponding patrol officer rates. There shall be a minimum of eight (8) and a limit of ten (10) corporals. Corporals shall continue to select their desired shift pursuant to the current patrol shift bid rules.

Corporals shall receive first line supervisor training. An absent Corporal need not be replaced by a Corporal; nor shall a patrolman filling in for a Corporal receive Corporal pay. Corporals shall

not replace an absent Sergeant or Lieutenant and should not be substitutes for Sergeants or Lieutenants. Corporal seniority shall be based on time in rank.

SECTION 10.

This Article shall not void any eligibility lists that are valid or active upon the execution or imposition date of this Agreement.

SECTION 11.

In all other respects, promotions and/or placements shall be subject to the rules and regulations as promulgated from time to time by the Chief of Police.

SECTION 12.

In the event a police officer dies in the line of duty who is in the defined benefit plan, the police officer will be promoted posthumously to the next highest rank for pension purposes.

**ARTICLE 5  
TRAINING-DETECTIVE BUREAU**

SECTION 1.

The Chief of Police may assign one (1) patrolman/patrolwomen to the Detective Bureau for a period not to exceed one (1) year for training purposes. No such officer shall be entitled to additional compensation, during such period, nor shall he/she be assigned for more than one (1) training period.

**ARTICLE 6  
NON-DISCRIMINATION**

SECTION 1.

It is the policy of the TOWN and the UNION that there shall be no discrimination because of race, creed, color, age, sex or national origin in the hiring of employees and the provisions of the Agreement shall be applied to all employees covered by it without regard to race, creed, color, age, sex or national origin.

**ARTICLE 7  
DISCIPLINARY ACTION**

SECTION 1.

If action is taken by the First Selectman to remove an employee, other than a probationary patrolman/patrolwomen as provided by Chapter 4, Section C4-5, of the Westport Town Charter, and in the judgment of the employee this action is taken without just cause, he/she, within thirty (30) days after, such action is taken, may ask the First Selectman to meet with the Union's Grievance Committee for the purpose of resolving the dispute. If the employee fails to initiate such request within the said thirty (30) days, the dismissal shall be final and binding. If no agreement is reached between the First Selectman, and the UNION with respect to the action of the First Selectman, the UNION may, not later than (10) days after receipt of the written determination by the First Selectman, submit a request for arbitration, in writing, to the Connecticut State Board of Mediation and Arbitration. The TOWN may at its option elect to have the grievance heard by the American Arbitration Association provided that the TOWN pays the cost of the arbitrator and the American Arbitration Association fee. The decision of the Board/Arbitrator shall be final and binding on all parties.

SECTION 2.

Nothing contained herein shall prevent any employee from representing himself/herself in these appeal proceedings before the First Selectman.

SECTION 3.

An employee who is called to the Office of, a Deputy Chief, Chief of Police, or First Selectman or his/her respective designee for disciplinary action, other than dismissal, may request the presence of the Local Union President and his/her designated alternate for further conference within three (3) days with a Deputy Chief, Chief of Police, or First Selectman and thereafter may use the grievance procedures. If the employee does not request same, it shall not constitute a waiver of the employee's rights under Article 8.

**ARTICLE 8  
GRIEVANCE PROCEDURES**

SECTION 1.

Should any employee or group of employees feel aggrieved by any conditions of employment, adjustments shall be sought as follows:

STEP 1.

The UNION shall submit the grievance in writing to the Chief of Police, setting forth the nature of the grievance. Within three (3) days after the Chief of Police receives the grievance, he/she shall meet with the representatives of the UNION for the purposes of adjusting or resolving the grievance.

STEP 2.

If the grievance is not resolved by the Chief of Police to the satisfaction of the UNION within five (5) days after such meeting, the UNION may present such grievance in writing within seven (7) days thereafter, to the First Selectman. Within seven (7) days after the First Selectman receives such grievance, he/she shall meet with the representative of the UNION for the purpose of adjusting or resolving the grievance.

STEP 3.

If the grievance is not resolved by the First Selectman to the satisfaction of the UNION within five (5) days after such meeting, the UNION may within ten (10) days thereafter submit the dispute to arbitration by the Connecticut State Board of Mediation and Arbitration. The TOWN may at its option elect to have the grievance heard by the American Arbitration Association provided that the TOWN pays the cost of the arbitrator and the American Arbitration Association fee.

The parties agree that any and all disputes concerning the arbitrability, application or interpretation of a specific provision of the Agreement shall be committed solely and exclusively to the arbitrator named herein for final and binding decision. The decision of such Board/Arbitrator shall be final and binding on all parties.

SECTION 2.

Nothing contained herein shall prevent any employee from presenting his/her own grievance and representing himself/herself.

SECTION 3.

The arbitrator shall not have authority to change, modify, or amend this Agreement.

SECTION 4.

If an aggrieved employee or group of employees fail to file a grievance under this section within sixty (60) days of the occurrence leading to the grievance, then such grievance shall be deemed waived, all other rights hereunder shall be considered waived, and neither the Connecticut State Board of Mediation and Arbitration or the American Arbitration Association shall have no jurisdiction in the matter.

SECTION 5.

Time limits prescribed in this Article may be extended by mutual agreement in writing by both parties; and it is further agreed that neither party shall unreasonably withhold agreement to extend any time limits as requested by the other party.

**ARTICLE 9  
PAYROLL DEDUCTION OF UNION DUES, FEES AND ASSESSMENTS**

SECTION 1.

The TOWN agrees to deduct UNION membership dues from the pay of those who individually and in writing authorize such deductions. The UNION Treasurer shall notify the TOWN of the amount to be payroll deducted and remitted to the UNION Treasurer each such pay date by the TOWN or paid monthly by the employee directly to the UNION Treasurer.

SECTION 2.

The UNION agrees to indemnify and hold harmless the TOWN for any loss or damages arising from the operation of this Article. It is also agreed that neither any employee nor the UNION shall have any claims against the TOWN for any deductions made or not made, as the case may be, unless a claim of error is made in writing to the TOWN within thirty (30) days after the date such deductions were or should have been made.

**ARTICLE 10  
PAID HOLIDAYS**

SECTION 1. NUMBER OF HOLIDAYS

Each employee shall be paid for the fourteen (14) paid holidays per fiscal year:

New Year's Day	Memorial Day
Martin Luther King Day	Juneteenth
Lincoln's Birthday	Independence Day
Washington's Birthday	Labor Day
Good Friday	Veteran's Day (State)
Christmas Eve	Columbus Day
Christmas Day	Thanksgiving Day

SECTION 2. PAY

Holiday pay shall be computed by multiplying each employee's regular straight-time hourly rate by eight (8) hours. (See Article 24, Section 1).

If an employee volunteers to work for another employee on a holiday, that employee shall be considered "non-contiguous" or "day off" and shall not be subject to a call in or hold over unless other "contiguous" or "working" personnel are not eligible to be ordered.

SECTION 3. DISTRIBUTION OF HOLIDAY PAY

Holiday pay shall be distributed on the payroll day immediately preceding the following dates:

December 1, (each fiscal year).....Seven (7) Holidays

June 1, (each fiscal year).....Seven (7) Holidays,

**SECTION 4. ADDITIONAL HOLIDAYS**

If any other TOWN bargaining unit, except Board of Education employees, receives an additional holiday beyond those permitted in their Agreements, then the members of the Westport Police Department shall be paid for an additional holiday.

**ARTICLE 11  
VACATIONS**

**SECTION 1. LESS THAN ONE FULL YEAR OF SERVICE**

If an employee has less than one full year of employment prior to the close of the fiscal year, he/she shall be credited with earned vacation time, which may be scheduled upon completion of twelve (12) months of service as follows:

(number of full months of service prior to July 1 divided by 12 x 10 days)

**SECTION 2. AFTER ONE (1) FULL YEAR OF SERVICE**

In each fiscal year, each employee who has completed one (1) full year of service shall receive ten (10) working days of vacation leave with pay.

A. Effective 7/1/99 employees shall earn vacation according to the following schedule:

Years Completed Service As of July 1 <sup>st</sup>	Earned Vacation (Working Days)
1	10
2	10
3	11
4	12
5	13
6	14
7	15
8	16
9	17
10	18
11	19

12	20
13	21
14	22
15	23
16	24
17 & thereafter	25

**SECTION 3. WHEN VACATIONS ARE TAKEN**

Vacation leave shall be taken in the fiscal year following the year in which it was earned, except that special permission may be granted to any employee by the Chief of Police, to carry over unused vacation leave from one year to the following year. Officers shall be paid for up to five (5) accrued but unused vacation days per year.

**SECTION 4. AT TERMINATION**

An employee shall be entitled to earned vacation pay if the employee resigns or retires and shall receive one (1) days' vacation pay for each day of such leave. In the event that an employee is entitled to vacation leave at the time of his/her death, his/her spouse shall receive the vacation pay due the employee on the same basis as the employee would have been entitled in the case of retirement or resignation. If such employee is not survived by a spouse, such vacation pay shall be paid to his/her estate.

**SECTION 5.**

Subject to the requirements of the service and with the prior approval of his/her Deputy Chief or in his/her absence the Shift Commander, an employee may take unused vacation time earned in the prior year in units of one or more days.

**ARTICLE 12  
SICK LEAVE**

**SECTION 1. ENTITLEMENT**

Each present employee shall be entitled to any unused sick leave accumulated under any previous agreement and shall continue to accumulate sick leave as provided in this Article.

**SECTION 2.**

Each employee shall be entitled to sick leave days with pay, less Workers' Compensation, as follows:

Years of Service                      Working Days @ Full Pay      Working Days @ ½ pay

Any newly hired employee will be issued a bank of twenty-four (24) sick days on the date of hire.

After completion of two (2) years an employee shall be entitled to accumulate sick leave at the rate of one (1) day per month and shall be entitled to additional days at half (1/2) pay as would total ninety (90) days altogether.

SECTION 3.

Such half (1/2) days shall not be cumulative or be used for early retirement purposes.

SECTION 4. EXTENSIONS

The First Selectman, for reasonable cause may extend any of the above for not more than sixty (60) days if the employee is unable to return to work because of sickness or disability upon expiration of his/her sick leave.

SECTION 5. SICK LEAVE WITHOUT PAY

If an employee uses all of his/her sick leave and any extension, and he/she is not eligible to be placed on pension, he/she will be placed on sick leave without pay to a maximum time of one (1) year. He/she will be reinstated, if he/she is able to return to work before this leave terminates, without loss of rank, seniority, rights or any privileges.

**ARTICLE 13  
INJURY LEAVE**

SECTION 1. UP TO MAXIMUM RECOVERY

Each employee who is injured or disabled in the performance of his/her duties shall be entitled to injury leave with full pay, less Worker's Compensation, from the date of injury until such time as he/she is able to return to duty or reaches the point of maximum recovery, whichever comes first. In no event shall such injury leave exceed one (1) year. If such employee is unable to return to duty, he/she shall be eligible for disability pension, under the Pension Plan, if qualified.

SECTION 2. MEDICAL EXPENSES

During such injury leave the TOWN shall pay the hospital, medical and drug expenses in excess of reimbursement made to the employee by Workers' Compensation Liability Insurance, or other payments for each employee who is injured or disabled in the performance of duty.

SECTION 3. HYPERTENSION OR HEART DISEASE

Any condition of impairment of health caused by hypertension or heart disease resulting in total or partial disability to an employee shall be governed by Section 7-433(c) of the Connecticut General Statutes.

**ARTICLE 14  
FUNERAL LEAVE**

SECTION 1. DEATH IN IMMEDIATE FAMILY

Each employee shall be granted leave with pay in the event of death in his/her immediate family. Such leave shall start on the day of death and continue through and include the day of burial, except that in no event shall such leave be less than three (3) days commencing with the day of death. For purposes of this Article the term "immediate family" shall mean and include the following.

Mother, Father, Mother-in-law, Father-in-law, Sister, Brother, Sister-in-law, Brother-in-law, Spouse, Child, Grandparents, Grandchildren. and any relation of an employee in residence with such employee.

SECTION 2. DEATH OF OTHER RELATIVES

Each employee shall be granted leave with pay for one (1) day, in the event of a death of any other close relative not mentioned in Section 1 of this Article, such as Aunt or Uncle.

**ARTICLE 15  
ADDITIONAL BENEFITS TO AN ESTATE**

SECTION 1. DEATH BENEFITS

In addition to any vacation pay to which a spouse may be entitled under Section 6 of Article 11, he/she shall receive the next four (4) weeks of pay otherwise due to such employee. If there is no surviving spouse, this benefit shall be paid to the estate of the employee.

**ARTICLE 16  
MILITARY LEAVE**

SECTION 1.

An employee shall be granted leave of absence without pay if drafted for military service, or if he/she enlists for military service during periods of national emergency. Such employee shall be reinstated upon his/her request to the position or its equivalent which he/she held at the time such leave was granted without loss of seniority, rights or privileges, provided that such request is made within three (3) months of the date he/she is separated from military service and provided he/she receives an honorable discharge.

SECTION 2. RESERVE TRAINING PROGRAM

An employee who serves in the Armed Forces Reserve Training Program shall be granted leave for this purpose to a maximum of thirty (30) days per year. For the period of this leave, the

employee shall be paid his regular salary (base pay plus college credits) less any military pay received.

**ARTICLE 17  
NO STRIKE**

The UNION and its member employees covered by this Agreement agree that it and/or they will not strike and the TOWN agrees that it will not lock out any of the employees covered by this Agreement.

**ARTICLE 18  
UNION BUSINESS LEAVE**

SECTION 1.

- (a) Each member of the five (5) member negotiating Committee who is scheduled for duty on any day of scheduled negotiations between the Town and the Union, shall be excused from duty with full pay for that day, for a total of five (5) scheduled negotiating days each.
- (b) The five (5) members of the UNION negotiating committee shall be granted leave from duty with full pay for all meetings between the TOWN and the UNION when such meetings take place at a time during which such members are scheduled to be on duty. The five (5) members of the UNION Grievance Committee shall be granted leave from duty with pay for all meetings take place at a time during which such members are scheduled to be on duty.
- (c) The President, Vice-President and Secretary-Treasurer shall be granted leave from duty with pay for all meetings of the UNION, providing such leave shall not exceed three (3) hours per meeting, when such UNION meeting shall take place at a time such members are scheduled to be on duty.
- (d) Officers of the UNION, as may be designated by the UNION shall be granted leave from duty, with full pay, for UNION business, such as attending labor conventions and educational conferences, provided that the total leave for the bargaining unit, for purposes set forth in this section, shall not exceed an aggregate of ten (10) working days in any fiscal year.

**ARTICLE 19  
LEAVE OF ABSENCE**

SECTION 1. LEAVE OF ABSENCE WITHOUT PAY

Upon the recommendation of the Police Chief, the First Selectman may grant leave of absence without pay for a period not to exceed one (1) year to any employee who requests such leave for personal reasons. Upon the expiration of such leave of absence, or earlier if so requested by such employee, he/she shall be reinstated in the position which he/she held at the time leave was granted. It is understood that during leave the employee may retain all insurance benefits only at his/her expense and that during such leave there will be no additional accrual of sick leave or vacation.

**ARTICLE 20  
IN-SERVICE TRAINING**

SECTION 1.

Each employee shall be entitled to ten (10) working days off in each fiscal year as compensation for performing the work outside normal work hours as follows:

- Two (2) days off for starting shift @ 5 minutes of the hour
- Forty (40) hours of training annually
- One (1) day off for marching in the Memorial Day Parade
- 1-1/2 days off for participation in the Fireworks Detail
- Four (4) hours for annual physical

**ARTICLE 21  
PROTECTION FOR EMPLOYEES WHEN NOT ON REGULAR TOUR OF DUTY**

SECTION 1.

The TOWN agrees to assume liability for personal injuries and damage to the personal property of an employee which occurs while the employee is engaged in police work other than during the normal hours of duty, provided the TOWN shall not be liable for such damage or injury if caused by willful negligence on the part of such employee.

**ARTICLE 22  
UNIFORMS AND EQUIPMENT**

SECTION 1.

The TOWN, at its expense, shall continue to furnish each permanent employee necessary uniforms and equipment at the time of his/her employment.

SECTION 2.

The TOWN shall allow a maximum of Nine Hundred and Twenty-Five Dollars (\$925) for each uniformed employee and Nine Hundred and Fifty Dollars (\$950) for each employee required to wear civilian clothes on duty. The priority of this allowance is for the upkeep and maintenance of uniforms. After that requirement has been satisfied, the money can be applied toward anything related to the police field for the betterment of the officer. Examples would be dry cleaning, reading and studying materials, memberships / equipment / clothing that can be used for physical fitness, items to be used on duty, etc.

The employee will be reimbursed by the TOWN for any items of clothing or personal property damaged in the line of duty subject to approval on an individual basis by a committee consisting of the Chief of Police, the First Selectman and the President of the UNION provided that the TOWN will only be responsible for a total of \$250 for any jewelry/watch an officer might be wearing on duty.

**ARTICLE 23  
WORK WEEK**

SECTION 1.

The normal work week and work schedule of each employee shall be in accordance with Schedule A, except, however, as provided in Section 2 below. The Chief of Police may assign employees to different work schedules, in which case they shall not be required to work a greater average number of hours per week, on an annual basis, than those on the foregoing schedule without overtime compensation or compensatory time off at the discretion of the Chief.

SECTION 2.

Designated personnel regularly scheduled Monday through Friday or Tuesday through Saturday (except Marine Division) shall be scheduled on the basis of eight (8) hours per day, five (5) days per week, forty (40) hours, with two (2) consecutive days off each week during the year. Such designated personnel, without loss of pay, shall not be scheduled to work on the holidays listed in Article 10 of the Agreement subject, however, to the requirements of the service.

**ARTICLE 24  
OVERTIME**

SECTION 1.

Except as otherwise specifically provided in this Agreement, an employee who works in excess of his/her total work hours normally scheduled during his/her scheduled work period (whether 5/2 or 5/3) starting with the first day after his/her last regularly scheduled day off, shall be paid for such additional hours at the rate of one and one-half (1/2) times his/her regular hourly rate of pay as computed by dividing the employee's base annual wage (including any additional increment and allowances for Master Officer, EMT, college credits, and weapons qualification) by 1950 hours. All overtime must have prior approval of the Deputy Chief or his/her designee.

SECTION 2.

In computing time to be paid at the rate of one and one-half (1 - 1/2) times an employee's regular hourly rate of pay, reserve training leave days shall be excluded as "work days" for purposes of computing overtime at premium rates.

Overtime at premium rates shall not be paid for fixed traffic posts, private details, schools and/or conferences to which employees may be assigned from time to time. However, in computing premium overtime for work in excess of his/her total normally scheduled work hours in any scheduled work period, absence during said period for line of duty injury leave, sick leave, vacation, compensatory days, and training days shall be included as "work days."

SECTION 3.

When an employee is called back to work (call back), except at the beginning of his/her normal tour of duty, he/she shall be entitled to be paid for a minimum of four (4) hours at time and one-half (1 - 1/2) rate of pay for that scheduled work period. In the event the employee elects to take compensatory time off, in lieu of pay for such call back, the compensatory time off shall be computed at time and one-half (1 - 1/2).

SECTION 4.

Employees required to attend court during off duty time in connection with his/her duties as a police officer, regular overtime rules apply.

SECTION 5.

- a) No Traffic Agent shall be used in lieu of a regular police officer for departmental overtime Beach Patrol, or any other Police function until such overtime first has been offered to all available regular Police Officer(s). When additional personnel are required for regular police work, the Chief may reschedule regular personnel from other shifts or offer such work as provided for overtime in this Subsection (a). It is agreed that Traffic Agents may be used by the TOWN for supplemental traffic details to assist patrol functions, and they shall be authorized to issue parking tickets during the course of these traffic details.

- b) Officers voluntarily working the following details on overtime (as well as the details set forth in sub-section(c) below) shall receive, at the employees' option, either straight time pay or compensatory time off at straight time.
  - 1) Replacement, at the Chiefs discretion, of officers authorized by the Chief or his designee to attend schools, training sessions, or seminars, when such attendance involves only a portion of the officer's regularly scheduled shift.
  - 2) Replacement of officers taking accumulated time.
  
- c) Nothing herein shall be interpreted to require minimum manning.

**ARTICLE 25  
INSURANCE**

**SECTION 1.**

For each regular full time employee, the TOWN shall provide and pay for the following insurance or health and medical plans:

- a) The Lumenos High Deductible (\$2,000 individual/\$4,000 two person and family 50% funded by Town) HSA Plan. During the term of the Agreement, the Town agrees to fully fund its portion of the deductible on the HSA in July of each year. Any employee who leaves the employ of the Town shall reimburse the Town for the portion of the deductible funded by the Town based upon a percentage equal to the number of months the employee was in the plan.
- b) Blue Cross Flexible Dental Plan shall be provided for the individual employee and dependents.
- c) An Accidental Death Policy of \$2,000 for each employee payable to the beneficiary designated by the employee.
- d) False arrest liability insurance in the amount of:
  - \$10,000 each act.
  - \$25,000 each occurrence.
  - \$50,000 aggregate limit of liability.

The TOWN may change insurance carriers to provide benefits which are comparable to and not less than the benefits provided in the above insurance coverage, except that any such change will

only be done after meeting with the Executive Board of the Union for agreement on the overall comparability of the plans. Any dispute as to comparability shall be decided by expedited arbitration.

SECTION 2.

- a) The Town agrees to pay each police officer who is eligible and who declines health and prescription coverage, and who is not covered by another Town sponsored plan, an annual stipend for opting out of Single coverage, Two Thousand Dollars (\$2,000) Single Plus One, Three Thousand Five Hundred Dollars (\$3,500) and for Family, Five Thousand (\$5,000).
- b) The stipend shall be taxable as ordinary income and shall not be included for pension purposes or any other calculation such as vacation pay, sick or personal days.
- c) The employee must provide proof that he or she has coverage through a group plan.
- d) The stipend will be paid one half on July 1 and one half on January 1. Should an employee terminate, the Town retains the right to recover, on a pro rata basis, the amount paid from any monies owed the employee such as vacation pay.
- e) The employee will have the option of changing their coverage once each year on the open enrollment date or any time during the year for a qualifying life event. Employees requiring coverage during the year because of a qualifying life event shall have this opt out stipend and Town's contribution to the HSA prorated.

SECTION 3.

The TOWN shall provide and pay for a Group Life Insurance Policy for each employee equal to that employee's salary up to \$100,000. If an employee proves that he/she is paying for similar coverage for group life insurance as set forth in this Section, at his/her option, the TOWN shall disburse to him/her the amount it would pay for the premium for the aforesaid policy, and the TOWN shall be relieved of its responsibilities to provide such coverage.

In the event a police officer dies in the line of duty, the Town shall contribute up to twenty-five thousand dollars (\$25,000.00) toward the funeral expenses. "Line of Duty", shall mean any action that a police officer is obligated and authorized to perform while controlling or reducing crime and enforcing criminal laws, such as making arrests, conducting searches, or while using whatever force is necessary, including deadly force, to enforce such laws and regulations. The First Selectwoman - in consultation with the Chief of Police and the President of the Union shall be the body to decide eligibility. Therefore, this provision is not subject to the grievance procedure of this Agreement.

SECTION 4.

At TOWN expense, all employees shall be required to take an annual physical examination which shall include a chest x-ray, cardiogram, and blood test. Such physical examination shall be given by a physician or physicians designated by the TOWN who, upon the completion of each such examination, shall certify to the Chief as to the individual fitness of each officer for continued police duty. If an officer is not certified by the physician for police duty, then said officer shall complete the necessary forms for the physician to release the full medical report of that individual officer to the Chief of Police for his/her consideration as to appropriate action.

SECTION 5.

Except as specifically provided in the “Police Pension Fund of the Town of Westport,” the TOWN shall permit retired members, at their own expense, to continue group coverage under the TOWN’S health insurance plans available to retirees, unless such retired member is otherwise employed where similar benefits are available.

SECTION 6.

The health and medical as herein specified provided by the Town shall include a contribution, under Section 125 of the IRS Code, by a covered employee in an amount equal to a percentage of the premium cost as defined in this Section for the health and medical coverage.

<u>Effective date</u>	<u>Percentage of premium cost</u>
7/1/2025	16.5%
7/1/2026	17.0%
7/1/2027	17.5%

For purposes of this Section (and wherever applicable elsewhere in this Agreement), premium cost shall be defined as either the actual premium cost paid by the TOWN for such Coverage or if the TOWN does not pay an actual premium the cost the allocation rate as developed by an independent third party administrator annually for the purposes of establishing premiums pursuant to the Comprehensive Omnibus Budget Reduction Act (“COBRA”).

**ARTICLE 26  
WAGES**

SECTION 1.

Schedule B contains the pay scales for the period of July 1, 2025 to June 30, 2028.

SECTION 2.

Half steps will be adjusted on new hires or promotions as follows: An employee hired or promoted prior to December 31<sup>st</sup> shall receive a full step in the salary schedule on the following July 1<sup>st</sup> and

an employee hired or promoted after December 31<sup>st</sup> shall receive one-half step on the next following July 1, but in no case shall such increase exceed the top step.

SECTION 3.

An employee assigned to the Detective Bureau shall receive an additional increment of eight percent (8.0%) of base pay.

An employee who has served as a Detective for seven (7) years shall be appointed to Detective First Class. Detective First Class will be paid an additional increment of ten percent (10%) above the base pay of a top step patrol officer.

SECTION 4.

A Sergeant shall move from Step 1 to Step 2 of the pay scale for Sergeants upon completion of one (1) full year in the rank. Acting Sergeants shall be paid at Step 1 of the Sergeant's pay scale. A Sergeant acting as Shift Commander shall receive one (1) hour compensatory time for each full day worked in that capacity.

SECTION 5.

Whenever an employee is required to work in a higher rated classification (as an Acting Detective) such employee shall be paid the difference between his/her regular pay and the next higher step in his/her classification; or if the employee is at maximum, he/she shall receive an increment on his/her scale equivalent to eight (8%) either in pay or in compensatory time off, at the option of the employee. In the event the employee exceeds thirty (30) days in the higher classification, he or she is mandated to accept the eight (8%) in pay. There shall be no compounding of increments above 8%.

SECTION 6.

Except as otherwise provided in this Agreement, advancement from one step to another shall be in accordance with Section 2, of this Article.

SECTION 7. SHIFT DIFFERENTIAL

An Employee who works between the hours of 1500 hours and 2300 hours shall receive an additional six (6%) of his/her base salary for each hour worked.

An Employee who works between the hours of 2300 hours and 0700 hours shall receive an additional eight (8%) of his/her base salary for each hour worked.

SECTION 8.

Any employee assigned by the Chief of Police to a school or course which requires attendance on his/her day off, or for period greater than his/her normal working hours, shall be paid at his/her

straight time rate for such day off, or for the time in excess of such working hours during which he/she attends such school or course, or shall be given compensatory time off. In those cases, where the assignment requires him/her to be away for one or more nights, he/she shall only be paid at his/her straight time rate or given compensatory time off for no more than eight (8) hours per day.

SECTION 9.

Employees hired prior to 7/1/07 having satisfactory completion of 30 course credits from an accredited college: the Annual rate of \$300.

Employees hired prior to 7/1/07 having satisfactory completion of 60 course credits from an accredited college: the Annual rate of \$500.

Employees hired on or after 7/1/07 having an Associate's Degree from an accredited college: the Annual rate of \$500.

Employees hired prior to 7/1/07 having satisfactory completion of 90 course credits from an accredited college: the Annual rate of \$700.

Bachelor's Degree from an accredited college: the Annual rate of \$1,000.

SECTION 10.

All salaries set forth in this Article are annual rates. The annual rate of pay of each employee and whatever additional pay to which he/she is entitled shall be divided into twenty-four (24) payments which are as nearly equal as possible, and shall be paid to such employee on the 15th and the last day of every month, or the legal full banking day prior to the 15th or last day of the month, should those dates fall on a weekend or a holiday. Pay shall be made via direct deposit and shall be available at 12:01 A.M. on each pay day.

SECTION 11.

Staff Corporal shall receive an additional increment of five (5%) above the patrol rate and Corporal shall receive an additional increment of two and one-half (2.5%) above the patrol rate.

**ARTICLE 27  
MASTER OFFICER**

SECTION 1. ELIGIBILITY

The Master Officer Program will be available to all regular members of the Westport Police Department who have completed the probationary period for new appointments to the Police Department as provided in Article 2, Section 1.

SECTION 2. COMPENSATION

Any officer who qualifies for this program will receive payment of the amount earned, depending on his/her individual performance, as provided in the program. Such amount shall be paid on the first pay period of July. Payment for this program will be for qualification during the previous fiscal year.

SECTION 3. PROGRAM SPECIFICS

“Schedule C” contains the specifics of the Master Officer Program, with the following provisions for years of service:

- a) An officer who will complete his/her probationary period at some time during a fiscal year ending June 30th will be eligible to participate during that fiscal year and will receive the appropriate payment in the next following July.
- b) An employee whose anniversary date is July 1 shall be assumed to have completed a full year of service on the June 30<sup>th</sup> immediately prior to that July 1.

**ARTICLE 28  
EMERGENCY MEDICAL TECHNICIANS**

The TOWN agrees to pay all employees certified as Emergency Medical Technicians, in addition to all other wages and benefits, a flat sum of eight hundred dollars (\$800.00) per year upon certification (or re-certification) and for as long as such certification is maintained. Payment shall be made in the first pay period of July of each fiscal year to all employees who are certified EMTs on July 1 of that year. An employee submitting proof of certification or re-certification during a fiscal year will be paid in the following July.

**ARTICLE 29  
PENSION PLAN**

It is understood and agreed that all provisions of the Pension Agreement dated February 3, 1972 and as amended known as “Police Pension Fund of the Town of Westport” are incorporated herein and are made a part hereof as though fully set forth herein. Any question concerning eligibility or computation of the benefits shall be subject to the grievance and arbitration provisions of this Agreement.

**ARTICLE 30  
GENERAL PROVISIONS**

SECTION 1.

Each employee who qualifies in the use of all the various weapons required by the policemen/policewomen in the TOWN OF WESTPORT shall receive the amount of One Hundred and Twenty (\$120.00) Dollars per month. Standards for such qualifications shall be set up by the Chief after discussion with an appropriate committee to be appointed by the President of the UNION.

SECTION 2.

The specifications of days in this Agreement shall mean calendar days, unless otherwise indicated.

SECTION 3.

The TOWN will give each present employee, and to each new employee when hired, a copy of this Contract.

SECTION 4.

An employee, with the prior approval of the Chief or his designee, shall be entitled to three (3) personal leave days in each fiscal year for personal business.

SECTION 5.

Full Time, Sworn Police Officers with the Westport Police Department shall reside within 45 miles of the border of the Town.

SECTION 6.

There shall be no body piercing visible other than one earring in each lobe for female officers, those earrings shall be stud type, no hanging or hoop style earrings are permitted. Male officers will not wear any earrings at all; they may have a pierced ear, but will not wear any type of earring in the piercing while on duty.

SECTION 7.

The TOWN and the UNION have agreed on a Drug Testing Policy effective 07/01/08, which is incorporated by reference in this Agreement.

**ARTICLE 31  
DURATION**

The provisions of this Agreement shall continue in full force and effect without reopening or change of any kind to June 30, 2028. Either party may demand negotiations for a new Agreement on at least six (6) months written notice prior to June 30, 2028 and the parties shall meet within thirty (30) days of receipt of such request for negotiations for a successor Agreement.

IN WITNESS WHEREOF, the parties have caused their names to be signed on this \_\_\_\_ day of \_\_\_\_\_, 2025.

THE TOWN OF WESTPORT:

WESTPORT POLICE UNION,  
FRATERNAL ORDER OF POLICE,  
LODGE 045

By: \_\_\_\_\_  
Jennifer Tooker  
First Selectwoman

By: \_\_\_\_\_  
President, Lodge 045  
Sean B. Kelley

The above is a true and attest copy of the Collective Bargaining Agreement between the TOWN OF WESTPORT and WESTPORT POLICE UNION, FRATERNAL ORDER OF POLICE, LODGE 045.

**SCHEDULE A  
WORK SCHEDULE**

FOR THE  
5/2 - - 5/3 WORK PERIOD ROTATION

ON FILE IN THE CHIEF'S OFFICE

**SCHEDULE B  
SALARY SCALES  
ANNUAL SALARY EFFECTIVE JULY 1**

Officer		1	2	3	4	5	6	7
7/1/25	2.95%		\$75,134	\$78,896	\$85,460	\$92,058	\$98,615	\$105,180
7/1/26	2.95%		\$77,350	\$81,223	\$87,981	\$94,774	\$101,524	\$108,283
7/1/27	2.95%		\$79,632	\$83,619	\$90,576	\$97,569	\$104,519	\$111,477

Sergeant		1	2
7/1/25	2.95%	\$120,961	\$127,007
7/1/26	2.95%	\$124,529	\$130,754
7/1/27	2.95%	\$128,203	\$134,611

**SCHEDULE C  
MASTER OFFICER PROGRAM**

**ELIGIBILITY**            The revised Master Officer Program will be available to all regular members of the Westport Police Department who have completed the probationary period for new appointments to the Police Department as provided in Article 2, Section 1.

**COMPONENTS & WEIGHTS**

The program will entail four (4) areas of assessment. Payable by July 15 for last year's program.

1.	Police Policy & Training Testing	\$600
2.	Sick Leave/Attendance	\$2,000
3.	Structural Fitness Program	\$1400
4.	Technical & Community Service	\$1,000

In the event a Master Officer participant has received a suspension in that year, \$100 shall be deducted from the total amount earned in the program for each suspension period.

**ASSESSMENT COMMITTEE**

The Master Officer Program will be overseen by an Assessment Committee comprised of a Program Director, a Lieutenant, and two (2) UNION members. The Chief of Police will appoint the Program Director and the Lieutenant, while the Executive Committee of the UNION will appoint two (2) of its members to the Assessment Committee. The Assessment Committee will oversee and coordinate the content, scheduling and administration of all phases of the program and to rule on questions of clarity, including the validation of Technical services to the department and services to the community.

The Committee's interpretation and application of Article 27 shall be final except where there is a tie vote and then the Chief shall make the final decision.

SPECIFICS CONCERNING COMPONENTS & WEIGHTS

1. POLICE POLICY & TRAINING TESTING - \$600 Maximum

A written exam will be given once a year and will be comprised of questions taken from any training provided by the department as well as departmental policies and procedures.

90%-100% = \$600

75%-89% = score % of \$600

(I.e., 78% = .78 x \$600 = \$468)

2. SICK LEAVE/ATTENDANCE - \$2000 Maximum

The Officers sick leave usage will be examined for the previous (participation) year and the table below will be utilized to identify an appropriate amount for this category. (A "Sick Instance" will mean one continuous sick leave absence from duty, i.e., one day, one week, one month and three days, etc. A Line of Duty Leave will not be counted as a Sick Instance.) Any officer using sick leave for the birth of a child shall not count as a sick instance.

<u>Sick Instance</u>	<u>Bonus Amount (this section)</u>
0	\$2,000
1	\$1,600
2	\$1,200
3	\$800
4	\$400
5	\$ 200
6 or more	\$ -0-

3. STRUCTURAL FITNESS PROGRAM- \$1400 Maximum

Officers will be tested in seven areas for physical fitness as listed below. Each area has assigned to it the maximum possible amount available as part of the total possible \$1400 maximum to be earned for this entire category.

A)	300 meter run	\$400
B)	Pushups/Bench Press	\$350
C)	Sit-ups	\$350
D)	Non-Smoking	\$200
E)	Cholesterol Count	\$100

A) 300 meter run

Amount	<30 Years Male/Female	30-39 Male/Female	40-49 Male/Female	50+ Male/Female
\$400	59/71	59/79	72/94	83/NA
\$300	69/81	69/89	82/104	93/NA
\$200	79/91	79/99	92/114	103/NA

No money will be earned if the officer completes the run more than 20 seconds over the CHIP standards.

B) Push-ups (or Bench Press)

Amount	< 30 yrs (Male/Female)	30-39 yrs (Male/Female)	40-49 yrs (Male/Female)	50+ yrs (Male/Female)
\$20	26/14	22/10	18/6	14/2
\$40	28/16	24/12	20/8	16/4
\$60	30/18	26/14	22/10	18/6
\$80	32/20	28/16	24/12	20/8
\$100	34/22	30/18	26/14	22/10
\$120	36/24	32/20	28/16	24/12
\$140	38/26	34/22	30/18	26/14
\$160	40/28	36/24	32/20	28/16
\$180	42/30	38/26	34/22	30/18
\$350	44/32	40/28	36/24	32/20

Bench Press

On bench press machine, weight will be set at 67% of participant's body weight. Participant is to do as many continuous repetitions as possible until exhaustion. The charts below will be used to evaluate performance.

MALE – Age

Amount	<30	30-39	40-49	50+
\$50	6-8	5-7	4-6	3-5
\$100	9-11	8-10	7-9	6-8
\$150	12-16	11-15	10-14	9-13
\$200	>16	>15	>14	>13

FEMALE – Age

Amount	<30	30-39	40-49	50+
\$50	5-7	4-6	3-5	2-4
\$100	8-10	7-9	6-8	5-7
\$150	11-14	10-13	9-12	8-11
\$200	>14	>13	>12	>11

C) Sit-ups

Amount	<30 yrs Male & Female	30-39 yrs Male & Female	40-49 yrs Male & Female	50+ Years Male & Female
\$20	36	31	20	17
\$40	38	33	22	19
\$60	40	35	24	21
\$80	42	37	26	23
\$100	44	39	28	25
\$120	46	41	30	27
\$140	47	42	31	28
\$160	48	43	32	29
\$180	49	44	33	30
\$350	50	45	34	31

D) Cholesterol count

200 or less \$100

201— 210	\$ 90
211— 220	\$ 80
221 — 230	\$ 70
231— 240	\$ 60
over 240	\$ -0-

E) Non-Smoking

Non-Smoker \$200

4. TECHNICAL AND COMMUNITY SERVICE - \$1000 Maximum

Personnel will be evaluated in the following areas to determine their individual commitment to serve the department and community. Each criterion has a value assigned to it.

Technical services to the department during the year under review \$600.

(Excluded are certifications for which an employee receives extra pay, or which are required for the position held.)

Examples of technical services would include some of the following:

Dive Team, Tactical Team, Intoxilyzer Certification, Police Service, Dog Handler, Accident Team Investigator.

Community support projects to the benefit of Westport and its citizens \$400. Request must be in writing to the Assessment Committee.

**SCHEDULE D  
MEMORANDUM OF UNDERSTANDING**



**DAVID FARRELL**  
DEPUTY CHIEF

**FOTI KOSKINAS**  
CHIEF OF POLICE

**RYAN PAULSSON**  
DEPUTY CHIEF



**MEMORANDUM OF UNDERSTANDING  
SCHOOL SECURITY OFFICER PROGRAM**

This **MEMORANDUM OF UNDERSTANDING ("MOU")** is made by and entered into this 21th day of September 2023 between the Management of the Town of Westport Police Department (the "Town") and the Westport Police Union, Fraternal Order of Police, Lodge 045 (the "Union") regarding the implementation of a School Security Officer (SSO) program at all Town of Westport schools, with the exception of Staples High School.<sup>1</sup>

**RECITALS:**

A. Whereas the Westport Police Department and the Westport Public Schools agreed to implement a School Security Officer (SSO) program. The primary purpose of the program is to provide enhanced security as well as more immediate access to police resources at the Westport public schools. Under the agreed upon model, a total of three officers as well as one supervisor<sup>2</sup> will be stationed at the town's middle and elementary schools.<sup>3</sup>

1. Now therefore, in the spirit of cooperation, both parties agree to the following terms and conditions regarding the SSO's responsibilities<sup>4</sup>:

a. Provide security at the assigned schools.<sup>5</sup>

<sup>1</sup> There is currently a School Resource Officer (SRO) assigned to Staples High School. That position is governed by a Memorandum of Agreement which was signed on March 1, 2019.

<sup>2</sup> This MOU does not guarantee that a supervisor will always be attached to this unit. The supervisory needs will be evaluated periodically and modified based on the program's current needs.

<sup>3</sup> One officer will be placed at Bedford Middle School; One officer will be assigned to both Saugatuck Elementary School and Kings Highway Elementary School; One officer will be assigned to both Coleytown Elementary School and Coleytown Middle School; One officer will be assigned to both Greens Farms Elementary School and Long Lots Elementary School.

<sup>4</sup> This list is not exhaustive. Other responsibilities/tasks can be assigned at the discretion of police supervisor(s) as well as the school principal or their designee.

<sup>5</sup> Primarily exterior security which would include patrolling of parking lots, walking school grounds, etc.

50 Josup Road | Westport, CT 06880 | Phone 203.341.6000 | Fax 203.341.6092

*With courage, honor and integrity, we protect the rights of all citizens.*

- b. Conduct targeted traffic enforcement at and around the assigned school(s)
  - c. Create a physical presence at the assigned school(s).
  - d. Interact with students and faculty to forge relationships.
  - e. Provide traffic control at arrival, dismissal, and special events.
  - f. Aid in enhancing physical security and security procedures at assigned schools.
  - g. Periodically assess, identify, and report vulnerabilities at assigned schools.
  - h. Be familiar with building floor plans and emergency contact information for assigned schools and ensure it remains updated.
  - i. Provide initial response for all calls for service at assigned schools.
  - j. Remain mindful of incidents occurring in proximity to assigned schools, evaluate potential and secondary hazards, and act accordingly.
2. Now therefore, in the spirit of cooperation, both parties agree to the following terms and conditions regarding the SSO's schedule and benefits:
- a. SSOs will work the hours that their school(s) are in session Monday through Friday during the school year.<sup>6</sup>
  - b. When school is not in session during the school year (vacations, holidays, snow days, etc.) the SSO will have the option of either reporting to work in the patrol division or taking premium day(s)/accumulated time.<sup>7</sup>
  - c. SSOs will be paid overtime on contractual holidays in which school is in session and the SSO works. In lieu of pay, the SSO may opt to take that holiday on an alternate day when the school is not in session.

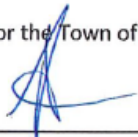
<sup>6</sup> School year is defined as the time between the first day that the teachers report and last day teachers report based on the school calendar.

<sup>7</sup> SSOs are strongly encouraged to utilize their premium time off/accumulated time when school is not in session.


- d. During the Summer break between school years, the SSOs will be assigned to the patrol division<sup>8</sup> but will continue to work their Monday through Friday schedule.<sup>9</sup>
- e. SSOs shall have the right of first refusal for all overtime assignments related to or sponsored by the Westport Public Schools.
- f. SSOs shall have a take home vehicle to be utilized only when performing their functions as it relates to their position as an SSO, or any other assignments related to their position as a police officer.<sup>10</sup>

All other conditions of employment shall be in accordance with the collective bargaining agreement between the Town and the Union.

For the Town of Westport:

  
\_\_\_\_\_  
Foti Koskinas  
Chief, Westport Police Department  
9/25/23  
Date

For the Union:

  
\_\_\_\_\_  
Sean Kelley  
President, FOP, Lodge 045  
9/25/2023  
Date

<sup>8</sup> During the Summer break SSOs may be assigned to a division other than patrol based on the needs of the service.  
<sup>9</sup> It is not practical for all SSOs to be assigned to day shift during Summer break. As such, based on the needs of the service, some may be assigned to other shifts.  
<sup>10</sup> This would include using the vehicle to work patrol during Summer break, patrol overtime, private duty construction jobs, etc.

The following attachment is not a PDF, so a link to the native file format is being provided instead:

[\\_ 2 Westport Police Contract - rev ... otion change removed-red line.docx \(LINK\)](#)

	F	G	H	I	J	K	L	M	N	O	P	Q	
1	<b>Police Fraternal Order of Police, Lodge 045</b>								2024-25	2025-26	2026-27	2027-28	Cumulative
2	<b>Summary of Contract Changes</b>												<b>Cost</b>
3	Salary Increases - No increase will be given in the year 2016-2020								0.00%	2.95%	2.95%	2.95%	
4	<b>Step Increases</b>										0.95%	0.95%	
5	<b>Total Increase including steps</b>									2.95%	3.90%	3.90%	
6													
7	Premium Share for Employee Effective July 1 of each year.								16.00%	16.50%	17.00%	17.50%	
8													
9													
10	<b>Financial Impact:</b>							Base Cost					
11								Salary Increases (Includes Steps)	6,269,992	184,965	251,743	261,561	698,269
12	Note Steps are budgeted for in the Annual Budget							Overtime	167,903	4,953	6,741	7,004	18,699
13								Detective and Acting Pay Increment (5)	111,335	3,284	4,470	4,644	12,399
14								Holiday Pay	434,003	12,803	17,425	18,105	48,334
15								Vacation Replacement	385,950	11,386	15,496	16,100	42,982
16								Shift Differential	205,466	6,061	8,250	8,571	22,882
17								Court Time	15,942	470	640	665	1,775
18								Marine Patrol	24,856	733	998	1,037	2,768
19								Funeral Leave	6,685	197	268	279	744
20								Injury Leave	55,842	1,647	2,242	2,330	6,219
21								School/Training Replacement	124,223	3,665	4,988	5,182	13,834
22								Sick Replacement	89,346	2,636	3,587	3,727	9,950
23								Emergency callback	113,913	3,360	4,574	4,752	12,686
24													
25								Total Increase	8,005,456	236,161	321,423	333,959	891,543
26													
27								Percentage Increase		2.95%	3.90%	3.90%	11.14%
28													
29								FICA	116,079	3,424	4,661	4,842	12,927
30								Workers Comp \$1.16/100	91,422	2,697	3,671	3,814	10,181
31								401(k)/DC Plan 3% match	49,819	1,470	2,000	2,078	5,548
32								Life Insurance Increase \$50k to \$100k	0	663	663	663	1,989
33								Benefit Costs	257,320	8,254	10,995	11,397	30,646
34													
35									8,262,776	244,415	332,418	345,356	922,189
36	Overall Cost before Insurance Savings												
37								Percentage Increase		2.96%	3.91%	3.91%	11.16%
38													
39	Insurance Savings Assumes 7% Medical Inflation								199,073	995	1,991	2,986	5,972
40	Insurance Savings Assumes									995	1,991	2,986	5,972
41													
42	Net Cost of Contract									243,420	330,427	342,370	916,216
43	Cost increase as a percent of payroll									2.95%	3.74%	3.73%	11.09%

## Certification Statement

I certify that I have reviewed the base plan document and accompanying adoption agreement (the "Plan Document") and that the Plan Document accurately reflects the intended provisions of the Plan.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Plan Sponsor Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

**Eligible Governmental 457 Plan**

**ADOPTION AGREEMENT FOR  
ELIGIBLE GOVERNMENTAL 457 PLAN**

The undersigned Employer, by executing this Adoption Agreement, establishes an Eligible 457 Plan ("Plan"). The Employer, subject to the Employer's Adoption Agreement elections, adopts fully the Plan provisions. This Adoption Agreement, the basic plan document and any attached Appendices, amendments, or agreements permitted or referenced therein, constitute the Employer's entire plan document. All "Election" references within this Adoption Agreement or the basic plan document are Adoption Agreement Elections. All "Article" or "Section" references are basic plan document references. Numbers in parentheses which follow election numbers are basic plan document references. Where an Adoption Agreement election calls for the Employer to supply text, the Employer may lengthen any space or line, or create additional tiers. When Employer-supplied text uses terms substantially similar to existing printed options, all clarifications and caveats applicable to the printed options apply to the Employer-supplied text unless the context requires otherwise. The Employer makes the following elections granted under the corresponding provisions of the basic plan document.

1. **EMPLOYER (1.11).**

Name: Town of Westport  
Address: 110 Myrtle Avenue Street  
Westport City Connecticut State 06880 Zip  
Telephone: (203) 341-1000  
Taxpayer Identification Number (TIN): 06-6002128

2. **PLAN NAME.**

Name: Town of Westport 457(b) Plan

3. **PLAN YEAR (1.25).** Plan Year means the 12 consecutive month period (except for a short Plan Year) ending every (Choose one of a. or b. and choose c. if applicable): [Note: Complete any applicable blanks under Election c. with a specific date, e.g., "June 30" OR "the last day of February" OR "the first Tuesday in January." In the case of a Short Plan Year or a Short Limitation Year, include the year, e.g., "May 1, 2013."]

- a.  **December 31.**
- b.  **Plan Year:** ending: June 30.
- c.  **Short Plan Year:** commencing: \_\_\_\_\_ and ending: \_\_\_\_\_.

4. **EFFECTIVE DATE (1.08).** The Employer's adoption of the Plan is a (Choose one of a. or b. Complete c. if new plan OR complete c. and d. if an amendment and restatement. Choose e. if applicable):

- a.  **New Plan.**
- b.  **Restated Plan.** The Plan is a substitution and amendment of an existing 457 plan.

**Initial Effective Date of Plan**

c.  July 1, 2025 (enter month day, year; hereinafter called the "Effective Date" unless 4d is entered below)

**Restatement Effective Date (If this is an amendment and restatement, enter effective date of the restatement.)**

d.  \_\_\_\_\_ (enter month day, year)

**Special Effective Dates: (optional)**

e.  **Describe:** Salary Reduction Contributions are effective September 1, 2025.

5. **CONTRIBUTION TYPES.** (If this is a frozen Plan (i.e., all contributions have ceased), choose a. only):

**Frozen Plan**

- a.  **Contributions cease.** All Contributions have ceased or will cease (Plan is frozen).
  - 1. **Effective date of freeze:** \_\_\_\_\_ [Note: Effective date is optional unless this is the amendment or restatement to freeze the Plan.]

**Eligible Governmental 457 Plan**

**Contributions.** The Employer and/or Participants, in accordance with the Plan terms, make the following Contribution Types to the Plan (*Choose one or more of b. through d. if applicable*):

- b.  **Pre-Tax Elective Deferrals.** The dollar or percentage amount by which each Participant has elected to reduce his/her Compensation, as provided in the Participant's Salary Reduction Agreement (*Choose one or more as applicable*):

And will **Roth Elective Deferrals** be made?

- 1.  **Yes.** [Note: *The Employer may not limit Deferrals to Roth Deferrals only.*]
- 2.  **No.**

And will Matching Contributions be made with respect to Elective Deferrals?

- 3.  **Yes.** See Question 16.
- 4.  **No.**

- c.  **Nonelective Contributions.** See Question 17.
- d.  **Rollover Contributions.** See Question 30.

6. **EXCLUDED EMPLOYEES (1.10).** The following Employees are Excluded Employees and are not eligible to participate in the Plan (*Choose one of a. or b.*):

- a.  **No exclusions.** All Employees are eligible to participate.
- b.  **Exclusions.** The following Employees are Excluded Employees (*Choose one or more of 1. through 9.*):
  - 1.  **Part-time Employees.** Employees who normally work less than 20 hours per week.
  - 2.  **Part-Time, Seasonal, and Temporary Employees as defined in Treas. Reg. §31.3121(b)(7)-2(d)(2)(iii).** [This exclusion is sometimes used in FICA replacement plans.]
  - 3.  **Hourly-paid Employees.**
  - 4.  **Salaried Employees.**
  - 5.  **Nonresident aliens as defined in Code §410(b)(3)(C).**
  - 6.  **Employees covered by a collective bargaining agreement unless the agreement provides otherwise.**
  - 7.  **Employees in an appointed or elected position.**
  - 8.  **Leased Employees.** The Plan excludes Leased Employees.
  - 9.  **Specify: Board of Education personnel and nonresident aliens who receive no earned income from sources within the United States**

7. **INDEPENDENT CONTRACTOR (1.16).** The Plan (*Choose one of a., b. or c.*):

- a.  **Participate.** Permits Independent Contractors to participate in the Plan.
- b.  **Not Participate.** Does not permit Independent Contractors to participate in the Plan.
- c.  **Specified Independent Contractors.** Permits the following specified Independent Contractors to participate:

[Note: *If the Employer elects to permit any or all Independent Contractors to participate in the Plan, the term Employee as used in the Plan includes such participating Independent Contractors.*]

8. **COMPENSATION (1.05).** Subject to the following elections, Compensation for purposes of allocation of Deferral Contributions means:

**Base Definition** (*Choose one of a., b., c. or d.*):

- a.  Wages, tips and other compensation on Form W-2.
- b.  Code §3401(a) wages (wages for withholding purposes).
- c.  415 safe harbor compensation.
- d.  Alternative (general) 415 Compensation.

[Note: *The Plan provides that the base definition of Compensation includes amounts that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2), & 457. Compensation for an Independent Contractor means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies below. The base definition of Compensation is used to determine Includible Compensation.*]

**Eligible Governmental 457 Plan**

**Modifications to Compensation definition.** The Employer elects to modify the Compensation definition as follows (*Choose one of e. or f.*):

- e.  **No modifications.** The Plan makes no modifications to the definition.
- f.  **Modifications** (*Choose one or more of 1. through 9.*):
  - 1.  **Fringe benefits.** The Plan excludes all reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits.
  - 2.  **Elective Contributions. [1.05(E)]** The Plan excludes a Participant's Elective Contributions.
  - 3.  **Bonuses.** The Plan excludes bonuses.
  - 4.  **Overtime.** The Plan excludes overtime.
  - 5.  **Excess Compensation.** The Plan excludes Compensation in excess of \_\_\_\_\_ (enter definitely determinable amount, such as "\$100,000," or "the compensation limit under Code §401(a)(17)").
  - 6.  **Shift differentials.** The Plan excludes shift differential pay.
  - 7.  **Differential wage payments.** The Plan excludes differential wage payments described in Code §3401(h)(2).
  - 8.  **Union exclusions.** The Plan excludes such categories of a Participant's Compensation as are provided for exclusion in the collective-bargaining agreement which applies to the Participant.
  - 9.  **Specify:** exclude commissions and any additions above base salary

**Compensation taken into account.** For the Plan Year in which an Employee first becomes a Participant, the Plan Administrator will determine the allocation of matching and nonelective contributions by taking into account (*Choose one of g. or h.*):

- g.  **Plan Year.** The Employee's Compensation for the entire Plan Year. (*N/A if no matching or nonelective contributions*)
- h.  **Compensation while a Participant.** The Employee's Compensation only for the portion of the Plan Year in which the Employee actually is a Participant. (*N/A if no matching or nonelective contributions*)
- 9. POST-SEVERANCE COMPENSATION (1.05(F)).

**Includible Compensation** (post-severance compensation adjustments) (*select all that apply at a.; leave blank if none apply*)

**NOTE:** Unless otherwise elected under a. below, the following defaults apply: 415 Compensation will **include** (to the extent provided in Plan Section 1.05(B)(3)), post-severance regular pay, leave cash-outs and payments from nonqualified unfunded deferred compensation plans.

- a.  The defaults listed above apply except for the following (*select one or more*):
  - 1.  Leave cash-outs will be **excluded**
  - 2.  Nonqualified unfunded deferred compensation will be **excluded**
  - 3.  Disability continuation payments will be **included** for all Participants and the salary continuation will continue for the following fixed or determinable period: \_\_\_\_\_
  - 4.  Other: (must be definitely determinable): \_\_\_\_\_

**Plan Compensation (post-severance compensation adjustments)**

- b.  **Defaults apply.** Compensation will **include** (to the extent provided in Plan Section 1.05 and to the extent such amounts would be included in Compensation if paid prior to severance of employment) post-severance regular pay, leave cash-outs, and payments from nonqualified unfunded deferred compensation plans. (skip to Question 10)
- c.  **Exclude all post-severance compensation.** Exclude all post-severance compensation for allocation purposes.
- d.  **Post-severance adjustments.** The defaults listed at b. apply except for the following (*select one or more*):
  - 1.  Regular pay will be **excluded**
  - 2.  Leave cash-outs will be **excluded**
  - 3.  Nonqualified unfunded deferred compensation will be **excluded**
  - 4.  Disability continuation payments will be **included** for all Participants and the salary continuation will continue for the following fixed or determinable period: \_\_\_\_\_
- e.  Other: (must be definitely determinable) \_\_\_\_\_

10. NORMAL RETIREMENT AGE (1.20). A Participant attains Normal Retirement Age under the Plan (*Choose one of a., b. or c.*):

- a.  **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age 65. [Note: The age may not exceed age 70 1/2. The age may not be less than age 65, or, if earlier, the age at which a Participant may retire and receive benefits under the Employer's pension plan, if any.]

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b.  **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age \_\_\_\_\_ and may not be later than age \_\_\_\_\_. [Note: The age may not exceed age 70 1/2.]

c.  **Pension Benefit Age.** The Pension Benefit Age defined in Plan Section 1.20.

**Special Provisions for Police or Fire Department Employees (Choose d. and/or e. as applicable):**

d.  **Police department employees.** [Plan Section 3.05(B)(3)] (Choose 1., 2. or 3.):

1.  **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age \_\_\_\_\_. [Note: The age may not exceed age 70 1/2 and may not be less than age 40.]

2.  **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age 49 (no earlier than age 40) and may not be later than age 70 1/2. [Note: The age may not exceed age 70 1/2.]

3.  **Pension Benefit Age.** The Pension Benefit Age defined in Plan Section 1.20.

e.  **Fire department employees.** [Plan Section 3.05(B)(3)] (Choose 1., 2. or 3.):

1.  **Plan designation.** [Plan Section 3.05(B)] When the Participant attains age \_\_\_\_\_. [Note: The age may not exceed age 70 1/2 and may not be less than age 40.]

2.  **Participant designation.** [Plan Section 3.05(B) and (B)(1)] When the Participant attains the age the Participant designates, which may not be earlier than age 49 (no earlier than age 40) and may not be later than age 70 1/2. [Note: The age may not exceed age 70 1/2.]

3.  **Pension Benefit Age.** The Pension Benefit Age defined in Plan Section 1.20.

11. **ELIGIBILITY CONDITIONS (2.01).** (Choose one of a. or b.):

a.  **No eligibility conditions.** The Employee is eligible to participate in the Plan as of his/her first day of employment with the employer.

b.  **Eligibility conditions.** To become a Participant in the Plan, an Eligible Employee must satisfy the following eligibility conditions (Choose one or more of 1., 2. or 3.):

1.  **Age.** Attainment of age \_\_\_\_\_.

2.  **Service.** Service requirement (Choose one of a. or b.):

a.  **Year of Service.** One year of Continuous Service.

b.  **Months of Service.** \_\_\_\_\_ month(s) of Continuous Service.

3.  **Specify:** \_\_\_\_\_.

12. **PLAN ENTRY DATE (1.24).** "Plan Entry Date" means the Effective Date and (Choose one of a. through g. The Employee will enter on the Entry Date which immediately follows the date the employee satisfies the eligibility conditions, unless h. is selected. See 6.03(B) regarding the timing of deferral elections.):

a.  **Annual.** The first day of the Plan Year coinciding with or next following the Employee's satisfaction of the Plan's eligibility conditions, if any.

b.  **Semi-annual.** The first day of the first month and of the seventh month of the Plan Year.

c.  **Quarterly.** The first day of each Plan Year quarter.

d.  **Monthly.** The first day of each month.

e.  **Date of hire.** The Employee's employment commencement date with the Employer.

f.  **Immediate.** The Employee's employment commencement date with the Employer, or, if later, upon satisfaction of eligibility conditions.

g.  **Specify:** \_\_\_\_\_.

h.  **Immediately following or coincident with.** The Employee will enter on the Entry Date immediately following or coincident with the date the Employee satisfies the eligibility conditions.

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13. **SALARY REDUCTION CONTRIBUTIONS (1.30).** A Participant's Salary Reduction Contributions under Election 5b. are subject to the following limitation(s) in addition to those imposed by the Code (*Choose one of a. or b.*):

- a.  **No limitations.**
- b.  **Limitations.** (*Choose one or more of 1., 2. or 3.*):
  - 1.  **Maximum deferral amount.** A Participant's Salary Reductions may not exceed: \_\_\_\_\_ (*specify dollar amount or percentage of Compensation*).
  - 2.  **Minimum deferral amount.** A Participant's Salary Reductions may not be less than: \_\_\_\_\_ (*specify dollar amount or percentage of Compensation*).
  - 3.  **Specify:** \_\_\_\_\_

[*Note: Any limitation the Employer elects in b.1. through b.3. will apply on a payroll basis unless the Employer otherwise specifies in b.3.*]

**Special NRA Catch-Up Contributions (3.05).** The Plan (*Choose one of c. or d.*):

- c.  **Permits.** Participants may make NRA catch-up contributions.
- d.  **Does not permit.** Participants may not make NRA catch-up contributions.

**Age 50 Catch-Up Contributions (3.06).** The Plan (*Choose one of e. or f.*):

- e.  **Permits.** Participants may make age 50 catch-up contributions.
- f.  **Does not permit.** Participants may not make age 50 catch-up contributions.

14. **SICK VACATION AND BACK PAY (3.02(A)).** The Plan (*Choose one of a. or b.*):

- a.  **Permits.** Participants may make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.
- b.  **Does Not Permit.** Participants may not make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

15. **AUTOMATIC ENROLLMENT (3.02(B)).** Does the Plan provide for Automatic Deferrals? (*Choose one of the following*) [*Note: if Eligible Automatic Contribution Arrangement (EACA), select 15c and complete Questions 31 & 32*]:

- a.  **Does not apply.** Does not apply the Plan's automatic enrollment provisions.
- b.  **Applies.** The Plan applies the Automatic Deferrals provisions described in election 31 effective as of \_\_\_\_\_. The Plan is not an EACA.
- c.  **EACA.** The Plan will provide an Eligible Automatic Contribution Arrangement (EACA) effective as of \_\_\_\_\_. Complete Questions 31 & 32.

16. **MATCHING CONTRIBUTIONS (3.03(A)).** The Employer Matching Contributions under Election 5.b.1. are made as follows (*Choose one or more of a. through d.*):

- a.  **Fixed formula.** An amount equal to (*Choose one of 1. through 3.*):
  - 1.  **Deferral percentage.** \_\_\_\_\_% of each Participant's Salary Reduction Contributions.
  - 2.  **Flat dollar.** \$\_\_\_\_\_ if the Participant's Salary Reduction Contributions are at least \_\_\_\_\_ (*Enter percentage of compensation or dollar amount*).
  - 3.  **Contract.** The contribution determined pursuant to the Participant's employment contract or the collective-bargaining agreement which applies to the Participant.
- b.  **Discretionary formula.** An amount (or additional amount) equal to a matching percentage the Employer from time to time may deem advisable of each Participant's Salary Reduction Contributions.

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- c.  **Tiered formula.** The Employer will make matching contributions equal to a uniform percentage of each tier of each Participant's Salary Reduction Contributions, determined as follows:

**NOTE:** Fill in only percentages or dollar amounts, but not both. If percentages are used, each tier represents the amount of the Participant's applicable contributions that equals the specified percentage of the Participant's Compensation (add additional tiers if necessary):

Tiers of Contributions (indicate \$ or %)	Matching Percentage
First _____	_____ %
Next _____	_____ %
Next _____	_____ %
Next _____	_____ %

- d.  **Specify:** \_\_\_\_\_.

**Time Period for Matching Contributions.** The Employer will determine its Matching Contribution based on Salary Reduction Contributions made during each (Choose one of e. through i.):

- e.  **Plan Year.**
- f.  **Plan Year quarter.**
- g.  **Calendar month.**
- h.  **Payroll period.**
- i.  **Specify:** \_\_\_\_\_.

**Percentage Limit on Salary Reduction Contributions Taken into Account.** In determining a Participant's Salary Reduction Contributions taken into account for the above-specified time period under the Matching Contribution formula, the following limitations apply (Choose one of j. through m.):

- j.  **All Salary Reduction Contributions.** The Plan Administrator will take into account all Salary Reduction Contributions.
- k.  **Percentage limitation.** The Plan Administrator will disregard Salary Reduction Contributions exceeding \_\_\_\_\_% of the Participant's Compensation.
- l.  **Discretionary percentage.** The Plan Administrator will take into account the Salary Reduction Contributions as a percentage of the Participant's Compensation as the Employer determines.
- m.  **Specify:** \_\_\_\_\_.

**Salary Reduction Contributions Disregarded.** In determining a Participant's Salary Reduction Contributions taken into account for the above-specified time period under the Matching Contribution formula, all Salary Reduction Contributions will be taken into account other than those specified below (Check all that apply):

- n.  **Age 50 Catch-Up Contributions.**
- o.  **Special NRA Catch-Up Contributions.**
- p.  **Specify:** \_\_\_\_\_.

**Allocation Conditions.** To receive an allocation of Matching Contributions, a Participant must satisfy the following allocation condition(s) (Choose one of q. or r.):

- q.  **No allocation conditions.**
- r.  **Conditions.** The following allocation conditions apply to Matching Contributions (Choose one or more of 1. through 4.):
  - 1.  **Service condition.** The Participant must complete the following number of months of Continuous Service during the Plan Year: \_\_\_\_\_.
  - 2.  **Employment condition.** The Participant must be employed by the Employer on the last day of the Plan Year.
  - 3.  **Limited Severance Exception.** Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of the following event or events in the current Plan Year or a prior Plan Year. (Check all that apply):
    - a.  **Death.**
    - b.  **Disability.**
    - c.  **Attainment of Normal Retirement Age.**
  - 4.  **Specify:** \_\_\_\_\_.

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17. **NONELECTIVE CONTRIBUTIONS (3.03(B))**. The Nonelective Contributions under Election 5.c. are made as follows: *(Choose one)*:

- a.  **Discretionary - Pro-Rata**. An amount the Employer in its sole discretion may determine.
- b.  **Fixed**. *(Choose one of 1. through 3.)*
  - 1.  **Percentage**. \_\_\_\_\_% of Compensation.
  - 2.  **Flat dollar**. \$\_\_\_\_\_.
  - 3.  **Contract**. The contribution determined pursuant to the Participant's employment contract or the collective-bargaining agreement which applies to the Participant.
- c.  **Other**. A Nonelective Contribution may be made as follows: \_\_\_\_\_.

**Allocation Conditions. (3.08)**. To receive an allocation of Nonelective Contributions, a Participant must satisfy the following allocation condition(s) *(Choose one of d. or e.)*:

- d.  **No allocation conditions**.
- e.  **Conditions**. The following allocation conditions apply to Nonelective Contributions *(Choose one or more of 1. through 4.)*:
  - 1.  **Service condition**. The Participant must complete the following number of months of Continuous Service during the Plan Year: \_\_\_\_\_.
  - 2.  **Employment condition**. The Participant must be employed by the Employer on the last day of the Plan Year.
  - 3.  **Limited Severance Exception**. Any condition specified in 1. or 2. does not apply if the Participant incurs a Severance from Employment during the Plan Year on account of the following event or events in the current Plan Year or a prior Plan Year *(Check all that apply)*:
    - a.  **Death**.
    - b.  **Disability**.
    - c.  **Attainment of Normal Retirement Age**.
  - 4.  **Specify**: \_\_\_\_\_.

**Time Period for Nonelective Contributions**. The Employer will determine its Nonelective Contributions based on employment and Compensation during each *(Choose one of f. through j.)*:

- f.  **Plan Year**.
- g.  **Plan Year quarter**.
- h.  **Calendar month**.
- i.  **Payroll period**.
- j.  **Specify**: \_\_\_\_\_.

18. **TIME AND METHOD OF PAYMENT OF ACCOUNT (4.02)**. The Plan will distribute to a Participant who incurs a Severance from Employment his/her Vested Account as follows:

**Timing**. The Plan, in the absence of a permissible Participant election to commence payment later, will pay the Participant's Account *(Choose one of a. through e.)*:

- a.  **Specified Date**. \_\_\_\_\_ days after the Participant's Severance from Employment.
- b.  **Immediate**. As soon as administratively practicable following the Participant's Severance from Employment.
- c.  **Designated Plan Year**. As soon as administratively practicable in the \_\_\_\_\_ Plan Year beginning after the Participant's Severance from Employment.
- d.  **Normal Retirement Age**. As soon as administratively practicable after the close of the Plan Year in which the Participant attains Normal Retirement Age.
- e.  **Specify**: \_\_\_\_\_.

**Method**. The Plan, in the absence of a permissible Participant election, will distribute the Participant's Account under one of the following method(s) of distribution *(Choose one or more of f. through k. as applicable)*:

- f.  **Lump sum**. A single payment.
- g.  **Installments**. Multiple payments made as follows: monthly, quarterly, semi-annual or annual cash installments.
- h.  **Installments for required minimum distributions only**. Annual payments, as necessary under Plan Section 4.03.
- i.  **Annuity distribution as available pursuant to the policies and options determined in the discretion of the Plan Administrator**.

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- j.  **Partial distributions**, provided the minimum withdrawal is \$ \_\_\_\_\_ (leave blank if no minimum). See Section 4.02(D).
- k.  **Specify:** \_\_\_\_\_.

**Participant Election.** [Plan Sections 4.02(A) and (B)] The Plan (*Choose one of l., m. or n.*):

- l.  **Permits.** Permits a Participant, with Plan Administrator approval of the election, to elect to postpone distribution beyond the time the Employer has elected in a. through e. and also to elect the method of distribution (including a method not described in f. through k. above).
- m.  **Does not permit.** Does not permit a Participant to elect the timing and method of Account distribution.
- n.  **Specify:** \_\_\_\_\_.

**Mandatory Distributions.** Notwithstanding any other distribution election, following Severance from Employment (*Choose o. or p.*):

- o.  **No Mandatory Distributions.** The Plan will not make a Mandatory Distribution.
- p.  **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$7,000 (unless a different amount selected below) as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.
- 1.  **Mandatory Distribution.** If the Participant's Vested Account is not in excess of \$ \_\_\_\_\_ as of the date of distribution, the Plan will make a Mandatory Distribution following Severance from Employment.

**Qualified Health Insurance Premiums.**

- q.  **Payment permitted.** The plan permits payment of qualified health insurance premiums for Eligible Retired Public Safety Officers, as set forth in Section 4.08.

**Rollovers in determination of \$7,000 threshold.** Unless otherwise elected below, amounts attributable to rollover contributions (if any) will be **included** in determining the \$7,000 threshold for timing of distributions, form of distributions or consent rules.

- r.  Exclude rollovers (rollover contributions will be **excluded** in determining the \$7,000 threshold)

**NOTE:** Regardless of the above election, if the Participant consent threshold is \$1,000 or less, then the Administrator must include amounts attributable to rollovers for such purpose. In such case, an election to exclude rollovers above will apply for purposes of the timing and form of distributions.

19. **BENEFICIARY DISTRIBUTION ELECTIONS.** Distributions following a Participant's death will be made as follows (*Choose one of a. through d.*):

- a.  **Immediate.** As soon as practical following the Participant's death.
- b.  **Next Calendar Year.** At such time as the Beneficiary may elect, but in any event on or before the last day of the calendar year which next follows the calendar year of the Participant's death. (*N/A if participant is restricted*)
- c.  **As Beneficiary elects.** At such time as the Beneficiary may elect, consistent with Section 4.03. (*N/A if participant is restricted*)
- d.  **Describe:** \_\_\_\_\_.

[*Note: The Employer under Election 19d. may describe an alternative distribution timing or afford the Beneficiary an election which is narrower than that permitted under Election 19c., or include special provisions related to certain beneficiaries, (e.g., a surviving spouse). However, any election under Election 19d. must require distribution to commence no later than the Section 4.03 required date.*]

20. **DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT (4.05).** A Participant prior to Severance from Employment may elect to receive a distribution of his/her Vested Account under the following distribution options (*Choose one of a. or b.*):

- a.  **None.** A Participant may not receive a distribution prior to Severance from Employment.
- b.  **Distributions.** Prior to Severance from Employment are permitted as follows (*Choose one or more of 1. through 4.*):
  - 1.  **Unforeseeable emergency.** A Participant may elect a distribution from his/her Account in accordance with Plan Section 4.05(A) (for the Participant, spouse, dependents or beneficiaries)
  - 2.  **De minimis exception.** [Plan Section 4.05(B)] If the Participant: (i) has an Account that does not exceed \$7,000; (ii) has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (iii) has not received a prior Plan distribution under this de minimis exception, then (*Choose one of a., b. or c.*):
    - a.  **Participant election.** The Participant may elect to receive all or any portion of his/her Account.
    - b.  **Mandatory distribution.** The Plan Administrator will distribute the Participant's entire Account.
    - c.  **Hybrid.** The Plan Administrator will distribute a Participant's Account that does not exceed \$ \_\_\_\_\_ and the Participant may elect to receive all or any portion of his/her Account that exceeds \$ \_\_\_\_\_ but that does not exceed \$7,000.

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3.  **Age.** A Participant who attains age \_\_\_\_\_ (Enter age not less than 59 1/2 and not greater than 73) may elect distribution of any or all of his/her Account. The Plan can operationally permit distributions as early as January 1 of the calendar year the Participant attains such age.

4.  **Specify:** \_\_\_\_\_.

[Note: An Employer need not permit any in-service distributions. Any election must comply with the distribution restrictions of Code Section 457(d).]

21. **QDRO (4.06).** The QDRO provisions (Choose one of a., b. or c.):

a.  **Apply.**

b.  **Do not apply.**

c.  **Specify:** \_\_\_\_\_.

22. **ALLOCATION OF EARNINGS (5.07(B)).** The Plan allocates Earnings using the following method (Choose one or more of a. through f.):

a.  **Daily.** See Section 5.07(B)(4)(a).

b.  **Balance forward.** See Section 5.07(B)(4)(b).

c.  **Balance forward with adjustment.** See Section 5.07(B)(4)(c). Allocate pursuant to the balance forward method, except treat as part of the relevant Account at the beginning of the Valuation Period \_\_\_\_\_% of the contributions made during the following Valuation Period: \_\_\_\_\_.

d.  **Weighted average.** See Section 5.07(B)(4)(d). If not a monthly weighting period, the weighting period is \_\_\_\_\_.

e.  **Directed Account method.** See Section 5.07(B)(4)(e).

f.  **Describe Earnings allocation method:** \_\_\_\_\_.

[Note: The Employer under Election 22f. may describe Earnings allocation methods from the elections available under Election 22 and/or a combination thereof as to any; (i) Participant group (e.g., Daily applies to Division A Employees OR to Employees hired after "x" date. Balance forward applies to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., Daily applies as to Discretionary Nonelective Contribution Accounts. Participant-Directed Account applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., Balance forward applies to investments placed with vendor A and Participant-Directed Account applies to investments placed with vendor B OR Daily applies to Participant-Directed Accounts and balance forward applies to pooled Accounts).]

23. **HEART ACT PROVISIONS (1.31(C)(3)/3.13).** The Employer elects to (Choose one of a. or b. and c. or d.):

**Continued Benefit Accruals.**

a.  **Not apply the benefit accrual provisions of Section 3.13.**

b.  **Apply the benefit accrual provisions of Section 3.13.**

**Distributions for deemed severance of employment (1.31(C)(3))**

c.  **The Plan does NOT permit distributions for deemed severance of employment.**

d.  **The Plan Administrator may by policy permit distributions for deemed severance of employment.**

24. **VESTING/SUBSTANTIAL RISK OF FORFEITURE (5.11).** A Participant's Deferral Contributions are [Note: If a Participant incurs a Severance from Employment before the specified events or conditions, the Plan will forfeit the Participant's non-vested Account. Caution: if a Deferral is subject to vesting schedule or other substantial risk of forfeiture, it does not count as a deferral for purposes of the annual deferral limit until the year it is fully vested.] (Choose all that apply of a. through d.):

a.  **100% Vested/No Risk of Forfeiture.** Immediately Vested without regard to additional Service and no Substantial Risk of Forfeiture. The following contributions are 100% Vested:

1.  **All Contributions.** (skip to 25.)

2.  **Only the following contributions.** (select all that apply):

a.  **Salary Reduction Contributions.**

b.  **Nonelective Contributions.**

c.  **Matching Contributions.**

b.  **Forfeiture under Vesting Schedule.** Vested according to the following:

**Contributions affected.** The following contributions are subject to the vesting schedule (Choose one or more of 1., 2. or 3.):

1.  **Salary Reduction Contributions.**

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- 2.  **Nonelective Contributions.**
- 3.  **Matching Contributions.**

**Vesting Schedule:**

- 4.  **Vesting Schedule.**

Years of Service	Vested Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

**For vesting purposes, a "Year of Service" means:**

- 5. \_\_\_\_\_

[Note: It is extremely rare to apply a vesting schedule to Salary Reduction Contributions.]

- c.  **Substantial Risk of Forfeiture.** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows:

**Contributions affected.** The following contributions are subject to the substantial risk of forfeiture under c. (Choose one or more of 1., 2. or 3.):

- 1.  **Salary Reduction Contributions.**
- 2.  **Nonelective Contributions.**
- 3.  **Matching Contributions.**

**Risk Provisions:** Vested only when no longer subject to the following Substantial Risk of Forfeiture as follows (Choose one of 4. or 5.):

- 4.  The Participant must remain employed by the Employer until \_\_\_\_\_, unless earlier Severance from Employment occurs on account of death or disability, as the Plan Administrator shall establish.
- 5.  **Specify:** \_\_\_\_\_

**Additional Provisions (Choose d. if applicable)**

- d.  **Specify:** \_\_\_\_\_

**FORFEITURE ALLOCATION.** [Plan Sections 5.11(A) and 5.14] The Plan Administrator will allocate any Plan forfeitures as selected below. The Employer has the option to use forfeitures to pay plan expenses first and then allocate the remaining forfeitures in accordance with the selections below: (Choose one of the following):

- e.  **Additional Contributions.** As the following contribution type (Choose one of 1. or 2.):
  - 1.  **Nonelective.** As an additional Nonelective Contribution.
  - 2.  **Matching.** As an additional Matching Contribution.
- f.  **Reduce Fixed Contributions.** To reduce the following fixed contribution (Choose one of 1. or 2.):
  - 1.  **Nonelective.** To reduce the Employer's fixed Nonelective Contribution.
  - 2.  **Matching.** To reduce the Employer's fixed Matching Contribution.
- g.  **Specify:** \_\_\_\_\_

25. **TRUST PROVISIONS.** The following provisions apply to Article VIII of the Plan (Choose as applicable; leave blank if not applicable):

- a.  **Modifications.** The Employer modifies the Article VIII Trust provisions as follows: \_\_\_\_\_. The remaining Article VIII provisions apply.
- b.  **Substitution.** The Employer replaces the Trust with the Trust Agreement attached to the Plan.

26. **CUSTODIAL ACCOUNT/ANNUITY CONTRACT (8.16).** Instead of holding all of the Deferred Compensation in the Trust established in Article VIII, the Employer will hold all or part of the Deferred Compensation in one or more custodial accounts or annuity contracts which satisfy the requirements of Code §457(g) if (a.) is selected.

- a.  **Custodial account(s) or annuity contract(s).**
- b.  **Specify (Optional):** \_\_\_\_\_

[Note: The Employer under b. may wish to identify the custodial accounts or annuity contracts or to designate a portion of the Deferred Compensation to be held in such vehicles versus held in the Trust.]

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27. **VALUATION.** In addition to the last day of the Plan Year, the Trustee (or Plan Administrator as applicable) must value the Trust Fund (or Accounts) on the following Valuation Date(s) (Choose one of a. or b.):

- a.  **No additional Valuation Dates.**
- b.  **Additional Valuation Dates.** (Choose one or more of 1., 2. or 3.):
  - 1.  **Daily Valuation Dates.** Each business day of the Plan Year on which Plan assets for which there is an established market are valued and the Trustee or Employer is conducting business.
  - 2.  **Last day of a specified period.** The last day of each \_\_\_\_\_ of the Plan Year.
  - 3.  **Specified Valuation Dates:** \_\_\_\_\_

*[Note: The Employer under Election 26b.3. may describe Valuation Dates from the elections available under Election 26b. and/or a combination thereof as to any: (i) Participant group (e.g., No additional Valuation Dates apply to Division A Employees OR to Employees hired after "x" date. Daily Valuation Dates apply to Division B Employees OR to Employees hired on/before "x" date.); (ii) Contribution Type (e.g., No additional Valuation Dates apply as to Discretionary Nonelective Contribution Accounts. The last day of each Plan Year quarter applies to Fixed Nonelective Contribution Accounts); (iii) investment type, investment vendor or Account type (e.g., No additional Valuation Dates apply to investments placed with vendor A and Daily Valuation Dates apply to investments placed with vendor B OR Daily Valuation Dates apply to Participant-Directed Accounts and no additional Valuation Dates apply to pooled Accounts).]*

28. **TRUSTEE** (Select all that apply; leave blank if not applicable.):

- a.  Individual Trustee(s) who serve as Trustee(s) over assets not subject to control by a corporate Trustee. (Add additional Trustees as necessary.)

Name(s)	Title(s)
_____	_____
_____	_____
_____	_____

**Address and Telephone number** (Choose one of 1. or 2.):

- 1.  Use Employer address and telephone number.
- 2.  Use address and telephone number below:

Address: \_\_\_\_\_  
Street

\_\_\_\_\_

City State Zip

Telephone: \_\_\_\_\_

- b.  Corporate Trustee

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
Street

\_\_\_\_\_

City State Zip

Telephone: \_\_\_\_\_

**AND**, the Corporate Trustee shall serve as:

- c.  a Directed (nondiscretionary) Trustee over all Plan assets except for the following:  
 \_\_\_\_\_
- d.  a Discretionary Trustee over all Plan assets except for the following:  
 \_\_\_\_\_

29. **PLAN LOANS (5.02(A)).** The Plan permits or does not permit Participant Loans (Choose one of a. or b.):

- a.  **Does not permit.**
- b.  **Permitted pursuant to the Loan Policy.**

**Eligible Governmental 457 Plan**

30. **ROLLOVER CONTRIBUTIONS (3.09).** The Rollover Contributions under Election 5.d. are made as follows, subject to any additional limitations which may be provided by policy pursuant to Plan Section 3.09(A):

**Who may roll over** (Choose one of a. or b.):

- a.  **Participants only.**
- b.  **Eligible Employees or Participants.**

**Sources/Types.** The Plan will accept a Rollover Contribution (Choose one of c. or d.):

- c.  **All.** From any Eligible Retirement Plan and as to all Contribution Types eligible to be rolled into this Plan.
- d.  **Limited.** Only from the following types of Eligible Retirement Plans and/or as to the following Contribution Types:

\_\_\_\_\_

**Distribution of Rollover Contributions** (Choose one of e., f. or g.):

- e.  **Distribution without restrictions.** May elect distribution of his/her Rollover Contributions Account in accordance with Plan Section 4.05(C) at any time.
- f.  **No distribution.** May not elect to receive distribution of his/her Rollover Contributions Account until the Plan has a distributable event under Plan Section 4.01.
- g.  **Specify:** \_\_\_\_\_

31. **AUTOMATIC DEFERRAL PROVISIONS (3.02(B), 3.14).** (Leave blank if 15a. is selected.)

**Participants subject to the Automatic Deferral Provisions.** The Automatic Deferral Provisions apply to Employees who become Participants after the Effective Date of Automatic Deferrals (except as provided in d. below). Employees who became Participants prior to such Effective Date are subject to the following (a. – d. are optional):

- a.  **All Participants.** All Participants, regardless of any prior Salary Reduction Agreement, unless and until a Participant makes an Affirmative Election after the Effective Date of Automatic Deferrals.
- b.  **Election of at least Automatic Deferral amount.** All Participants, except those who, on the Effective Date of Automatic Deferrals, are deferring an amount which is at least equal to the Automatic Deferral Percentage.
- c.  **No existing Salary Reduction Agreement.** All Participants, except those who have in effect a Salary Reduction Agreement on the effective date of Automatic Deferrals regardless of the Salary Reduction Contribution amount under the Agreement.
- d.  **Describe:** \_\_\_\_\_

**Automatic Deferral Percentage.** Unless a Participant makes an Affirmative Election, the Employer will withhold the following Automatic Deferral Percentage (select e. or f.):

- e.  **Constant.** The Employer will withhold \_\_\_\_\_% of Compensation each payroll period.

**Escalation of deferral percentage** (select one or leave blank if not applicable)

- 1.  **Scheduled increases.** This initial percentage will increase by \_\_\_\_\_% of Compensation per year up to a maximum of \_\_\_\_\_% of Compensation.
- 2.  **Other** (described Automatic Deferral Percentage): \_\_\_\_\_

**Automatic Deferral Optional Election**

- f.  **Optional election** (leave blank if not applicable)

**Suspended Salary Reduction Contributions.** If a Participant's Salary Reduction Contributions are suspended pursuant to a provision of the Plan (e.g., distribution due to military leave covered by the HEART Act), then a Participant's Affirmative Election will expire on the date the period of suspension begins unless otherwise elected below.

- 1.  A Participant's Affirmative Election will resume after the suspension period.

32. **In-Plan Roth Rollover Contributions from otherwise distributable amounts (IRR)**

- a.  **Yes, allowed.**  
**Effective Date** (enter date)

- 1.  IRR Effective Date: September 1, 2025.

33. **In-Plan Roth Rollover Contributions from otherwise nondistributable amounts (IRT)**

- a.  **Yes, allowed.**  
**Effective Date** (enter date)

- 1.  IRT Effective Date: September 1, 2025.

**Eligible Governmental 457 Plan**

34. **Is spousal consent required for non-spouse beneficiary designations by married participants (6.01(A))?**

a.  **Yes.**

b.  **No.**

**Eligible Governmental 457 Plan**

This Plan is executed on the date(s) specified below:

**Use of Adoption Agreement.** Failure to complete properly the elections in this Adoption Agreement may result in disqualification of the Employer's Plan. The Employer only may use this Adoption Agreement only in conjunction with the corresponding basic plan document.

EMPLOYER: Town of Westport

By: \_\_\_\_\_

\_\_\_\_\_

DATE SIGNED

**PARTICIPATION AGREEMENT**

The Employer, by executing this Participation Agreement, elects to become a Participating Employer in the Plan, to continue participation in the Plan or to cease status as a Participating Employer. The Participating Employer accepts, and agrees to be bound by, all of the elections granted under the provisions of the Plan as made by the Signatory Employer to the Execution Page of the Adoption Agreement, except as otherwise provided in this Participation Agreement. *[Note: Each Participating Employer must execute a separate Participation Agreement.]*

**A. PARTICIPATING EMPLOYER INFORMATION**

- a. Name: Westport Library Association, Inc.
- b. Address: 20 Jessup Road  

	Street	
<u>Westport</u>	<u>Connecticut</u>	<u>06880</u>
City	State	Zip
- c. Telephone: (203) 291-4803
- d. Taxpayer Identification Number (TIN): 06-0672798

**B. EFFECTIVE DATE(S)**

- e.  NEW PLAN. The Participating Employer's adoption of this Plan constitutes the adoption of a new plan by the Participating Employer, effective as of: July 1, 2025.
- f.  RESTATEMENT. The Participating Employer's adoption of this Plan constitutes the adoption of an amendment and restatement of the Plan effective as of: \_\_\_\_\_.
- g.  RESTATEMENT AND MERGER. The Participating Employer's adoption of this Plan constitutes the amendment and restatement of the Participating Employer's plan known as: \_\_\_\_\_ which plan is being merged into this Plan effective as of: \_\_\_\_\_.
- h.  CESSATION. The Participating Employer is ceasing its participation in the Plan effective as of: \_\_\_\_\_.
- i.  SPECIAL EFFECTIVE DATES: \_\_\_\_\_.

**C. ALLOCATION OF CONTRIBUTIONS AND FORFEITURES**

- Contributions and Forfeitures will be allocated together for Participating Employers unless a selection is made below (select j. or all that apply at k. - l.)
- j.  N/A.
  - k.  Contributions made by a Participating Employer will only be allocated to Participants employed by such Participating Employer.
  - l.  Forfeitures of amounts attributable to a Participating Employer will only be used for the benefit of the Participants of such Participating Employer.

PARTICIPATING EMPLOYER: Westport Library Association, Inc.

By: \_\_\_\_\_ DATE SIGNED

SIGNATORY EMPLOYER: Town of Westport

By: \_\_\_\_\_ DATE SIGNED

**ADOPTING RESOLUTION**

The undersigned authorized representative of Westport Library Association, Inc. (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on the date specified below, and that such resolutions have not been modified or rescinded as of the signature date below:

RESOLVED, that the form of the Participation Agreement of Westport Library Association, Inc., a Participating Employer, which evidences the adoption of the 457 Plan sponsored by Town of Westport is hereby approved and adopted and that an authorized representative of the Participating Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Participation Agreement.

The undersigned further certifies that attached hereto is a true copy of Town of Westport 457(b) Plan, which is hereby approved and adopted.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

\_\_\_\_\_  
[print name/title]

**ADOPTING RESOLUTION**

The undersigned authorized representative of Town of Westport (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on the date specified below, and that such resolutions have not been modified or rescinded as of the signature date below:

RESOLVED, that the form of 457 Plan and Trust effective July 1, 2025, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto are true copies of Town of Westport 457(b) Plan as amended and restated and the Summary of 457 Provisions, which are hereby approved and adopted.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

\_\_\_\_\_  
[print name/title]

**AMENDMENT TO IMPLEMENT SECURE ACT AND OTHER LAW CHANGES**

**TOWN OF WESTPORT 457(B) PLAN**

**ARTICLE 1  
PREAMBLE**

- 1.1 **Adoption and effective date of Amendment.** The Employer hereby adopts this Amendment to the Employer's Plan. Each Article specifies the effective date of its provisions. Also see Section 1.5.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment. Except as otherwise provided in this Amendment, terms defined in the Plan will have the same meaning in this Amendment. Most Articles include definitions which are specific to that Article. Also see Section 1.6.
- 1.3 **Numbering.** Except as otherwise provided in this Amendment, any "Section" reference in this Amendment refers only to this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to the Plan article, section, or other numbering designations.
- 1.4 **Intention; Construction.** The purpose of this amendment is to amend the Plan in accordance with pension-related provisions of the Further Consolidated Appropriations Act of 2019 ("FCAA") in general, and Division O of that Act, the Setting Every Community Up for Retirement Enhancement Act of 2019 ("SECURE"), in specific. It also addresses a provision of the Bipartisan American Miners Act ("BAMA"), which is also part of FCAA, as well as a section of the Coronavirus Aid, Relief, and Economic Security Act ("CARES"). The provisions of this Amendment shall be interpreted and applied to be consistent with FCAA and CARES and IRS guidance issued in connection therewith, whether such guidance is issued before or after the date of this amendment.
- 1.5 **Effect of subsequent restatement or amendment of Plan.** If the Employer restates the Plan, then this Amendment shall remain in effect after such restatement unless the provisions in this Amendment are restated or otherwise become obsolete (e.g., if the Plan is restated onto a plan document which incorporates these provisions). Some Articles in this amendment may not apply to a particular plan at the time the Amendment is executed but they will apply in the future based on subsequent amendments.
- 1.6 **Preservation of prior amendments.** If the Employer previously amended the Plan after December 20, 2019 to implement a provision contained in one or more Articles of this Amendment, that prior amendment shall remain in effect and will not be superseded by this Amendment, unless Section 1.6(a) is selected. For example, if the Employer previously adopted an amendment to implement the BAMA provisions of Article 10, that amendment remains in effect, notwithstanding the provisions of this Amendment, unless Section 1.6(a) is selected.
  - (a)  This amendment supersedes all prior inconsistent amendments of the Plan.

**ARTICLE 2  
INSTRUCTIONS; ELECTIONS**

- 2.1 **Instructions.** Select 2.3a if all defaults are accepted. Select 2.3b and as applicable 2.4 - 2.10 if the Employer wishes to select other than the default for a particular provision.
- 2.2 **Reserved.**
- 2.3 **Operating Elections.** Many subsequent Articles of this Amendment refer to elections appearing in this Article 2. Each of Sections 2.4 through 2.10 refers to a corresponding Article. For example, Section 2.4 has the elections related to Article 4. The definitions in those Articles apply to the elections in the corresponding Section of this Article 2, and those elections have the same effective date as the corresponding Article. Each Section of this Article lists the default provisions which will apply if no election is made. If you accept the default(s), there is no need to complete the Section. There are no elective provisions which apply to Article 3 or Articles 11 through 16. The following are the defaults and a summary of the Articles for which there are no elections.
  - Article 3. Reserved.
  - Article 4. QBADs are not permitted.
  - Article 5. Distributions of RMDs will not begin before a Participant turns 72.
  - Article 6. The Plan will apply its RMD provisions with respect to the 5-year rule in administering the 10-year rule.
  - Article 7. RMDs subject to 5-Year Rule for participants who died from 2015 through 2019 are extended one year unless the beneficiary objects.
  - Article 8. Reserved.
  - Article 9. Reserved.
  - Article 10. The amendment does not modify the minimum age for in-service distributions.
  - Article 11. Administrative policy can permit distributions of Discontinued Lifetime Income Investments.
  - Article 12. Updated RMD tables and 2022 transition.

- Article 13. Reserved.
- Article 14. Reserved.
- Article 15. Reserved.
- Article 16. Deemed IRA accounts are not subject to maximum age.

**Check (a) or (b).**

- (a)  All defaults apply. *Skip the rest of Article 2 and sign the amendment.*
- (b)  One or more defaults do not apply. *Complete those sections in Article 2 for which you do not accept the default; then sign the amendment.*

**2.4 Article 4 – Birth/Adoption Distributions.** In the absence of an election below, Article 4 does NOT apply. To permit QBADs (Qualified Birth and Adoption Distributions), check (a). If QBADs are available, they apply to all accounts except as provided in Article 4 or in elections (b), (c), (d) or (e). *(Select all that apply.)*

- (a)  Article 4 applies effective January 1, 2020, unless a different date is selected in (1) below.
  - (1)  \_\_\_\_\_ *(Enter date after December 31, 2019.)*
- (b)  QBADs may only be made from accounts in which the Participant is fully vested.
- (c)  QBADs are not available if the Participant has severed employment.
- (d)  Describe additional limitations: \_\_\_\_\_ *(must be definitely determinable and not subject to discretion)*
- (e)  QBADs are available from the following Accounts: \_\_\_\_\_ *(must be definitely determinable and not subject to discretion)*

**2.5 Article 5 – RMD Timing.** Unless Section 2.5(a) is selected, distribution of RMDs will begin for Affected Participants no sooner than April 1 of the calendar year following the year the Participant attains age 72.

- (a)  Distribution of RMDs to Affected Participants will NOT be delayed on account of this Amendment (i.e., distributions will generally commence no later than April 1 of the calendar year following the year the Affected Participant attains age 70 1/2), in accordance with Section 5.5. This election is effective for distributions after December 31, 2019, except as specified below *(Optional: select either or both of (1) or (2))*:
  - (1)  Section 5.5 is effective for distributions after \_\_\_\_\_ and prior to the earlier of January 1, 2022 or the date entered in 2.5(a)(2). *(Enter date on or after December 31, 2019.)*
  - (2)  Section 5.5 is repealed for distributions after \_\_\_\_\_ *(enter date on or after the date entered in 2.5(a)(1) and before January 1, 2022)*, subject to the anti-cutback rule of Code §411(d)(6) to the extent applicable.

**2.6 Article 6 – 10-Year Rule for Beneficiary RMDs.** RMDs to an Eligible Designated Beneficiary of a Participant who dies prior to the Participant's RBD will be made as elected below. In the absence of an election in Section 2.6, the Plan's provisions about Beneficiary elections with regard to the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule.

- (a)  **Beneficiary election.** The Eligible Designated Beneficiary may elect application of the 10-Year Rule or the Life Expectancy rule. If the Beneficiary does not make a timely election *(Select one of (1) or (2))*:
  - (1)  **10-year rule.** The 10-year rule applies to the Eligible Designated Beneficiary.
  - (2)  **Life Expectancy Rule.** The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (b)  **10-year rule.** The 10-year rule applies to the Eligible Designated Beneficiary.
- (c)  **Life Expectancy rule.** The Life Expectancy rule applies to the Eligible Designated Beneficiary.
- (d)  **Shorter Period.** The entire interest of the Eligible Designated Beneficiary will be distributed no later than December 31, \_\_\_\_\_ *(enter a number of years, not exceeding "10")* year(s) following the year of the Participant's death.
- (e)  **Other:** *(Describe, e.g., the 10-Year Rule applies to all Beneficiaries other than a surviving spouse Beneficiary.)*  
\_\_\_\_\_

**2.7 Article 7 – CARES RMD Waivers; 5-Year Rule.** Unless the Employer elects otherwise below, beneficiaries of Applicable Participant Accounts will have the option to extend distribution under the 5-Year Rule by one year, and in the absence of a beneficiary election the extension will apply.

- (a)  **No extension without request.** The provisions of Section 7.2 apply but in the absence of a beneficiary election the extension will NOT apply.
- (b)  **Not Apply.** Article 7 will NOT apply to this Plan.

**2.8 Article 8 – Reserved.**

**2.9 Article 9 – Reserved.**

- 2.10 **Article 10 – In-Service Distributions.** In the absence of an election below, Article 10 does NOT apply. To permit in-service distributions at age 59 1/2, check (a). Check (b) to specify an age greater than 59 1/2. If Article 10 applies, it applies to all Accounts except as limited in Article 10.
- (a)  Article 10 applies effective on or after the first day of the first plan year beginning after December 31, 2019, unless a different date is selected in (1) below.
    - (1)  September 1, 2025. (Enter date on or after the first day of the first plan year beginning after December 31, 2019.)
  - (b)  Age at which in-service distributions are permitted \_\_\_\_\_. (Enter age greater than 59 1/2.) This provision applies effective on or after the first day of the first plan year beginning after December 31, 2019, unless a different date is selected in (1) below.
    - (1)  \_\_\_\_\_. (Enter date on or after the first day of the first plan year beginning after December 31, 2019.)

**ARTICLE 3  
RESERVED**

**ARTICLE 4  
BIRTH/ADOPTION DISTRIBUTIONS – SECURE Act §113**

- 4.1 **Application.** This Article 4 will apply only if the Employer elects in Section 2.4(a) for this Article 4 to apply, effective on the date specified in Section 2.4(a).
- 4.2 **Distribution Authorized.** Except as limited by Section 2.4 (b), (c), (d), (e), a Participant may request a distribution of up to \$5,000 (per child or Eligible Adoptee) as a QBAD. The Participant may request the distribution whether or not the Participant has severed employment unless Section 2.4(c) is selected. This \$5,000 limit shall be reduced by QBADs to the Participant made with respect to the same child or Eligible Adoptee by other plans maintained by the Employer or a related employer described in Code §414(b), (c), (m), or (o). The Plan Administrator may adopt a policy imposing frequency limitations or other reasonable administrative conditions for QBADs.
- 4.3 **Definitions.** The following definitions apply for this Article 4 and Section 2.4:
- (a) A "**QBAD**" is a Qualified Birth or Adoption Distribution described in Code §72(t)(2)(H)(iii). A QBAD must be made during the 1-year period beginning on the date on which a child of the Participant is born or on which the legal adoption of an Eligible Adoptee by the Participant is finalized.
  - (b) An "**Eligible Adoptee**" is an individual, other than a child of the Participant's spouse, who has not attained age 18 or is physically or mentally incapable of self-support. An individual is considered physically or mentally incapable of self-support if that individual is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. This provision shall be applied in a manner consistent with Part D of IRS Notice 2020-68.
- 4.4 **Rollover.** A Participant who received one or more QBADs from this Plan may, if the Plan then permits the Participant to make rollover contributions, make one or more contributions in an aggregate amount not to exceed the amount of such QBADs. The Plan will treat such a contribution as a rollover contribution made by direct trustee-to-trustee transfer within 60 days of distribution.
- 4.5 **Reliance.** The Plan Administrator may rely on an individual's reasonable representation that the individual is eligible to receive a QBAD unless the Plan Administrator has actual knowledge to the contrary.
- 4.6 **Status.** A QBAD is not an eligible rollover distribution for purpose of the obligation to permit a direct rollover under Code §401(a)(31), the notice requirement of Code §402(f), or the mandatory withholding rules of Code §3405(c)(1).

**ARTICLE 5  
REQUIRED BEGINNING DATE – SECURE Act §114**

- 5.1 **Application.** This Article 5 will apply to all plans, regardless of type. It is effective with regard to RMDs required to be made after December 31, 2019.
- 5.2 **Delay of Required Beginning Date.** An Affected Participant's RBD shall not be earlier than April 1 of the calendar year following the year the Affected Participant attains age 72. For purposes of determining an Affected Participant's RBD, an Affected Participant will be treated as a more than 5% owner if the Participant was a 5-percent owner (as defined in Code §416(i)(1)(B)) as to the Plan Year ending in the calendar year the Participant attains age 72.
- 5.3 **Spousal Distributions.** If an Affected Participant dies prior to the Participant's RBD, and the Participant's sole Designated Beneficiary is the Participant's surviving spouse, then the RMDs to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 72, if later. However, this Section will apply only if the Plan, prior to this Amendment,

permitted a surviving spouse to delay RMD distributions to December 31 of the calendar year in which the Participant would have attained age 70 1/2.

- 5.4 **Definitions.** The following definitions apply for this Article 5 and Section 2.5:
- (a) A Participant is an "**Affected Participant**" if the Participant was born after June 30, 1949.
  - (b) An "**RMD**" is a Required Minimum Distribution as described in Code §401(a)(9).
  - (c) A Participant's "**RBD**" is the Participant's Required Beginning Date as described in Code §401(a)(9)(C), as amplified by Section 5.2.
- 5.5 **Optional Distribution Timing.** If the Employer elects in Section 2.5(a) for this Section 5.5 to apply, the timing and form of distributions to an Affected Participant will be determined as though this Article 5 had not been adopted. Distributions pursuant to this paragraph, which are not RMDs, will be treated as eligible rollover distributions for purposes of the direct rollover provisions of Code §401(a)(31). This Section 5.5 will no longer be effective for distributions after December 31, 2021, or, if earlier, the date specified in Section 2.5(a)(2).

**ARTICLE 6  
BENEFICIARY RMDs – SECURE Act §401**

- 6.1 **Application.** This Article 6 will apply to all plans. This Article will not apply to qualified annuities described in SECURE Act §401(b)(4)(B).
- 6.2 **Effective Date.** Except as provided in Section 6.4, Article 6 will apply to Participants who die on or after the Effective Date of this Article. Generally, the Effective Date of this Article is January 1, 2022. The Effective Date of this Article 6 in the case of a collectively-bargained plan will be the date determined in SECURE Act §401(b)(2). See Section 6.5 regarding the limited application of this Article to certain accounts of Participants who died before the Effective Date of this Article.
- 6.3 **Death before RBD.** If the Participant dies before the Participant's RBD, the Plan will distribute or commence distribution of the Participant's Vested Accrued Benefit not later than as follows:
- (a) **No Designated Beneficiary.** If there is no Designated Beneficiary as of September 30 of the year following the calendar year of the Participant's death, the Beneficiary's entire interest will be distributed under the 5-Year Rule.
  - (b) **Eligible Designated Beneficiary.** If the distributee of a Participant's account is an Eligible Designated Beneficiary, the Beneficiary's entire interest will be distributed under the Life Expectancy Rule unless the 10-Year Rule applies. The Employer may elect application of the Life Expectancy rule or the 10-Year Rule in Section 2.6. In the absence of an election in Section 2.6, the Plan's provisions with regard to election of the 5-Year Rule will apply, substituting the 10-Year Rule for the 5-Year Rule. A permitted Beneficiary election must be made no later than the earlier of December 31 of the calendar year in which distribution would be required to begin under the Life Expectancy Rule, or by December 31 of the calendar year which contains the tenth anniversary of the Participant's (or, if applicable, surviving spouse's) death.
  - (c) **Other Designated Beneficiaries.** If the distributee of the Participant's account is a Designated Beneficiary who is not an Eligible Designated Beneficiary, then the Beneficiary's entire interest will be distributed under the 10-Year Rule.
  - (d) **10-Year Rule.** If distribution of a deceased Participant's account thereof is subject to the "10-Year Rule," then the Plan will distribute the account in full no later than December 31 of the tenth year following the year of the Participant's death. No RMDs are required to be distributed from the account prior to that date.
- 6.4 **Death after RBD.** If the Participant dies on or after the Participant's RBD, the Participant's remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the participant's death, using the Life Expectancy Rule, as, and to the extent, provided by applicable guidance. If the Beneficiary is a Designated Beneficiary that is not an Eligible Designated Beneficiary, the Plan will distribute the remaining account in full no later than December 31 of the tenth year following the year of the Participant's death.
- 6.5 **Beneficiary Death.** If an Eligible Designated Beneficiary receiving distributions under the Life Expectancy Rule dies before receiving distribution of the Beneficiary's entire interest in the Participant's account, the Plan will distribute that interest in full no later than December 31 of the 10<sup>th</sup> year following the year of the Eligible Designated Beneficiary's death. Similarly, if a Participant died before the Effective Date of this Article 6, and the beneficiary died after such Effective Date, but prior to receiving full distribution of the beneficiary's interest, the Plan will distribute that interest in full no later than December 31 of the tenth year following the year of the beneficiary's death.
- 6.6 **Age of Majority.** If a child of the Participant was receiving distributions under the Life Expectancy rule, when the child reaches the age of Majority, the Plan will distribute the child's account in full no later than 10 years after that date, provided the child is not otherwise an Eligible Designated Beneficiary, such as a disabled or chronically ill individual.

6.7 **Definitions; operating rules.** The following definitions and operating rules apply for this Article 6 and Section 2.6:

- (a) An "**RMD**" is a Required Minimum Distribution as described in Code §401(a)(9).
- (b) A Participant's "**RBD**" is the Participant's Required Beginning Date as described in Code §401(a)(9)(C) and the Plan. Also see Section 5.2.
- (c) A distributee of a Participant's account is a "**Designated Beneficiary**" if the distributee is an individual or trust who is a beneficiary of the account (whether pursuant to a designation by the Participant or application of the Plan terms) and who is a designated beneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-4, Q&As-4 and -5.
- (d) An individual is an "**Eligible Designated Beneficiary**" of a Participant if the individual qualifies as a Designated Beneficiary and is (1) the Participant's spouse, (2) the Participant's child who has not reached the age of Majority, (3) an individual not more than 10 years younger than the Participant, (4) a disabled individual, as defined in Code §72(m)(7), or (5) an individual who has been certified to be chronically ill (as defined in Code §7702B(c)(2)) for a reasonably lengthy period, or indefinitely. Certain trusts may be treated as Eligible Designated Beneficiaries pursuant to Code §401(a)(9)(H)(iv) and (v).
- (e) Whether a child has reached the age of "**Majority**" is determined under Code §401(a)(9)(F) and applicable regulations and guidance issued thereunder.
- (f) The "**Life Expectancy Rule**" for distributing RMDs is described in Code §401(a)(9)(B)(iii) and is further described in the Plan.
- (g) The "**5-Year Rule**" for distributing RMDs is described in Code §401(a)(9)(B)(ii) and is further described in the Plan.
- (h) The "**10-Year Rule**" is described in Section 6.3(d).
- (i) **Shorter period.** Section 2.6(e) may specify a shorter period to be used in place of the tenth year after the death of a Participant or Beneficiary.
- (j) **Separate share rule.** All references in this Article to a Participant's Account and a Beneficiary's interest in that account will be applied separately to each separate account determined under Treas. Reg. §1.401(a)(9)-8, Q&A 2 and 3, and Code §401(a)(9)(H)(iv).

**ARTICLE 7  
EXTENSION OF 5-YEAR RULE FOR RMDs – CARES §2203**

- 7.1 **Application.** This Article 7 does not apply if the Employer has selected Section 2.7(b); otherwise, it is effective January 1, 2020.
- 7.2 **Waiver; default provision.** The beneficiary of an Applicable Participant Account will have the option to extend the deadline to distribute the account for one year. The default in the absence of a beneficiary election will be to extend the distribution, unless the Employer elects in Section 2.7(a) for the default to be not to extend unless the beneficiary requests it.
- 7.3 **Definitions.** The following definitions apply for this Article 7 and Section 2.7:
  - (a) "**RMDs**" means required minimum distributions described in Code §401(a)(9).
  - (b) The "**5-Year Rule**" for distributing RMDs is described in Code §401(a)(9)(B)(ii) and is further described in the Plan.
  - (c) "**Applicable Participant Account**" means the remaining account of a Participant who died during the years 2015-2019, to the extent the account is subject to the 5-Year Rule.

**ARTICLE 8  
RESERVED**

**ARTICLE 9  
RESERVED**

**ARTICLE 10  
IN-SERVICE PENSION DISTRIBUTIONS – BAMA §104**

- 10.1 **Application.** This Article 10 will apply if the Employer elects in Section 2.10 for this Article 10 to apply, effective on the date specified in Section 2.10(a).
- 10.2 **Distribution at 59 1/2.** A Participant can take an in-service distribution at age 59 1/2, or, if later, the age (if any) specified in Section 2.10(b). Such a distribution will be limited to the vested portion of the Participant's accrued benefit or account and will be

subject to all Plan provisions related to in-service distributions. The Plan can operationally permit distributions as early as January 1 of the calendar year the Participant attains 59 1/2 (or such later age).

- 10.3 **Limited application to Profit-Sharing Plans.** If the Employer elects in Section 2.10 for this Article 10 to apply, this Article 10 will apply to an account in a 401(k) Plan or a Profit-Sharing Plan which holds assets transferred from a Money Purchase Pension Plan or a Defined Benefit Plan.

**ARTICLE 11  
DISTRIBUTIONS OF DISCONTINUED LIFETIME INCOME INVESTMENTS – SECURE §109**

- 11.1 **Application.** This Article 11 is effective for Plan Years beginning after December 31, 2019.
- 11.2 **Distributions authorized.** The Plan Administrator may authorize Participants to request, and as soon as practical after a Participant makes the request, the Plan will make a distribution of a Discontinued Lifetime Income Investment. Distribution under this Article is limited to the 90-day period prior to the date on which the Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan. Such distribution will be in the form of a Qualified Distribution, or in the form of a Qualified Plan Distribution Annuity Contract, as determined by the Plan Administrator. The Plan Administrator will administer this section in a reasonable, nondiscriminatory manner, and may authorize distributions of some Discontinued Lifetime Income Investments and not others.
- 11.3 **Definitions.** The terms "Lifetime Income Investment," "Qualified Distribution" and "Qualified Plan Distribution Annuity Contract" have the meanings set forth in Code §401(a)(38)(B). A "Discontinued Lifetime Income Investment" is a Lifetime Income Investment which will no longer be authorized to be held as an investment option under the Plan.

**ARTICLE 12  
UPDATED LIFE EXPECTANCY TABLES – TREAS. REG. §1.401(a)(9)-9**

- 12.1 **Application.** This Article 12 will apply to all plans and is effective for distribution calendar years beginning on or after January 1, 2022.
- 12.2 **New RMD Tables.** Any Plan reference to the life expectancy tables detailed in Treas. Reg. § 1.401(a)(9), such as the Uniform Life Table, the Single Life Table, or the Joint and Last Survivor Table, refers to these tables as published in Treas. Reg. §1.401(a)(9)-9 from time to time, and is subject to adjustment as described in Treas. Reg. §1.401(a)(9)-9(f).

**ARTICLE 13  
RESERVED**

**ARTICLE 14  
RESERVED**

**ARTICLE 15  
RESERVED**

**ARTICLE 16  
REPEAL OF DEEMED IRA MAXIMUM AGE – SECURE §107**

- 16.1 **Application.** This Article 16 will apply only if the Plan permits deemed IRA contributions (sometimes called "designated IRA" contributions) described in Code §408(q). It is effective January 1, 2020.
- 16.2 **No Maximum Age.** To the extent the Plan otherwise permits a Participant to make deemed IRA contributions, the Participant may make such contributions regardless of whether the Participant has attained age 70 1/2 or any other age.

This Amendment has been executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Name of Plan: Town of Westport 457(b) Plan

Name of Employer: Town of Westport

By: \_\_\_\_\_  
EMPLOYER

**CERTIFICATE OF ADOPTING RESOLUTION**

The undersigned authorized representative of Town of Westport (the Employer) hereby certifies that the following resolution was duly adopted by Employer on the date specified below, and that such resolution has not been modified or rescinded as of the date hereof:

RESOLVED, the Amendment to Implement SECURE Act and Other Law Changes to the Town of Westport 457(b) Plan (the Amendment) is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Plan Administrator the Amendment and to take any and all actions as it may deem necessary to effectuate this resolution.

The undersigned further certifies that attached hereto is a copy of the Amendment approved and adopted in the foregoing resolution.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

\_\_\_\_\_ [print name/title]

**TOWN OF WESTPORT 457(B) PLAN  
SUMMARY OF 457 PLAN PROVISIONS**

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**TOWN OF WESTPORT 457(B) PLAN**

**SUMMARY OF 457 PLAN PROVISIONS**

**INTRODUCTION TO YOUR PLAN**

Town of Westport 457(b) Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of retirement plan commonly referred to as a Governmental Eligible 457 Plan. This summary of 457 Plan Provisions contains valuable information regarding when you may become eligible to participate in the Plan, your Plan benefits, your distribution options, and many other features of the Plan. You should take the time to read this Summary to get a better understanding of your rights and obligations under the Plan.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this summary does not answer all of your questions, please contact the Plan Administrator. The name and address of the Plan Administrator can be found in the Article of this summary entitled "General Information About The Plan."

This summary describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language under this summary and the technical, legal language of the Plan document conflict, the Plan document always governs. If you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

This summary describes the current provisions of the Plan. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS). The Employer may also amend or terminate this Plan. The Plan Administrator will notify you if the provisions of the Plan that are described in this summary change. This summary does not address the provisions of specific investment products.

**ARTICLE I  
PARTICIPATION IN THE PLAN**

**Am I eligible to participate in the Plan?**

If you are a member of a class of employees identified below, you are not an eligible employee for Plan purposes. The employees who are excluded are:

- Employees who normally work less than 20 hours per week
- Leased employees
- Board of Education personnel and nonresident aliens who receive no earned income from sources within the United States

Independent contractors are not eligible to participate in the Plan.

**When am I eligible to participate in the Plan?**

Provided you are an eligible employee, you will be eligible on your date of hire. You will actually enter the Plan once you reach the entry date as described in the next question.

**When is my entry date?**

Provided you are an eligible employee, you will be able to participate in the Plan beginning on your date of hire.

**ARTICLE II  
CONTRIBUTIONS**

**What kind of contributions may I make to the Plan and how do my contributions affect my taxes?**

As a Participant under the Plan, you may elect to reduce your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan. The Plan refers to this as an "elective deferral." There are two types of elective deferrals, pre-tax deferrals and Roth deferrals. For purposes of this summary "deferrals" or "elective deferrals" generally means both pre-tax deferrals and Roth deferrals.

If you make pre-tax deferrals, your taxable income is reduced by the deferral contributions so you pay less in federal income taxes. Later, when the Plan distributes the deferrals and earnings, you will pay the taxes on those deferrals and the earnings. Federal income taxes on the pre-tax deferral contributions and on the earnings are only postponed.

If you elect to make Roth deferrals, the deferrals are subject to federal income taxes in the year of deferral. However, the Roth deferrals and, if you meet certain conditions, the earnings on the Roth deferrals are not subject to federal income taxes when distributed to you. This means that the earnings on the Roth deferrals may never be subject to Federal income tax. See "What are my tax consequences when I receive a distribution from the Plan?"

Both your pre-tax and Roth deferrals will be subject to Social Security taxes at the time of your deferral.

**Is there a limit on the amount of elective deferrals that can be made each year?**

As a Participant, you may elect to defer a percentage of your compensation each year instead of receiving that amount in cash. The Plan Administrator will notify you of the maximum percentage you may defer.

You may make deferrals from your accumulated sick pay, from accumulated vacation pay or from back pay.

Your total elective deferrals in any calendar year may not exceed a certain dollar limit which is set by law ("elective deferral limit"). The elective deferral limit for 2025 is \$23,500. After 2025, the elective deferral limit may increase for cost-of-living adjustments.

If you are age 50 or will attain age 50 before the end of a calendar year, you may make additional deferrals (called "Age 50 Catch-Up Contributions") for that year and following years. If you meet the age 50 requirement and your deferrals exceed the elective deferral limit described above, then any excess will be an Age 50 Catch-Up Contribution. The maximum catch-up contribution that you can make in 2025 is \$7,500. After 2025, the maximum Age 50 Catch-Up Contribution limit may increase for cost-of-living adjustments.

There is an alternative catch-up limit that is available in the three years prior to your normal retirement age. This increased limit (called "Special NRA Catch-Up Contributions") is designed to allow make-up contributions for prior years when contributions to the plan were less than the maximum contribution that could have been made in those years. The additional catch-up amount is equal to the difference between the amounts that could have been contributed in the prior years less the amounts that actually were contributed in those years. However, the additional catch-up for the year cannot exceed the general limit for the year. Thus, if you are entitled to the full Special NRA Catch-Up Contribution, your contributions in the last three years prior to your normal retirement age cannot exceed two times the regular elective deferral limit for the year. If you qualify for both Age 50 Catch-Up Contributions and Special NRA Catch-Up Contributions, you are limited to the greater of the two catch-up limitations.

**How do I make an election to defer?**

The amount you elect to defer will be deducted from your pay in accordance with a procedure established by the Plan Administrator. If you wish to defer, the procedure will require that you enter into a salary reduction agreement. You may elect to defer a portion of your compensation payable on or after your Entry Date. Such election must be made prior to the first day of a calendar month in which you wish to defer and will become effective as soon as administratively feasible after it is received by the Plan Administrator. Your election will remain in effect until you modify or terminate it. You may revoke or make modifications to your salary deferral election in accordance with procedures that the Employer provides. See the Plan Administrator for further information.

**What are rollover contributions?**

**Rollover contributions.** If you are a Participant or an Eligible Employee, you may be permitted to deposit into the Plan distributions you have received from other retirement plans. Such a deposit is called a "rollover" and may result in tax savings to you. You may ask the Plan Administrator or Trustee of the other plan or IRA to directly transfer (a "direct rollover") to this Plan all or a portion of any amount that you are entitled to receive as a distribution from such plan. Alternatively, you may elect to deposit any amount eligible to be rolled over within 60 days of your receipt of the distribution. There may be additional limitations set by Plan policy. You should consult qualified counsel to determine if a rollover is in your best interest.

**Rollover account.** Your rollover will be accounted for in a "rollover account." You will always be 100% vested in your "rollover account". This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses.

**Withdrawal of rollover contributions.** You may withdraw the amounts in your "rollover account" at any time.

**What are In-Plan Roth Rollover Contributions?**

**In-Plan Roth Rollover Contributions.** If you are eligible for a distribution from an account and you are currently an employee, you may elect to roll over the distribution to a designated Roth contribution account in the Plan (referred to as an In-Plan Roth Rollover Contribution). You may only roll over the distribution directly.

**Taxation and irrevocable election.** You do not pay taxes on the contributions or earnings of your pre-tax accounts until you receive an actual distribution. In other words, the taxes on the contributions and earnings in your pre-tax accounts are deferred until a distribution is made. Roth accounts, however, are the opposite. With a Roth account you pay current taxes on the amounts contributed. When a

distribution is made to you from the Roth account, you do not pay taxes on the amounts you had contributed. In addition, if you have a "qualified distribution" (explained below), you do not pay taxes on the earnings that are attributable to the contributions.

If you elect an In-Plan Roth Rollover Contribution, then the contribution will be included in your income for the year. Once you make an election, it cannot be changed. It's important that you understand the tax effects of making the election and ensure you have adequate resources outside of the Plan to pay the additional taxes. The In-Plan Roth Rollover Contribution does not affect the timing of when a distribution may be made to you under the Plan; the contribution only changes the tax character of your account. You should consult with your tax advisor prior to making such a rollover.

**Qualified distribution.** As explained above, a distribution of the earnings on your Roth account will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you first make the Roth rollover and ending on the last day of the calendar year that is 5-years later. See "What are my tax consequences when I receive a distribution from the Plan?" later in this Summary.

#### **What are In-Plan Roth Transfers?**

**In-Plan Roth Transfers.** As a Participant under the Plan, you may make an In-Plan Roth Transfer, provided you are an employee at the time of the transfer. An In-Plan Roth Transfer allows you to elect to change the tax treatment of all or some of your pre-tax accounts, as explained below.

**Taxation and irrevocable election.** You do not pay taxes on the contributions or earnings of your pre-tax accounts until you receive an actual distribution. In other words, the taxes on the contributions and earnings in your pre-tax accounts are deferred until a distribution is made. Roth accounts, however, are the opposite. With a Roth account you pay current taxes on the amounts contributed. When a distribution is made to you from the Roth account, you do not pay taxes on the amounts you had contributed. In addition, if you have a "qualified distribution" (explained below), you do not pay taxes on the earnings that are attributable to the contributions.

The In-Plan Roth Transfer allows you to transfer amounts from pre-tax accounts to an In-Plan Roth Transfer Account. If you elect to make such a transfer, then the amount transferred will be included in your income for the year. Once you make an election, it cannot be changed. It's important that you understand the tax effects of making the election and ensure you have adequate resources outside of the Plan to pay the additional taxes. The In-Plan Roth Transfer does not affect the timing of when a distribution may be made to you under the Plan; the In-Plan Roth Transfer only changes the tax character of your account. You should consult with your tax advisor prior to making a transfer election.

**Qualified distribution.** As explained above, a distribution of the earnings on your Roth account will not be subject to tax if the distribution is a "qualified distribution." A "qualified distribution" is one that is made after you have attained age 59 1/2 or is made on account of your death or disability. In addition, in order to be a "qualified distribution," the distribution cannot be made prior to the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you make the In-Plan Roth Transfer and ending on the last day of the calendar year that is 5-years later. See "What are my tax consequences when I receive a distribution from the Plan?" later in this Summary.

#### **What compensation is used to determine my Plan benefits?**

**Definition of compensation.** For the purposes of the Plan, compensation has a special meaning. Compensation is generally defined as your total compensation that is subject to income tax withholding and paid to you by your Employer during the Plan Year. The Plan takes into account elective deferrals to retirement plans (including this one), cafeteria plans, or qualified transportation fringe benefit plans. The following describes the adjustments to compensation that may apply for the different types of contributions provided under the Plan:

- Exclude bonuses
- Exclude overtime pay
- exclude commissions and any additions above base salary
- Compensation paid after you terminate is generally excluded for Plan purposes. However, the following amounts will be included in compensation even though they are paid after you terminate employment, provided these amounts would otherwise have been considered compensation as described above and provided they are paid within 2 1/2 months after you terminate employment, or if later, the last day of the Plan Year in which you terminate employment:
  - Compensation for services performed during your regular working hours, or for services outside your regular working hours or other similar payments that would have been made to you had you continued employment.

- Compensation paid for unused accrued bona fide sick, vacation or other leave, if such amounts would have been included in compensation if paid prior to your termination of employment and you would have been able to use the leave if employment had continued.

### **ARTICLE III DISTRIBUTIONS**

#### **When will I be entitled to a distribution from the Plan?**

Distributions under the Plan may generally not be made prior to your termination of employment (for whatever reason, including death). The rules are explained in more detail below.

If you terminate employment for any reason and at any age (including retirement), then you will be entitled to a distribution within a reasonable time after you terminate employment. (See the question "How will my benefits be paid?" for a further explanation of how benefits are paid from the Plan.)

If your benefit does not exceed \$7,000 then the distribution will automatically be paid to you as soon as administratively practical following your termination of employment. If your benefit exceeds \$7,000, then you will be given the opportunity to elect to defer payment of the benefit, subject to certain limitations. In determining whether your vested account balance exceeds the \$7,000 threshold, "rollovers" (and any earnings allocable to "rollover" contributions) will not be taken into account.

If the Plan Administrator approves, you (1) may elect to postpone distribution of your benefit to any fixed or determinable date including, but not beyond, your "required beginning date" described below; and (2) you may elect the method of payment.

**Military Service.** If you are a veteran and are reemployed under the Uniformed Services Employment and Reemployment Rights Act of 1994, your qualified military service may be considered service with the Employer. There may also be benefits for employees who die or become disabled while on active duty. Employees who receive wage continuation payments while in the military may benefit from various changes in the law. If you think you may be affected by these rules, ask the Plan Administrator for further details.

**Distributions while on military duty.** If you are on active military duty for more than 30 days, then the Plan treats you as having terminated employment for distribution purposes. This means that, if the Plan Administrator permits, you may request a distribution from the Plan. If you request a distribution on account of this deemed termination of employment, then you are not permitted to make any contributions to the Plan for 6 (six) months after the date of the distribution.

**Distributions for Public Safety Officers.** If you are an eligible retired public safety officer, you may elect to have the Plan annually distribute amounts to pay for your health insurance premiums. Please see your Plan Administrator for more details.

#### **Required beginning date.**

Regardless of the above, the law requires that certain minimum distributions be made from the Plan. Distributions are required to begin not later than the April 1st following the later of the end of the year in which you reach age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or terminate employment. You should see the Plan Administrator if you think you may be affected by these rules.

#### **What is the Plan's normal retirement age?**

You will attain your normal retirement age when you reach age 65.

If you are a police department employee, you will attain your normal retirement age when you reach the age that you designate, which may not be earlier than age 49 and may not be later than age 70 1/2.

If you are a fire department employee, you will attain your normal retirement age when you reach the age that you designate, which may not be earlier than age 49 and may not be later than age 70 1/2.

#### **What is my vested interest in my account?**

You are always 100% vested in all your accounts under our plan.

#### **How will my benefits be paid?**

You may, subject to the approval of the Plan Administrator, elect to receive your distribution under one of the methods described below:

- A single lump-sum payment.

- Multiple payments as follows: monthly, quarterly, semi-annual or annual cash installments.
- Partial distributions. You may request a distribution of some or all of your Plan accounts, at any time following your termination of employment, subject to any reasonable limits regarding timing and amounts as the Plan Administrator may impose.

**May I elect to roll over my account to another plan or IRA?**

If you are entitled to a distribution of more than \$200, then you may elect whether to receive the distribution or to roll over the distribution to another retirement plan such as an individual retirement account ("IRA"). For this purpose, your Roth deferral account is treated separately.

**What happens if I get divorced?**

The Plan Administrator will honor a "qualified domestic relations order." A "qualified domestic relations order" is defined as a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If a qualified domestic relations order is received by the Plan Administrator, all or a portion of your benefits may be used to satisfy the obligation. The Plan Administrator will determine the validity of any domestic relations order received. You and your beneficiaries can obtain from the Plan Administrator, without charge, a copy of the procedure used by the Plan Administrator to determine whether a qualified domestic relations order is valid.

**ARTICLE IV  
DEATH BENEFITS**

**What happens if I die while working for the Employer?**

If you die while still employed by the Employer, your entire account balance will be used to provide your beneficiary with a death benefit.

Your beneficiary is the person or persons whom you designate on a form the Plan Administrator provides for this purpose. If you are married, your spouse will be the beneficiary of the death benefit, unless you elect to change the beneficiary.

If no valid designation of beneficiary exists, or if the beneficiary is not alive when you die, then the death benefit will be paid in the following order, unless the investment provider's documentation says otherwise:

- (a) Your surviving spouse;
- (b) Your children, including adopted children, and if a child dies before you, to their children, if any; or
- (c) Your Parents. Your surviving parents, in equal shares; and if none to
- (d) Your estate.

**When will the death benefit be paid to my beneficiary?**

Your death benefit will be paid to your beneficiary and payment will be made as your beneficiary elects, consistent with the Plan. See the Plan Administrator for further details.

You should immediately report any change in your marital status to the Plan Administrator. If you have specifically named your spouse as your beneficiary on a designation form, then the designation will be invalid upon your divorce.

Effective after December 31, 2021, the law now requires complete distributions to some beneficiaries of deceased Participants no later than 10 year(s) following the year of the Participant's death. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death.

Distributions must generally begin by April 1 of the calendar year following the year you turn age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or, in some cases, when you retire, if later. For more information, see IRS Publication 590-B.

**What happens if I'm a Participant, terminate employment, and die before receiving all my benefits?**

If you terminate employment with us and subsequently die, your beneficiary will be entitled to any remaining benefits that you were entitled to as of the date of your death.

**ARTICLE V  
IN-SERVICE DISTRIBUTIONS**

**Can I withdraw money from my account while working for the Employer?**

You may receive a distribution from the Plan prior to your termination of employment if you satisfy certain conditions. These conditions are described below. However, this distribution will reduce the value of the benefits you will receive when you retire. Any in-service distribution is made at your election and will be made in accordance with the forms of distribution available under the investment product you have selected or under the Plan.

You may receive a distribution if you have an "unforeseeable emergency," which is severe financial hardship resulting from an accident or illness to you, your spouse, dependent(s) or beneficiaries, a loss of property due to casualty, or other extraordinary and unforeseeable circumstances beyond your control.

Beginning September 1, 2025, you may request a distribution of up to your entire account once you reach age 59 1/2

**ARTICLE VI  
TAX TREATMENT OF DISTRIBUTIONS**

**What are my tax consequences when I receive a distribution from the Plan?**

Generally, you must include any Plan distribution in your taxable income in the year in which you receive the distribution. The tax treatment may also depend on your age when you receive the distribution.

If you receive distribution of a Roth deferral, since you paid current federal income tax on the deferral contribution in the year of deferral, the deferrals are not subject to federal income taxes when distributed to you. The earnings on Roth deferrals are also tax free upon distribution if you receive a "qualified distribution" from your Roth deferral account.

In order to be a "qualified distribution," the distribution must occur after one of the following: (1) your attainment of age 59 1/2, (2) your disability, or (3) your death. In addition, the distribution must occur after the expiration of a 5-year participation period. The 5-year participation period is the 5-year period beginning on the calendar year in which you first make a Roth contribution to the Plan (or to another 401(k) plan or 403(b) plan if such amount was rolled over into the Plan) and ending on the last day of the calendar year that is 5 years later. For example, if you made your first Roth deferral under this Plan on November 30, 2012, your participation period would end on December 31, 2016. This means that you could take a qualified distribution as early as January 1, 2017. It is not necessary that you make a Roth contribution in each of the five years.

If a distribution from your Roth deferral account is not a qualified distribution, the earnings distributed with the Roth deferrals will be taxable to you at the time of distribution (unless you roll over the distribution to another 457(b) plan, a Roth IRA, or a 401(k) plan that will accept the rollover). In addition, in some cases, there may be a 10% excise tax on the earnings that are distributed.

**Can I reduce or defer tax on my distribution?**

You may reduce, or defer entirely, the tax due on your distribution through use of one of the following methods:

(a) The rollover of all or a portion of the distribution you actually receive to a traditional Individual Retirement Account (IRA) or another eligible employer plan. This will result in no tax being due until you begin withdrawing funds from the traditional IRA or other eligible employer plan. The rollover of the distribution, however, MUST be made within strict time frames (normally, within 60 days after you receive your distribution). Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. In addition, most distributions will be subject to mandatory federal income tax withholding at a rate of 20%. This will reduce the amount you actually receive. For this reason, if you wish to roll over all or a portion of your distribution amount, the direct rollover option described in paragraph (b) below would be the better choice.

(b) For most distributions, you may request that a "direct rollover" of all or a portion of the distribution to either a traditional Individual Retirement Account (IRA) or another employer plan willing to accept the rollover. A direct rollover will result in no tax being due until you withdraw funds from the traditional IRA or other qualified employer plan. Like the 60-day rollover, under certain circumstances all or a portion of the amount to be distributed may not qualify for this direct rollover, e.g., a distribution of less than \$200 will not be eligible for a direct rollover. If you elect to actually receive the distribution rather than request a direct rollover, then in most cases 20% of the distribution amount will be withheld for federal income tax purposes.

WHENEVER YOU RECEIVE A DISTRIBUTION THAT IS AN ELIGIBLE ROLLOVER DISTRIBUTION, THE PLAN ADMINISTRATOR WILL DELIVER TO YOU A MORE DETAILED EXPLANATION OF THESE OPTIONS. HOWEVER, THE RULES WHICH DETERMINE WHETHER YOU QUALIFY FOR FAVORABLE TAX TREATMENT ARE VERY COMPLEX. YOU SHOULD CONSULT WITH A QUALIFIED TAX ADVISOR BEFORE MAKING A CHOICE.

**ARTICLE VII  
LOANS**

**Is it possible to borrow money from the Plan?**

Yes. Loans are permitted in accordance with the Plan Loan Policy. If you wish to receive a copy of the Loan Policy, please contact the Plan Administrator.

**ARTICLE VIII  
CLAIMS AND BENEFITS**

**Can the Plan be amended?**

Yes. The Employer may amend the Plan at any time. No amendment will cause any reduction in the amount credited to your account.

**What happens if the Plan is discontinued or terminated?**

The Employer may terminate the Plan at any time. Upon termination, no more contributions may be made to the Plan. The Plan Administrator will notify you of any modification or termination of the Plan.

**How do I submit a claim for Plan benefits?**

You may file a claim for benefits by submitting a written request for benefits to the Plan Administrator. You should contact the Plan Administrator to see if there is an applicable distribution form that must be used. If no specific form is required or available, then your written request for a distribution will be considered a claim for benefits. In the case of a claim for disability benefits, if disability is determined by the Plan Administrator (rather than by a third party such as the Social Security Administration), then you must also include with your claim sufficient evidence to enable the Plan Administrator to make a determination on whether you are disabled.

Decisions on the claim will be made within a reasonable period of time appropriate to the circumstances. "Days" means calendar days. If the Plan Administrator determines the claim is valid, then you will receive a statement describing the amount of benefit, the method or methods of payment, the timing of distributions and other information relevant to the payment of the benefit.

For purposes of the claims procedures described below, "you" refers to you, your authorized representative, or anyone else entitled to benefits under the Plan (such as a beneficiary). A document, record, or other information will be considered relevant to a claim if it:

- Was relied upon in making the benefit determination;
- Was submitted, considered, or generated in the course of making the benefit determination, without regard to whether it was relied upon in making the benefit determination;
- Demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that benefit determinations are made in accordance with Plan documents and Plan provisions have been applied consistently with respect to all claimants; or
- Constituted a statement of policy or guidance with respect to the Plan concerning the denied treatment option or benefit.

The Plan may offer additional voluntary appeal and/or mandatory arbitration procedures other than those described below. If applicable, the Plan will not assert that you failed to exhaust administrative remedies for failure to use the voluntary procedures, any statute of limitations or other defense based on timeliness is tolled during the time a voluntary appeal is pending; and the voluntary process is available only after exhaustion of the appeals process described in this section. If mandatory arbitration is offered by the Plan, the arbitration must be conducted instead of the appeal process described in this section, and you are not precluded from challenging the decision under ERISA §501(a) or other applicable law.

**ARTICLE IX  
GENERAL INFORMATION ABOUT THE PLAN**

There is certain general information that you may need to know about the Plan. This information has been summarized for you in this Article.

The full name of the Plan is Town of Westport 457(b) Plan.

The provisions of the Plan become effective on July 1, 2025.

Special Effective Dates: Salary Reduction Contributions are effective September 1, 2025.

The Plan's records are maintained on a twelve-month period of time. This is known as the "Plan Year." The Plan Year ends every June 30.

Valuations of the Plan are generally made daily.

The Plan will be governed by the laws of Connecticut.

**Employer Information**

Your Employer's name, address, business telephone number, and identification number are:

Town of Westport  
110 Myrtle Avenue  
Westport, Connecticut 06880  
(203) 341-1000  
06-6002128

The Plan allows other employers to adopt its provisions. Another Employer who has adopted the provisions of the Plan is:

Westport Library Association, Inc.  
20 Jessup Road  
Westport, Connecticut 06880  
(203) 291-4803  
06-0672798

**Plan Administrator Information**

The Employer is the Plan Administrator. The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, including your account information, provides you with the forms you need to complete for Plan participation and directs the payment of your account at the appropriate time. If you have any questions about the Plan and your participation, you should contact the Plan Administrator. The Plan Administrator may designate other parties to perform some duties of the Plan Administrator, and some duties are the responsibility of the investment provider(s) to the Plan.

The Plan Administrator has the complete power, in its sole discretion, to determine all questions arising in connection with the administration, interpretation, and application of the Plan (and any related documents and underlying policies). Any such determination by the Plan Administrator is conclusive and binding upon all persons.

**Plan Funding Medium**

All money that is contributed to the Plan is held in custodial accounts or annuity contracts.

**TOWN OF WESTPORT 457(B) PLAN  
SUMMARY PLAN DESCRIPTION  
MATERIAL MODIFICATIONS – SECURE ACT**

**I  
INTRODUCTION**

This is a Summary of Material Modifications regarding the Town of Westport 457(b) Plan ("Plan"). This is merely a summary of important changes to the Plan and information contained in the Summary Plan Description ("SPD") previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control.

**II  
SUMMARY OF CHANGES**

**Required Minimum Distributions.** The law requires that retirement plans distribute funds at least as rapidly as specified in the required minimum distribution (RMD) rules. The Plan has been amended to conform to recent changes in those rules. Effective after December 31, 2021, the law now requires complete distributions to some beneficiaries of deceased participants no later than December 31, 10 year(s) following the year of the participant's death. Generally, if your beneficiary is not a person, then your entire death benefit must be paid within five years after your death.

Distributions must generally begin by April 1 of the calendar year following the year you turn age 70 1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or, in some cases, when you retire, if later. For more information, see IRS Publication 590-B.

**In-Service Distributions.** Beginning September 1, 2025 a Participant can take an in-service distribution from the Plan at age 59 1/2. The amount of the distribution will be limited to the Participant's vested accrued benefit or account balance. It will be subject to all restrictions, procedures, and plan provisions which otherwise apply to such in-service distributions.

**ELIGIBLE 457 PLAN**

**Governmental Eligible 457 Plan**

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## Governmental Eligible 457 Plan

ARTICLE I  
DEFINITIONS

1.01 "**Account**" means the separate Account(s) which the Plan Administrator or the Trustee maintains under the Plan for a Participant's Deferred Compensation. The Plan Administrator or Trustee may establish separate Accounts for multiple Beneficiaries of a Participant to facilitate required minimum distributions under Section 4.03 based on each Beneficiary's life expectancy.

1.02 "**Accounting Date**" means the last day of the Plan Year. The Plan Administrator will allocate Employer contributions and forfeitures for a particular Plan Year as of the Accounting Date of that Plan Year, and on such other dates, if any, as the Plan Administrator determines, consistent with the Plan's allocation conditions and other provisions.

1.03 "**Beneficiary**" means a person who the Plan or a Participant designates and who is or may become entitled to a Participant's Account upon the Participant's death. A Beneficiary who becomes entitled to a benefit under the Plan remains a Beneficiary under the Plan until the Plan Administrator or Trustee has fully distributed to the Beneficiary his or her Plan benefit. A Beneficiary's right to (and the Plan Administrator's or a Trustee's duty to provide to the Beneficiary) information or data concerning the Plan does not arise until the Beneficiary first becomes entitled to receive a benefit under the Plan.

1.04 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.05 "**Compensation**"

**(A) Uses and Context.** Any reference in the Plan to Compensation is a reference to the definition in this Section 1.05, unless the Plan reference, or the Employer in the Adoption Agreement, modifies this definition. Except as the Plan otherwise specifically provides, the Plan Administrator will take into account only Compensation actually paid during (or as permitted under the Code, paid for) the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306. In the case of an Independent Contractor, Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect to allocate contributions based on a Compensation within specified 12 month period which ends within a Plan Year.

**(B) Base Definitions and Modifications.** The Employer in the Adoption Agreement must elect one of the following base definitions of Compensation: W-2 Wages, Code §3401(a) Wages, or 415 Compensation. The Employer may elect a different base definition as to different Contribution Types. The Employer in the Adoption Agreement may specify any modifications thereto, for purposes of contribution allocations under Article III. If the Employer fails to elect one of the above-referenced definitions, the Employer is deemed to have elected the W-2 Wages definition.

**(1) W-2 Wages.** W-2 Wages means wages for federal income tax withholding purposes, as defined under Code §3401(a), plus all other payments to an Employee in the course of the Employer's trade or business, for which the Employer must furnish the Employee a written statement under Code §§6041, 6051, and 6052, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

**(2) Code §3401(a) Wages (income tax wage withholding).** Code §3401(a) Wages means 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 the location of the employment or the services performed (such as the exception for agricultural labor in Code §3401(a)(2)).

**(3) Code §415 Compensation (current income definition/simplified compensation under Treas. Reg. §1.415(c)-2(d)(2)).** Code §415 Compensation means the Employee's wages, salaries, fees for professional service and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits and reimbursements or other expense allowances under a nonaccountable plan as described in Treas. Reg. §1.62-2(c)).

Code §415 Compensation does not include:

**(a) Deferred compensation/SEP/SIMPLE.** Employer contributions (other than Elective Deferrals) to a plan of deferred compensation (including a simplified employee pension plan under Code §408(k) or to a simple retirement account under Code §408(p)) to the extent the contributions are not included in the gross income of the Employee for the Taxable Year in which contributed, and any distributions from a plan of deferred compensation (whether or not qualified), regardless of whether such amounts are includible in the gross income of the Employee when distributed.

**(b) Option exercise.** Amounts realized from the exercise of a non-qualified stock option (an option other than a statutory option under Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture under Code §83.

**(c) Sale of option stock.** Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option as defined under Treas. Reg. §1.421-1(b).

**Governmental Eligible 457 Plan**

**(d) Other amounts that receive special tax benefits.** Other amounts that receive special tax benefits, such as premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts under Code §125).

**(e) Other similar items.** Other items of remuneration which are similar to any of the items in Sections 1.11(B)(3)(a) through (d).

**(4) Alternative (general) 415 Compensation.** Under this definition, Compensation means as defined in Section 1.05(B)(3) but with the addition of: (a) amounts described in Code §§104(a)(3), 105(a), or 105(h) but only to the extent that these amounts are includible in Employee's gross income; (b) amounts paid or reimbursed by the Employer for moving expenses incurred by the Employee, but only to the extent that at the time of payment it is reasonable to believe these amounts are not deductible by the Employee under Code §217; (c) the value of a nonstatutory option (an option other than a statutory option under Treas. Reg. §1.421-1(b)) granted by the Employer to the an Employee, but only to the extent that the value of the option is includible in the Employee's gross income for the Taxable Year of the grant; (d) the amount includible in the Employee's gross income upon the Employee's making of an election under Code §83(b); and (e) amounts that are includible in the Employee's gross income under Code §409A or Code §457(f)(1)(A) or because the amounts are constructively received by the Participant. [Note if the Plan's definition of Compensation is W-2 Wages or Code §3401(a) Wages, then Compensation already includes the amounts described in clause (e).]

**(C) Deemed 125 Compensation.** Deemed 125 Compensation means, in the case of any definition of Compensation which includes a reference to Code §125, amounts under a Code §125 plan of the Employer that are not available to a Participant in cash in lieu of group health coverage, because the Participant is unable to certify that he/she has other health coverage.

**(D) Modification to Compensation.** The Employer must specify in the Adoption Agreement the Compensation the Plan Administrator is to take into account in allocating Deferral Contributions to a Participant's Account. For all Plan Years other than the Plan Year in which the Employee first becomes a Participant, the Plan Administrator will take into account only the Compensation determined for the portion of the Plan Year in which the Employee actually is a Participant.

**(E) Elective Contributions.** Compensation under Section 1.05 includes Elective Contributions unless the Employer in the Adoption Agreement elects to exclude Elective Contributions. "Elective Contributions" are amounts excludible from the Employee's gross income under Code §§125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b), 408(p) or 457, and contributed by the Employer, at the Employee's election, to a cafeteria plan, a qualified transportation fringe benefit plan, a 401(k) arrangement, a SARSEP, a tax-sheltered annuity, a SIMPLE plan or a Code §457 plan.

**(F) Post-Severance Compensation.** Compensation includes Post-Severance Compensation to the extent the Employer elects in the Adoption Agreement or as the Plan otherwise provides. Post-Severance Compensation is Compensation paid after a Participant's Severance from Employment from the Employer, as further described in this Section 1.05(F). As the Employer elects, Post-Severance Compensation may include any or all of regular pay, leave cash-outs, or deferred compensation paid within the time period described in Section 1.05(F)(1), and may also include salary continuation for disabled Participants, all as defined below. Any other payment paid after Severance from Employment that is not described in this Section 1.05(F) is not Compensation even if payment is made within the time period described below. Post-Severance Compensation does not include severance pay, parachute payments under Code §280G(b)(2) or payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to Severance from Employment.

**(1) Timing.** Post-Severance Compensation includes regular pay, leave cashouts, or deferred compensation only to the extent the Employer pays such amounts by the later of 2 1/2 months after Severance from Employment or by the end of the Limitation Year that includes the date of such Severance from Employment.

**(a) Regular pay.** Regular pay means the payment of regular Compensation for services during the Participant's regular working hours, or Compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, but only if the payment would have been paid to the Participant prior to a Severance from Employment if the Participant had continued in employment with the Employer.

**(b) Leave cash-outs.** Leave cash-outs means payments 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 if Compensation would have included those amounts if they were paid prior to the Participant's Severance from Employment.

**(c) Deferred compensation.** As used in this Section 1.05(F), deferred compensation means the payment of deferred compensation pursuant to an unfunded deferred compensation plan, if Compensation would have included the Deferred Compensation if it had been paid prior to the Participant's Severance from Employment, but only if the payment would have been paid at the same time if the Participant had continued in employment with the Employer and only to the extent that the payment is includible in the Participant's gross income.

**(2) Salary continuation for disabled Participants.** Salary continuation for disabled Participants means Compensation paid to a Participant who is permanently and totally disabled (as defined in Code §22(e)(3)).

**(3) Differential Wage Payments.** An individual receiving a Differential Wage Payment, as defined by Code §3401(h)(2), shall be treated as an employee of the employer making the payment and the Differential Wage Payment shall be treated as compensation for purposes of Code §457(b) and any other Internal Revenue Code section that references the definition of compensation under Code §415, including the definition of Includible Compensation as provided in Section 1.15.

**Governmental Eligible 457 Plan**

1.06 **"Deferral Contributions"** means as the Employer elects on the Adoption Agreement, Salary Reduction Contributions, Nonelective Contributions and Matching Contributions. The Plan Administrator in applying the Code §457(b) limit will take into account Deferral Contributions in the Taxable Year in which deferred, or if later, in the Taxable Year in which the Deferral Contributions are no longer subject to a Substantial Risk of Forfeiture. The Plan Administrator in determining the amount of a Participant's Deferral Contributions disregards the net income, gain and loss attributable to Deferral Contributions unless the Deferral Contributions are subject to a Substantial Risk of Forfeiture. If a Deferral Contribution is subject to a Substantial Risk of Forfeiture, the Plan Administrator takes into the Deferral Contribution as adjusted for allocable net income, gain or loss in the Taxable Year in which the Substantial Risk of Forfeiture lapses.

1.07 **"Deferred Compensation"** means as to a Participant the amount of Deferral Contributions, Rollover Contributions and Transfers adjusted for allocable net income, gain or loss, in the Participant's Account.

1.08 **"Effective Date"** of this Plan is the date the Employer specifies in the Adoption Agreement. The Employer in the Adoption Agreement may elect special effective dates for Plan provisions the Employer specifies provided any such date(s) are permitted by the Code, by Treasury regulations, or by other applicable guidance.

1.09 **"Elective Deferrals"** means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre Tax Elective Deferrals and Roth Elective Deferrals.

1.10 **"Employee"** means an individual who provides services for the Employer, as a common law employee of the Employer. The Employer in the Adoption Agreement must elect or specify any Employee, or class of Employees, not eligible to participate in the Plan (an "Excluded Employee"). See Section 1.16 regarding potential treatment of an Independent Contractor as an Employee.

1.11 **"Employer"** means the entity specified in the Adoption Agreement, any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. In addition, where appropriate, the term Employer shall include any Participating Employer.

1.12 **"Employer Contribution"** means Nonelective Contributions or Matching Contributions.

1.13 **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

1.14 **"Excess Deferrals"** means Deferral Contributions to an Eligible 457 Plan for a Participant that exceed the Taxable Year maximum limitation of Code §§457(b) and (e)(18).

1.15 **"Includible Compensation"** means, for the Employee's Taxable Year, the Employee's total Compensation within the meaning of Code §415(c)(3) paid to an Employee for services rendered to the Employer. Includible Compensation includes Deferral Contributions under the Plan, compensation deferred under any other plan described in Code §457, and any amount excludible from the Employee's gross income under Code §§401(k), 403(b), 125 or 132(f)(4) or any other amount excludible from the Employee's gross income for Federal income tax purposes. The Employer will determine Includible Compensation without regard to community property laws.

1.16 **"Independent Contractor"** means any individual who performs service for the Employer and who the Employer does not treat as an Employee or a Leased Employee. The Employer in the Adoption Agreement may elect to permit Independent Contractors to participate in the Plan. To the extent that the Employer permits Independent Contractor participation, references to Employee in the Plan include Independent Contractors and Compensation means the amounts the Employer pays to the Independent Contractor for services, except as the Employer otherwise specifies in the Adoption Agreement.

1.17 **"Leased Employee"** means an Employee within the meaning of Code §414(n).

1.18 **"Matching Contribution"** means an Employer fixed or discretionary contribution made or forfeiture allocated on account of Salary Reduction Contributions.

1.19 **"Nonelective Contribution"** means an Employer fixed or discretionary contribution not made as a result of a Salary Reduction Agreement and which is not a Matching Contribution.

1.20 **"Normal Retirement Age"** means the age the Employer specifies in the Adoption Agreement consistent with Section 3.05(B). If the Adoption Agreement specifies that the Normal Retirement Age is the "Pension Benefit Age," then the Normal Retirement Age is the age at which participants have the right to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase pension plan in which the participant also participates if the participant is not eligible to participate in a defined benefit plan), immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age.

1.21 **"Participant"** is an Employee other than an Excluded Employee who becomes a Participant in accordance with the provisions of Section 2.01. Once an individual has become a Participant, he or she will remain a Participant so long as the individual has an Account in the Plan.

1.22 **"Plan"** means the 457 plan established or continued by the Employer in the form of this basic Plan and (if applicable) Trust Agreement, including the Adoption Agreement. The Employer in the Adoption Agreement must designate the name of the Plan. All section references within the Plan are Plan section references unless the context clearly indicates otherwise.

1.23 **"Plan Administrator"** is the Employer unless the Employer designates another person to hold the position of Plan Administrator. The Plan Administrator may be a Participant.

1.24 **"Plan Entry Date"** means the dates the Employer elects in Adoption Agreement.

**Governmental Eligible 457 Plan**

1.25 **"Plan Year"** means the consecutive 12-month period the Employer elects in the Adoption Agreement.

1.26 **"Pre-Tax Elective Deferrals" or "Pre-Tax Deferrals"** means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

1.27 **"Rollover Contribution"** means the amount of cash or property which an eligible retirement plan described in Code §402(c)(8)(B) distributes to an eligible Employee or to a Participant in an eligible rollover distribution under Code §402(c)(4) and which the eligible Employee or Participant transfers directly or indirectly to a Governmental Eligible 457 Plan. A Rollover Contribution includes net income, gain or loss attributable to the Rollover Contribution. A Rollover Contribution excludes after-tax Employee contributions, as adjusted for net income, gain or loss.

1.28 **"Roth Elective Deferrals" or "Roth Deferrals"** means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

1.29 **"Salary Reduction Agreement"** means a written agreement between a Participant and the Employer, by which the Employer reduces the Participant's Compensation for Compensation not available as of the date of the election and contributes the amount as a Salary Reduction Contribution to the Participant's Account.

1.30 **"Salary Reduction Contribution"** means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement.

1.31 **"Service"** means any period of time the Employee is in the employ of the Employer. In the case of an Independent Contractor, Service means any period of time the Independent Contractor performs services for the Employer on an independent contractor basis. An Employee or Independent Contractor terminates Service upon incurring a Severance from Employment.

(A) **Qualified Military Service.** Service includes any qualified military service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code §414(u). A Participant whose employment is interrupted by qualified military service under Code §414(u) or who is on a leave of absence for qualified military service under Code §414(u) may elect to make additional Salary Reduction Contributions upon resumption of employment with the Employer equal to the maximum Deferral Contributions that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the Deferral Contributions, if any, actually made for the Participant during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). The Employer shall make appropriate make-up Nonelective Contributions and Matching Contributions for such a Participant as required under Code §414(u). The Plan shall apply limitations of Article III to all Deferral Contributions under this paragraph with respect to the year to which the Deferral Contribution relates.

(B) **"Continuous Service"** as the Adoption Agreement describes means Service with the Employer during which the Employee does not incur a Severance from Employment.

(C) **"Severance from Employment"**

(1) **Employee.** An Employee has a Severance from Employment when the Employee ceases to be an Employee of the Employer. A Participant does not incur a Severance from Employment if, in connection with a change in employment, the Participant's new employer continues or assumes sponsorship of the Plan or accepts a Transfer of Plan assets as to the Participant.

(2) **Independent Contractor.** An Independent Contractor has a Severance from Employment when the contract(s) under which the Independent Contractor performs services for the Employer expires (or otherwise terminates), unless the Employer anticipates a renewal of the contractual relationship or the Independent Contractor becoming an Employee. The Employer anticipates renewal if it intends to contract for the services provided under the expired contract and neither the Employer nor the Independent Contractor has eliminated the Independent Contractor as a potential provider of such services under the new contract. Further, the Employer intends to contract for services conditioned only upon the Employer's need for the services provided under the expired contract or the Employer's availability of funds. Notwithstanding the preceding provisions of this Section 1.31, the Plan Administrator will consider an Independent Contractor to have incurred a Severance from Employment: (a) if the Plan Administrator or Trustee will not pay any Deferred Compensation to an Independent Contractor who is a Participant before a date which is at least twelve months after the expiration of the Independent Contractor's contract (or the last to expire of such contracts) to render Services to the Employer; and (b) if before the applicable twelve-month payment date, the Independent Contractor performs Service as an Independent Contractor or as an Employee, the Plan Administrator or Trustee will not pay to the Independent Contractor his or her Deferred Compensation on the applicable date.

(3) **Deemed Severance.** Notwithstanding Section 1.05(F), if the Employer elects in the Adoption Agreement, then if a Participant performs service in the uniformed services (as defined in Code §414(u)(12)(B)) on active duty for a period of more than 30 days, the Participant will be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Plan will not distribute such a Participant's Account on account of this deemed severance unless the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects to receive a distribution on account of this deemed severance, then no Deferral Contributions may be made for the Participant during the 6-month period beginning on the date of the distribution. If a Participant would be entitled

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to a distribution on account of a deemed severance, and a distribution on account of another Plan provision, then the other Plan provision will control and the 6-month suspension will not apply.

1.32 **"State"** means (a) one of the 50 states of the United States or the District of Columbia, or (b) a political subdivision of a State, or any agency or instrumentality of a State or its political subdivision. A State does not include the federal government or any agency or instrumentality thereof.

1.33 **"Substantial Risk of Forfeiture"** exists if the Plan expressly conditions a Participant's right to Deferred Compensation upon the Participant's future performance of substantial Service for the Employer.

1.34 **RESERVED**

1.35 **"Taxable Year"** means the calendar year or other taxable year of a Participant.

1.36 **"Transfer"** means a transfer of Eligible 457 Plan assets to another Eligible 457 Plan which is not a Rollover Contribution and which is made in accordance with Section 9.03.

1.37 **"Trust"** means the Trust created under the adopting Employer's Plan. The Trust is subject to Article VIII.

1.38 **"Trustee"** means the person or persons who as Trustee execute the Employer's Adoption Agreement, or any successor in office who in writing accepts the position of Trustee.

1.39 **Type of 457 Plan.** This Plan is an Eligible 457 Plan, which is a plan which satisfies the requirements of Code §457(b) and Treas. Reg. §§1.457-3 through -10. The Plan is a "Governmental Eligible 457 Plan," an Eligible 457 Plan established by a State.

1.40 **"Vested"** means a Participant's Deferral Contributions that are not subject to a Substantial Risk of Forfeiture, including a vesting schedule.

**ARTICLE II  
ELIGIBILITY AND PARTICIPATION**

2.01 **ELIGIBILITY.** Each Employee who is not an Excluded Employee becomes a Participant in the Plan in accordance with the eligibility conditions and as of the Plan Entry Date the Employer elects in the Adoption Agreement. If this Plan is a restated Plan, each Employee who was a Participant in the Plan on the day before the Effective Date continues as a Participant in the Plan, irrespective of whether he/she satisfies the eligibility conditions in the restated Plan, unless the Employer indicates otherwise in the Adoption Agreement.

2.02 **PARTICIPATION UPON RE-EMPLOYMENT.** A Participant who incurs a Severance from Employment will re-enter the Plan as a Participant on the date of his or her re-employment. An Employee who satisfies the Plan's eligibility conditions but who incurs a Severance from Employment prior to becoming a Participant will become a Participant on the later of the Plan Entry Date on which he/she would have entered the Plan had he/she not incurred a Severance from Employment or the date of his or her re-employment. Any Employee who incurs a Severance from Employment prior to satisfying the Plan's eligibility conditions becomes a Participant in accordance with the Adoption Agreement.

2.03 **CHANGE IN EMPLOYMENT STATUS.** If a Participant has not incurred a Severance from Employment but ceases to be eligible to participate in the Plan, by reason of becoming an Excluded Employee, the Plan Administrator must treat the Participant as an Excluded Employee during the period such a Participant is subject to the Adoption Agreement exclusion. The Plan Administrator determines a Participant's sharing in the allocation of Employer Contributions by disregarding his or her Compensation paid by the Employer for services rendered in his or her capacity as an Excluded Employee. However, during such period of exclusion, the Participant, without regard to employment classification, continues to share fully in Plan income allocations under Section 5.07 and to accrue vesting service if applicable.

**ARTICLE III  
DEFERRAL CONTRIBUTIONS/LIMITATIONS**

3.01 **AMOUNT.**

**(A) Contribution Formula.** For each Plan Year, or other period the Employer specifies in the Adoption Agreement, the Employer will contribute to the Plan the type and amount of Deferral Contributions the Employer elects in the Adoption Agreement.

**(B) Return of Contributions.** The Employer contributes to this Plan on the condition its contribution is not due to a mistake of fact. If the Plan has a Trust, the Trustee, upon written request from the Employer, must return to the Employer the amount of the Employer's contribution (adjusted for losses) made by the Employer on account of a mistake of fact. The Trustee will not return any portion of the Employer's contribution under the provisions of this paragraph more than one year after the Employer made the contribution on account of a mistake of fact. In addition, if any Participant Salary Reduction Contribution is due to a mistake of fact, the Employer or the Trustee upon written request from the Employer shall return the Participant's contribution (adjusted for net income, gain or loss), within one year after payment of the contribution.

The Trustee will decrease the Employer contribution returnable for any losses attributable to it. The Trustee may require the Employer to furnish it whatever evidence the Trustee deems necessary to enable the Trustee to confirm the amount the Employer has requested be returned is properly returnable.

**(C) Time of Payment of Contribution.** If the Plan has a Trust, the Employer may pay its contributions for each Plan Year to the Trust in one or more installments and at such time(s) as the Employer determines, without interest. The Employer shall deposit

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Salary Reduction Contributions to the Trust within a period that is not longer than is reasonable for the administration of Participant Accounts.

**3.02 SALARY REDUCTION CONTRIBUTIONS.** The Employer in the Adoption Agreement must elect whether the Plan permits Salary Reduction Contributions, and may also specify the Plan limitations, if any, which apply to Salary Reduction Contributions. Unless the Employer elects otherwise in the Adoption Agreement, all such limitations apply on a payroll basis. The Plan Administrator in the Plan's Salary Reduction Agreement form, or in a Salary Reduction Agreement policy will specify additional rules and restrictions applicable to a Participant's Salary Reduction Agreement, including but not limited to those regarding the timing, frequency and mechanics of changing or revoking a Salary Reduction Agreement. Any such rules and restrictions must be consistent with the Plan. If a Participant is making both Pre-Tax and Roth Deferrals, the Salary Reduction Agreement policy may establish reasonable, uniform conventions for determining whether an automatic escalation of a participant's deferrals will result in an increase in Pre-Tax Deferrals or Roth Deferrals. The Plan Administrator may provide more than one Salary Reduction Agreement form for use in specific situations, such as a form limited to bonuses.

**(A) Deferral from Sick, Vacation and Back Pay.** The Employer in the Adoption Agreement must elect whether to permit Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay.

**(B) Automatic Enrollment.** The Employer in the Adoption Agreement may provide for automatic Salary Reduction Contributions (Automatic Deferrals) of a specified amount, subject to giving notice to affected Participants of the automatic election and of their right to make a contrary election.

The Plan may elect to provide an Eligible Automatic Contribution Arrangement ("EACA"). See Section 3.14.

**(C) Application to Leave of Absence and Disability.** Unless a Participant in his or her Salary Reduction Agreement elects otherwise, the Participant's Salary Reduction Agreement shall continue to apply during the Participant's leave of absence or the Participant's disability (as the Plan Administrator shall establish), if the Participant has Compensation other than imputed compensation or disability benefits.

**(D) Post-severance deferrals limited to Post-Severance Compensation.** Deferrals are permitted from an amount received following Severance from Employment only if the amount is Post-Severance Compensation.

**(E) Limitations.** The Employer may elect a Plan limit in its Adoption Agreement, but if the Employer does not so elect, the Plan Administrator may establish a Plan limit on Elective Deferrals. The Plan Administrator may also establish a limit applying only to bonuses. Such limits may be established or changed from time to time by providing notice to the Participants. Any such limit change made during a Plan Year applies only prospectively and applies until the Plan Administrator changes or revokes the limit.

**3.03 EMPLOYER CONTRIBUTIONS.**

**(A) Matching Contributions.** The Employer in the Adoption Agreement must elect whether the Plan permits Matching Contributions and, if so, the type(s) of Matching Contributions, the time period applicable to any Matching Contribution formula, and as applicable, the amount of Matching Contributions and the Plan limitations, if any, which apply to Matching Contributions. Any Matching Contributions apply to age 50 catch-up contributions, if any, and to any Normal Retirement Age catch-up contributions unless the Employer elects otherwise in the Adoption Agreement.

**(B) Nonelective Contributions.** The Employer in the Adoption Agreement must elect whether the Plan permits Nonelective Contributions and, if so, the contribution formula and related timing and the allocation conditions. Unless otherwise specified (such as an amount determined under contract or a fixed dollar amount), such contributions will be allocated pro rata based on compensation.

**3.04 NORMAL LIMITATION.** Except as provided in Sections 3.05 and 3.06, a Participant's maximum Deferral Contributions (excluding Rollover Contributions and Transfers) under this Plan for a Taxable Year may not exceed the lesser of:

(a) The applicable dollar amount as specified under Code §457(e)(15) (or such larger amount as the Commissioner of the Internal Revenue may prescribe), or

(b) 100% of the Participant's Includible Compensation for the Taxable Year.

**3.05 NORMAL RETIREMENT AGE CATCH-UP CONTRIBUTION.** If selected in the Adoption Agreement, a Participant may elect to make this catch-up election. For one or more of the Participant's last three Taxable Years ending before the Taxable Year in which the Participant attains Normal Retirement Age, the Participant's maximum Deferral Contributions may not exceed the lesser of:

(a) Twice the dollar amount under Section 3.04(a) Normal Limitation, or (b) the underutilized limitation.

**(A) Underutilized Limitation.** A Participant's underutilized limitation is equal to the sum of: (i) the normal limitation for the Taxable Year, and (ii) the normal limitation for each of the prior Taxable Years of the Participant commencing after 1978 during which the Participant was eligible to participate in the Plan and the Participant's Deferral Contributions were subject to the Normal Limitation or any other Code §457(b) limit, less the amount of Deferral Contributions for each such prior Taxable Year, excluding age 50 catch-up contributions.

**(B) Normal Retirement Age.** Normal Retirement Age is the age the Employer specifies in the Adoption Agreement provided that the age may not be: (i) earlier than the earliest of age 65 or the age at which Participants have the right to retire and receive under the Employer's defined benefit plan (or money purchase plan if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or other reduction because of retirement before a later specified age; or (ii) later than age 70 1/2.

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**(1) Participant Designation.** The Employer in the Adoption Agreement may permit a Participant to designate his or her Normal Retirement Age as any age including or between the foregoing ages.

**(2) Multiple 457 Plans.** If the Employer maintains more than one Eligible 457 Plan, the Plans may not permit any Participant to have more than one Normal Retirement Age under the Plans.

**(3) Police and Firefighters.** In a Plan with qualified police or firefighter Participants within the meaning of Code §415(b)(2)(H)(ii)(I), the Employer in the Adoption Agreement may elect (or permit the qualified Participants to elect) a Normal Retirement Age as early as age 40 and as late as age 70 1/2.

**(C) Pre-2002 Coordination.** In determining a Participant's underutilized limitation, the Plan Administrator, in accordance with Treas. Reg. §1.457-4(c)(3)(iv), must apply the coordination rule in effect under now repealed Code §457(c)(2). The Plan Administrator also must determine the Normal Limitation for pre-2002 Taxable Years in accordance with Code §457(b)(2) as then in effect.

**3.06 AGE 50 CATCH-UP CONTRIBUTION.** The Employer must specify in the Adoption Agreement whether the Participants are eligible to make age 50 catch-up contributions.

If an Employer elects to permit age 50 catch-up contributions, all Employees who are eligible to make Salary Reduction Contributions under this Plan and who have attained age 50 before the close of the Taxable Year are eligible to make age 50 catch-up contributions for that Taxable Year in accordance with, and subject to the limitations of, Code §414(v). Such catch-up contributions are not taken into account for purposes of the provisions of the Plan implementing the required limitations of Code §457. If, for a Taxable Year, an Employee makes a catch-up contribution under Section 3.05, the Employee is not eligible to make age 50 catch-up contributions under this Section 3.06. A catch-up eligible Participant in each Taxable Year is entitled to the greater of the amount determined under Section 3.05 or Section 3.06 Catch-Up Amount plus the Section 3.04 Normal Limitation.

**3.07 CONTRIBUTION ALLOCATION.** The Plan Administrator will allocate to each Participant's Account his or her Deferral Contributions. The Employer will allocate Employer Nonelective and Matching Contributions to the Account of each Participant who satisfies the allocation conditions in the Adoption Agreement in the following manner:

**(a) Fixed match.** To the extent the Employer makes Matching Contributions under a fixed Adoption Agreement formula, the Plan Administrator will allocate the Matching Contribution to the Account of the Participant on whose behalf the Employer makes that contribution. A fixed Matching Contribution formula is a formula under which the Employer contributes a specified percentage or dollar amount on behalf of a Participant based on that Participant's Salary Reduction Contributions.

**(b) Discretionary match.** To the extent the Employer makes Matching Contributions under a discretionary Adoption Agreement formula, the Plan Administrator will allocate the Matching Contributions to a Participant's Account in the same proportion that each Participant's Salary Reduction Contributions taken into account under the formula bear to the total Salary Reduction Contributions of all Participants.

**(c) Tiered match.** If the Matching Contribution formula is a tiered formula, the Plan Administrator will allocate separately the Matching Contributions with respect to each tier of Salary Reduction Contributions, in accordance with the tiered formula.

**(d) Discretionary nonelective.** The Plan Administrator will allocate discretionary Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

**(e) Fixed nonelective.** The Plan Administrator will allocate fixed Nonelective Contributions for a Plan Year in the same ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for the Plan Year, unless the Employer elects otherwise in the Adoption Agreement.

**(f) Other nonelective.** The Plan Administrator will allocate Nonelective Contributions for a Plan Year as specified in the Adoption Agreement.

**3.08 ALLOCATION CONDITIONS.** The Plan Administrator will determine the allocation conditions applicable to Nonelective Contributions or to Matching Contributions (or to both) in accordance with the Employer's elections in the Adoption Agreement. The Plan Administrator will not allocate to a Participant any portion of an Employer Contribution (or forfeiture if applicable) for a Plan Year or applicable portion thereof in which the Participant does not satisfy the applicable allocation condition(s).

**3.09 ROLLOVER CONTRIBUTIONS.** If elected in the Adoption Agreement, the Plan may permit Rollover Contributions.

**(A) Operational Administration.** The Employer, operationally and on a nondiscriminatory basis, may elect to limit an eligible Employee's right or a Participant's right to make a Rollover Contribution. Any Participant (or as applicable, any eligible Employee), with the Employer's written consent and after filing with the Trustee the form prescribed by the Plan Administrator, may make a Rollover Contribution to the Trust. Before accepting a Rollover Contribution, the Trustee may require a Participant (or eligible Employee) to furnish satisfactory evidence the proposed transfer is in fact a "Rollover Contribution" which the Code permits an employee to make to an eligible retirement plan. The Trustee, in its sole discretion, may decline to accept a Rollover Contribution of property which could: (1) generate unrelated business taxable income; (2) create difficulty or undue expense in storage, safekeeping or valuation; or (3) create other practical problems for the Trust.

**(B) Pre-Participation Rollover.** If an eligible Employee makes a Rollover Contribution to the Trust prior to satisfying the Plan's eligibility conditions, the Plan Administrator and Trustee must treat the Employee as a limited Participant (as described in Rev. Rul. 96-48 or in any successor ruling). A limited Participant does not share in the Plan's allocation of any Employer Contributions and may not make Salary Reduction Contributions until he/she actually becomes a Participant in the Plan. If a limited Participant

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has a Severance from Employment prior to becoming a Participant in the Plan, the Trustee will distribute his or her Rollover Contributions Account to the limited Participant in accordance with Article IV.

**(C) Separate Accounting.** If an Employer permits Rollover Contributions, the Plan Administrator must account separately for: (1) amounts rolled into this Plan from an eligible retirement plan (other than from another Governmental Eligible 457 plan); and (2) amounts rolled into this Plan from another Governmental Eligible 457 Plan. The Plan Administrator for purposes of ordering any subsequent distribution from this Plan, may designate a distribution from a Participant's Rollover Contributions as coming first from either of (1) or (2) above if the Participant has both types of Rollover Contribution Accounts.

**(D) May Include Roth Deferrals.** If this Plan accepts Roth Elective Deferrals, then a Rollover Contribution may include Roth Deferrals made to another plan, as adjusted for Earnings. Such amounts must be directly rolled over into this Plan from another plan which is qualified under Code §401(a), from a 403(b) plan, or from an eligible governmental 457 plan. The Plan must account separately for the Rollover Contribution, including the Roth Deferrals and the Earnings thereon.

**(E) In-Plan Roth Rollover Contributions.** The Employer may elect to permit In-Plan Roth Rollover Contributions. See Section 3.15.

3.10 **DISTRIBUTION OF EXCESS DEFERRALS.** In the event that a Participant has Excess Deferrals, the Plan will distribute to the Participant the Excess Deferrals and allocable net income, gain or loss, in accordance with this Section 3.10.

**(A) Governmental Eligible 457 Plan.** The Plan Administrator will distribute Excess Deferrals from the Plan as soon as is reasonably practicable following the Plan Administrator's determination of the amount of the Excess Deferral.

**(B) RESERVED**

**(C) Plan Aggregation.** If the Employer maintains more than one Eligible 457 Plan, the Employer must aggregate all such Plans in determining whether any Participant has Excess Deferrals.

**(D) Individual Limitation.** If a Participant participates in another Eligible 457 Plan maintained by a different employer, and the Participant has Excess Deferrals, the Plan Administrator may, but is not required, to correct the Excess Deferrals by making a corrective distribution from this Plan.

3.11 **DEEMED IRA CONTRIBUTIONS.** The Employer may elect to permit Participants to make IRA contributions to this Plan in accordance with the Code §408(q) deemed IRA rules. If the Employer elects to permit deemed IRA contributions to the Plan, the Employer will amend the Plan to add necessary IRA language and either the Rev. Proc. 2003-13 sample deemed IRA language or an appropriate substitute.

3.12 **ROTH ELECTIVE DEFERRALS.** The Employer may elect in the Adoption Agreement to permit Roth Elective Deferrals. Unless elected otherwise, Roth Elective Deferrals shall be treated in the same manner as Elective Deferrals. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.

**(A) Elective Deferrals.** "Elective Deferral" means a contribution the Employer makes to the Plan pursuant to a Participant's Salary Reduction Agreement, as described in Section 3.02. The term "Elective Deferrals" includes Pre-tax Elective Deferrals and Roth Elective Deferrals.

**(B) Pre-Tax Elective Deferrals.** "Pre-Tax Elective Deferrals" means a Participant's Salary Reduction Contributions which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

**(C) Roth Elective Deferrals.** "Roth Elective Deferrals" means a Participant's Salary Reduction Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in his or her Salary Reduction Agreement. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Roth Elective Deferral.

**(D) Ordering Rules for Distributions.** The Administrator operationally may implement an ordering rule procedure for withdrawals (including, but not limited to, withdrawals on account of an unforeseeable emergency) from a Participant's accounts attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals. Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

**(E) Corrective distributions attributable to Roth Elective Deferrals.** For any Plan Year in which a Participant may make both Roth Elective Deferrals and Pre-Tax Elective Deferrals, the Administrator operationally may implement an ordering rule procedure for the distribution of Excess Deferrals (Treas. Reg. §1.457-4(e)). Such an ordering rule may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first, to the extent such type of Elective Deferrals was made for the year. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

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**(F) Loans.** If Participant loans are permitted under the Plan, then the Administrator may modify the loan policy or program to provide limitations on the ability to borrow from, or use as security, a Participant's Roth Elective Deferral account. Similarly, the loan policy or program may be modified to provide for an ordering rule with respect to the default of a loan that is made from the Participant's Roth Elective Deferral account and other accounts under the Plan.

**(G) Rollovers.** A direct rollover of a distribution from Roth Elective Deferrals shall only be made to a Plan which includes Roth Elective Deferrals as described in Code §402A(e)(1) or to a Roth IRA as described in Code §408A, and only to the extent the rollover is permitted under the rules of Code §402(c).

The Plan shall accept a rollover contribution of Roth Elective Deferrals only if it is a direct rollover from another Plan which permits Roth Elective Deferrals as described in Code §402A(e)(1) and only to the extent the rollover is permitted under the rules of Code §402(c). The Employer, operationally and on a uniform and nondiscriminatory basis, may decide whether to accept any such rollovers.

The Plan shall not provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Roth Elective Deferral account if the amount of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a Participant's Roth Elective Deferrals are not taken into account in determining whether distributions from a Participant's other accounts are reasonably expected to total less than \$200 during a year. Furthermore, the Plan will treat a Participant's Roth Elective Deferral account and the Participant's other accounts as held under two separate plans for purposes of applying the automatic rollover rules. However, eligible rollover distributions of a Participant's Roth Elective Deferrals are taken into account in determining whether the total amount of the Participant's account balances under the Plan exceed the Plan's limits for purposes of mandatory distributions from the Plan.

The provisions of the Plan 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 a Participant's Roth Elective 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) Automatic Enrollment.** If the Plan utilizes an automatic enrollment feature as described in Section 3.02(B), then any such automatic contribution shall be a Pre-Tax Elective Deferral.

**(I) Operational Compliance.** The Plan Administrator will administer Roth Elective Deferrals in accordance with applicable regulations or other binding authority.

3.13 **BENEFIT ACCRUAL.** If the Employer elects to apply this Section, then effective as of the date adopted, for benefit accrual purposes, the Plan treats an individual who dies or becomes disabled (as defined under Code §22(e)(3) or in the Plan's administrative policies) while performing qualified military service with respect to the Employer as if the individual had resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding death or disability (as the case may be) and terminated employment on the actual date of death or disability.

**(A) Determination of benefits.** The amount of Matching Contributions to be made pursuant to this Section 3.13 shall be determined as though the amount of Salary Reduction Contributions of an individual treated as reemployed under this Section on the basis of the individual's average actual Salary Reduction Contributions for the lesser of: (i) the 12-month period of service with the Employer immediately prior to qualified military service; or (ii) the actual length of continuous service with the Employer.

3.14 **ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA).** As elected in the Adoption Agreement, the Employer maintains a Plan with automatic enrollment provisions as an Eligible Automatic Contribution Arrangement ("EACA"). Accordingly, the Plan will satisfy the (1) uniformity requirements, and (2) notice requirements under this Section.

**(A) Uniformity.** The Automatic Deferral Percentage must be a uniform percentage of Compensation. All Participants in the EACA, are subject to Automatic Deferrals, except to the extent otherwise provided in this Plan. If a Participant's Affirmative Election expires or otherwise ceases to be in effect, the Participant will immediately thereafter be subject to Automatic Deferrals, except to the extent otherwise provided in this Plan. However, the Plan does not violate the uniform Automatic Deferral Percentage merely because the Plan applies any of the following provisions:

**(1) Years of participation.** The Automatic Deferral Percentage varies based on the number of plan years the Participant has participated in the Plan while the Plan has applied EACA provisions;

**(2) No reduction from prior default percentage.** The Plan does not reduce an Automatic Deferral Percentage that, immediately prior to the EACA's effective date was higher (for any Participant) than the Automatic Deferral Percentage;

**(3) Applying statutory limits.** The Plan limits the Automatic Deferral amount so as not to exceed the limits of Code Section 457(b)(2) (determined without regard to Age 50 Catch-Up Deferrals).

**(B) EACA notice.** The Plan Administrator annually will provide a notice to each Participant a reasonable period prior to each plan year the Employer maintains the Plan as an EACA ("EACA Plan Year").

**(1) Deemed reasonable notice/new Participant.** The Plan Administrator is deemed to provide timely notice if the Plan Administrator provides the EACA notice at least 30 days and not more than 90 days prior to the beginning of the EACA Plan Year.

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**(2) Mid-year notice/new Participant or Plan.** If: (a) an Employee becomes eligible to make Salary Reduction Contributions in the Plan during an EACA Plan Year but after the Plan Administrator has provided the annual EACA notice for that plan year; or (b) the Employer adopts mid-year a new Plan as an EACA, the Plan Administrator must provide the EACA notice no later than the date the Employee becomes eligible to make Salary Reduction Contributions. However, if it is not practicable for the notice to be provided on or before the date an Employee becomes a Participant, then the notice will nonetheless be treated as provided timely if it is provided as soon as practicable after that date and the Employee is permitted to elect to defer from all types of Compensation that may be deferred under the Plan earned beginning on that date.

**(3) Content.** The EACA notice must provide comprehensive information regarding the Participants' rights and obligations under the Plan and must be written in a manner calculated to be understood by the average Participant in accordance with applicable guidance.

**(C) EACA permissible withdrawal.** If elected in in the Adoption Agreement, a Participant who has Automatic Deferrals under the EACA may elect to withdraw all the Automatic Deferrals (and allocable earnings) under the provisions of this Section 3.14. Any distribution made pursuant to this Section will be processed in accordance with normal distribution provisions of the Plan.

**(1) Amount.** If a Participant elects a permissible withdrawal under this Section, then the Plan must make a distribution equal to the amount (and only the amount) of the Automatic Deferrals made under the EACA (adjusted for allocable gains and losses to the date of the distribution). The Plan may separately account for Automatic Deferrals, in which case the entire account will be distributed. If the Plan does not separately account for the Automatic Deferrals, then the Plan must determine earnings or losses in a manner similar to the rules of Treas. Reg. §1.401(k)-2(b)(2)(iv) for distributions of excess contributions.

**(2) Fees.** Notwithstanding the above, the Plan Administrator may reduce the permissible distribution amount by any generally applicable fees. However, the Plan may not charge a greater fee for distribution under this Section than applies to other distributions. The Plan Administrator may adopt a policy regarding charging such fees consistent with this paragraph.

**(3) Timing.** The Participant may make an election to withdraw the Automatic Deferrals under the EACA no later than 90 days, or such shorter period as specified in the Adoption Agreement, after the date of the first Automatic Deferral under the EACA. For this purpose, the date of the first Automatic Deferral is the date that the Compensation subject to the Automatic Deferral otherwise would have been includible in the Participant's gross income. Furthermore, a Participant's withdrawal right is not restricted due to the Participant making an Affirmative Election during the 90 day period (or shorter period as specified in Adoption Agreement).

**(4) Rehired Employees.** For purposes of this Section, an Employee who for an entire Plan Year did not have contributions made pursuant to a default election under the EACA will be treated as having not had such contributions for any prior Plan Year as well.

**(5) Effective date of the actual withdrawal election:** The effective date of the permissible withdrawal will be as soon as practicable, but in no event later than the earlier of (1) the pay date of the second payroll period beginning after the election is made, or (2) the first pay date that occurs at least 30 days after the election is made. The election will also be deemed to be an Affirmative Election to have no Salary Reduction Contributions made to the Plan.

**(6) Related matching contributions.** The Plan Administrator will not take any deferrals withdrawn pursuant to this section into account in computing the contribution and allocation of matching contributions, if any. If the Employer has already allocated matching contributions to the Participant's account with respect to deferrals being withdrawn pursuant to this Section, then the matching contributions, as adjusted for gains and losses, must be forfeited. Except as otherwise provided, the Plan will use the forfeited contributions to reduce future contributions or to reduce plan expenses.

**(D) Compensation.** Compensation for purposes of determining the amount of Automatic Deferrals has the same meaning as Compensation with regard to Salary Reduction Contributions in general.

**(E) Definitions.**

**(1) Definition of Automatic Deferral.** An Automatic Deferral is a Salary Reduction Contribution that results from the operation of this Article III. Under the Automatic Deferral, the Employer automatically will reduce by the Automatic Deferral Percentage as elected the Compensation of each Participant subject to the EACA. The Plan Administrator will cease to apply the Automatic Deferral to a Participant who makes an Affirmative Election as defined in this Section.

**(2) Definition of Automatic Deferral Percentage/Increases.** The Automatic Deferral Percentage is the percentage of Automatic Deferral (including any scheduled increase to the Automatic Deferral Percentage the Employer may elect).

**(3) Effective date of EACA Automatic Deferral.** The effective date of an Employee's Automatic Deferral will be as soon as practicable after the Employee is subject to Automatic Deferrals under the EACA, consistent with (a) applicable law, and (b) the objective of affording the Employee a reasonable period of time after receipt of the notice to make an Affirmative Election (and, if applicable, an investment election).

**(4) Definition of Affirmative Election.** An Affirmative Election is a Participant's election made after the EACA's Effective Date not to defer any Compensation or to defer more or less than the Automatic Deferral Percentage.

**(5) Effective Date of Affirmative Election.** A Participant's Affirmative Election generally is effective as of the first payroll period which follows the payroll period in which the Participant made the Affirmative Election. However, a Participant may make an Affirmative Election which is effective: (a) for the first payroll period in which he or she becomes a Participant if the Participant makes an Affirmative Election within a reasonable period following the Participant's entry date and before the

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Compensation to which the Election applies becomes currently available; or (b) for the first payroll period following the EACA's effective date, if the Participant makes an Affirmative Election not later than the EACA's effective date.

**3.15 IN-PLAN ROTH ROLLOVER CONTRIBUTIONS**

**(A) Employer Election.** The Employer in its Adoption Agreement in which the Employer has elected to permit Roth Deferrals also will elect whether to permit an In-Plan Roth Rollover Contribution in accordance with this Section. The Adoption Agreement may permit In-Plan Roth Rollovers with regard to otherwise distributable amounts ("IRR") and/or In-Plan Roth Rollovers with regard to otherwise nondistributable amounts ("IRT"). If the Employer elects to permit such contributions, the Employer in its Adoption Agreement will specify the Effective Date thereof which may not be earlier than September 28, 2010 with regard to IRR, and may not be earlier than January 1, 2013 with regard to IRT. An In-Plan Roth Rollover Contribution means a Rollover Contribution to the Plan that consists of an IRR or IRT from a Participant's Plan Account, other than a Roth Deferral Account, that the Participant transfers to the Participant's In-Plan Roth Rollover Contribution Account in the Plan, in accordance with Code §402A(c)(4). In-Plan Roth Rollover Contributions will be subject to the Plan rules related to Roth Deferral Accounts.

**(B) Eligibility for Distribution and Rollover.** A Participant may not make an IRR from an amount which is not an Eligible Rollover Distribution.

**(1) Parties eligible to elect.** For purposes of eligibility for an In-Plan Roth Rollover, the Plan will treat a Participant's surviving spouse Beneficiary or alternate payee spouse or alternate payee former spouse as a Participant. A non-spouse Beneficiary may not make an In-Plan Roth Rollover.

**(2) Distribution from partially Vested account.** In-Plan Roth Rollovers are permitted only from Vested amounts allocated to a qualifying source but may be made from partially Vested Accounts.

**(C) Form and Source of Rollover.**

**(1) Direct Rollover.** An In-Plan Roth Rollover Contribution may be made only by a Direct Rollover.

**(2) Account source.** A Participant may make an In-Plan Roth Rollover from any account (other than a Roth account).

**(3) Cash or in-kind.** The Plan Administrator will effect an In-Plan Roth Rollover Contribution by rolling over the Participant's current investments to the In-Plan Roth Rollover Account. A Plan loan so rolled over without changing the repayment schedule is not treated as a new loan. However the Employer may provide that loans cannot be rolled over in an In-Plan Roth Rollover.

**(4) No Rollover or Distribution Treatment.** Notwithstanding any other Plan provision, an In-Plan Roth Rollover Contribution is not a Rollover Contribution for purposes of the Plan. Accordingly: (a) if the Employer in its Adoption Agreement has elected \$7,000 as the Plan limit on Mandatory Distributions, the Plan Administrator will take into account amounts attributable to an In-Plan Roth Rollover Contribution, in determining if the \$7,000 limit is exceeded, regardless of the Employer's election as to whether to count Rollover Contributions for this purpose; (b) no spousal consent is required for a Participant to elect to make an In-Plan Roth Rollover Contribution; and (c) mandatory 20% federal income tax withholding does not apply to the In-Plan Roth Rollover Contribution.

**(5) In-Plan Roth Rollover Contribution Account.** An In-Plan Roth Rollover Contribution Account is a sub-account the Plan Administrator may establish to account for a Participant's Rollover Contributions attributable to the Participant's In-Plan Roth Rollover Contributions. The Plan Administrator has authority to establish such a sub-account, and to the extent necessary, may establish sub-accounts based on the source of the In-Plan Roth Rollover Contribution. The Plan Administrator will administer an In-Plan Roth Rollover Contribution Account in accordance with Code and the Plan provisions.

**ARTICLE IV  
TIME AND METHOD OF  
PAYMENT OF BENEFITS**

**4.01 DISTRIBUTION RESTRICTIONS.** Except as the Plan provides otherwise, the Plan Administrator or Trustee may not distribute to a Participant the amounts in his or her Account prior to one of the following events:

- (a) The January 1 of the year the Participant attains age 59 1/2;
- (b) The Participant's Severance from Employment; or
- (c) The Participant's death.

**4.02 TIME AND METHOD OF PAYMENT OF ACCOUNT.** The Plan Administrator, or Trustee at the direction of the Plan Administrator, will distribute to a Participant who has incurred a Severance from Employment the Participant's Vested Account under one or any combination of payment methods and at the time(s) the Adoption Agreement specifies. If the Adoption Agreement permits more than one time or method, the Plan Administrator, in the absence of a Participant election described below, will determine the time and method applicable to a particular Participant. In no event will the Plan Administrator direct (or direct the Trustee to commence) distribution, nor will the Participant elect to have distribution commence, later than the Participant's required beginning date, or under a method that does not satisfy Section 4.03.

**(A) Participant Election of Time and Method.** The Employer in the Adoption Agreement must elect whether to permit Participants to elect the timing and method of distribution of their Account in accordance with this Section 4.02. The Plan Administrator must consent to the specific terms of any such Participant election and the Plan Administrator in its sole discretion

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may withhold consent. Subject to the foregoing conditions, a Participant: (1) may elect to postpone distribution of his or her Account beyond the time the Employer has elected in the Adoption Agreement, to any fixed or determinable date including, but not beyond, the Participant's required beginning date; and (2) may elect the method of payment.

**(B) RESERVED**

**(C) No Election/Default.** If the Participant does not make a timely election regarding the time and method of payment, the Plan Administrator will pay or direct the Trustee to pay the Participant's Account in accordance with the Adoption Agreement.

**(D) Mandatory Distribution.** The Employer in the Adoption Agreement will elect whether the Plan will make Mandatory Distributions. If the Employer elects Mandatory Distributions, the Employer may determine operationally whether to include Rollover Contributions in determining whether the Participant is subject to Mandatory Distributions.

**(E) Partial Distributions.** If the Plan allows Partial Distributions, it means the Participant or Beneficiary may at any time after Severance from Employment elect distribution of all or any part of his/her Account or of specified Accounts under the Plan. The Plan Administrator may adopt a policy regarding Partial Distributions imposing a minimum distribution amount, frequency limitations or other administrative conditions.

**4.03 REQUIRED MINIMUM DISTRIBUTIONS.** The Plan Administrator may not distribute nor direct the Trustee to distribute the Participant's Account, nor may the Participant elect any distribution his or her Account, under a method of payment which, as of the required beginning date, does not satisfy the minimum distribution requirements of Code §401(a)(9) or which is not consistent with applicable Treasury regulations.

**(A) General Rules.**

**(1) Precedence.** The requirements of this Section 4.03 will take precedence over any inconsistent provisions of the Plan.

**(2) Requirements of Treasury Regulations Incorporated.** All distributions required under this Section 4.03 will be determined and made in accordance with the Treasury regulations under Code §401(a)(9).

**(B) Time and Manner of Distribution.**

**(1) Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

**(2) Death of Participant Before Distribution Begins.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

**(a) Spouse Designated Beneficiary.** If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

**(b) Non-Spouse Designated Beneficiary.** If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as the Employer may elect in the Adoption Agreement, distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

**(c) No Designated Beneficiary.** If there is no designated Beneficiary as of September 30 of the year 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.

**(d) Death of Spouse.** If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 4.03(B)(2) other than Section 4.03(B)(2)(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 4.03(B) and Section 4.03(D), unless Section 4.03(B)(2)(d) applies, distributions are considered to begin on the Participant's required beginning date. If Section 4.03(B)(2)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), the date distributions are considered to begin is the date distributions actually commence.

**(3) Forms of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with Sections 4.03(C) and 4.03(D). 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 Treasury regulations.

**(C) Required Minimum Distributions during Participant's Lifetime.**

**(1) 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:

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(a) **ULT.** The quotient obtained by dividing the Participant's account balance by the number in the Uniform Life Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the distribution calendar year; or

(b) **Younger Spouse.** 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, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this Section 4.03(C) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

**(D) Required Minimum Distributions after Participant's Death.****(1) Death On or After Distributions Begin.**

(a) **Participant Survived by Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(i) **Participant's Life Expectancy.** The Participant's remaining life expectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(ii) **Spouse's Life Expectancy.** If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the attained age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii) **Non-Spouse's Life Expectancy.** If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

(b) **No Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

**(2) Death before Date Distributions Begin.**

(a) **Participant Survived by Designated Beneficiary.** Except as the Employer may elect in the Adoption Agreement, if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in Section 4.03(D)(1).

(b) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.** If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), this Section 4.03(D)(2) will apply as if the surviving spouse were the Participant.

(d) **5-year or Life Expectancy rule; possible election.** The Employer in its Adoption Agreement will elect whether distribution of the Participant's Account will be made in accordance with the life expectancy rule under Section 4.03(D)(2)(a) or the 5-year rule under Section 4.03(D)(2)(b). The Employer's election may permit a Designated Beneficiary to elect which of these rules will apply or may specify which rule applies. However, the life expectancy rule (whether subject to election or not) applies only in the case of a Designated Beneficiary. The 5-year rule applies as to any Beneficiary who is not a Designated Beneficiary. A permitted election under this Section must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 4.03(D)(2)(a), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death.

**Governmental Eligible 457 Plan****(E) Definitions.**

- (1) **Designated Beneficiary.** The individual who is designated as the Beneficiary under the Plan and is the designated beneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-1, Q&A-4.
- (2) **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 which 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 the distributions are required to begin under Section 4.03(B)(2). 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.
- (3) **Life expectancy.** Life expectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9.
- (4) **Participant's account balance.** The account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any Rollover Contributions or Transfers to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- (5) **Required beginning date.** A Participant's required beginning date is the April 1 of the calendar year following the later of: (1) the calendar year in which the Participant attains RMD Age, or (2) the calendar year in which the Participant retires or such other date under Code §401(a)(9) by which required minimum distributions must commence.
- (6) **RMD Age.** For Participants born before July 1, 1949, RMD Age is 70 1/2. For Participants born between July 1, 1949 and December 31, 1950, RMD Age is 72. For all other Participants, RMD Age is 73.

4.04 **DEATH BENEFITS.** Upon the death of the Participant, the Plan Administrator must pay or direct the Trustee to pay the Participant's Account in accordance with Section 4.03. Subject to Section 4.03, a Beneficiary may elect the timing and method of payment in the same manner as a Participant may elect under Section 4.02, if such elections apply.

If a Participant 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 if the Participant had resumed and then terminated employment on account of death.

4.05 **DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT.** The Employer must elect in the Adoption Agreement whether to permit in-service distributions of a Participant's Vested Account under this Section 4.05, notwithstanding the Section 4.01 distribution restrictions.

(A) **Unforeseeable Emergency.** In the event of a Participant's or the Participant's spouse, dependents or beneficiaries' unforeseeable emergency, the Plan Administrator may make a distribution to a Participant who has not incurred a Severance from Employment (or who has incurred a Severance but will not begin to receive payments until some future date). In the event of an unforeseeable emergency, the Plan Administrator also may accelerate payments to a Participant or to a Beneficiary. The Plan Administrator will establish a policy for determining whether an unforeseeable emergency exists, and may, by policy limit the accounts from which such distributions are available. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control, or which applicable law may define as an unforeseeable emergency. The Plan Administrator will not pay the Participant or the Beneficiary more than the amount reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay taxes or penalties on the distribution. The Plan Administrator will not make payment to the extent the Participant or Beneficiary may relieve the financial hardship by cessation of deferrals under the Plan, through insurance or other reimbursement, or by liquidation of the individual's assets to the extent such liquidation would not cause severe financial hardship. The Plan Administrator's unforeseeable emergency policy may provide that a Participant who takes an unforeseeable emergency distribution may not make Salary Reduction Contributions for 6 months after the date of the distribution. The Plan Administrator's policy may, but is not required to, provide for reliance upon an employee's written certification as described in Code §457(d)(4) in the absence of the Plan Administrator's actual knowledge to the contrary.

The Participant's Beneficiary is a person who a Participant designates and who is or may become entitled to a Participant's Plan Account upon the Participant's death.

(B) **De minimis distribution.** In accordance with the Employer's Adoption Agreement elections, the Plan Administrator may allow a Participant to elect to receive a distribution or the Plan Administrator will distribute (without a Participant election) any amount of the Participant's Account where: (1) the Participant's Account (disregarding Rollover Contributions) does not exceed \$7,000 (or such other amount as does not exceed the Code §411(a)(11)(A) dollar amount); (2) the Participant has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (3) the Participant has not received a prior distribution under this Section 4.05(B).

(C) **Distribution of Rollover Contributions.** The Employer in the Adoption Agreement may elect to permit a Participant to request and to receive distribution of the Participant's Account attributable to Rollover Contributions (but not to Transfers) before the Participant has a distributable event under Section 4.01.

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4.06 DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs). Notwithstanding any other provision of this Plan, the Employer in the Adoption Agreement may elect to apply the QDRO provisions of this Section 4.06. If Section 4.06 applies, the Plan Administrator (and any Trustee) must comply with the terms of a QDRO, as defined in Code §414(p), which is issued with respect to the Plan.

**(A) Time and Method of Payment.** This Plan specifically permits distribution to an alternate payee under a QDRO at any time, notwithstanding any contrary Plan provision and irrespective of whether the Participant has attained his or her earliest retirement age (as defined under Code §414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution. Nothing in this Section 4.06 gives a Participant a right to receive distribution at a time the Plan otherwise does not permit nor authorizes the alternate payee to receive a form of payment the Plan does not permit.

**(B) QDRO Procedures.** The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order.

**(C) Accounting.** If any portion of the Participant's Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination of the qualified status of the order within the 18-month determination period, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator may segregate or may direct the Trustee to segregate the QDRO amount in a segregated investment account. The Plan Administrator or Trustee will make any payments or distributions required under this Section 4.06 by separate benefit checks or other separate distribution to the alternate payee(s).

**(D) Permissible QDROs.** A domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order ("QDRO") will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.

4.07 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS – GOVERNMENTAL PLAN.

**(A) Participant Election.** A Participant (including for this purpose, a former Employee) in a Governmental Eligible 457 Plan may elect, at the time and in the manner the Plan Administrator prescribes, to have any portion of his or her eligible rollover distribution from the Plan paid directly to an eligible retirement plan specified by the Participant in a direct rollover election. For purposes of this election, a "Participant" includes as to their respective interests, a Participant's surviving spouse and the Participant's spouse or former spouse who is an alternate payee under a QDRO.

**(B) Rollover and Withholding Notice.** At least 30 days and not more than 180 days prior to the Trustee's distribution of an eligible rollover distribution, the Plan Administrator must provide a written notice (including a summary notice as permitted under applicable Treasury regulations) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice").

**(C) Default distribution or rollover.** Except as provided in Paragraph (D), in the case of a Participant who does not elect timely to roll over or to receive distribution of his or her Account, the Plan Administrator or the Trustee, at the Plan Administrator's direction, may distribute to the Participant or may directly roll over the Participant's Account in accordance with the Plan's rollover notice.

**(D) Mandatory default rollover.** If (1) the Plan makes a mandatory distribution greater than \$1,000, and (2) the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator. The Plan Administrator may provide by policy for this default rollover to apply to distributions less than \$1,000 and/or to distributions after the later of age 62 or Normal Retirement Age.

**(E) Non-spouse beneficiary rollover right.** A non-spouse beneficiary who is a "designated beneficiary" under Section 4.03(E)(1), by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an individual retirement account the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

**(1) Certain requirements not applicable.** Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 4.07(E), the distribution is not subject to the direct rollover requirements of Code §401(a)(31) (including the automatic rollover provisions of Code §401(a)(31)(B)), the notice requirements of Code §402(f) or the mandatory

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withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

**(2) Trust beneficiary.** If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E).

**(3) Required minimum distributions not eligible for rollover.** A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury regulations and other Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

**(F) Definitions.** The following definitions apply to this Section:

**(1) Eligible rollover distribution.** An eligible rollover distribution is any distribution of all or any portion of a Participant's Account, except an eligible rollover distribution does not include: (a) any distribution which 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 designated Beneficiary, or for a specified period of ten years or more; (b) any Code §401(a)(9) required minimum distribution; (c) any unforeseeable emergency distribution; and (d) any distribution which otherwise would be an eligible rollover distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than \$200.

**(2) Eligible retirement plan.** An eligible retirement plan is an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), a qualified plan described in Code §401(a), an annuity contract (or custodial agreement) described in Code §403(b), or an eligible deferred compensation plan described in Code §457(b) and maintained by an Employer described in Code §457(e)(1)(A), which accepts the Participant's, the Participant's spouse or alternate payee's eligible rollover distribution.

A Participant or beneficiary may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b). For this purpose, the term "eligible rollover distribution" includes a rollover distribution described in this Section.

**(3) Direct rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

**(4) Mandatory distribution.** A mandatory distribution is an eligible rollover distribution without the Participant's consent before the Participant attains the later of age 62 or Normal Retirement Age (see paragraph 3.05 (B)). A distribution to a beneficiary is not a mandatory distribution.

**4.08 ELECTION TO DEDUCT FROM DISTRIBUTION.** If permitted in the Adoption Agreement, Eligible Retired Public Safety Officer may elect annually for that taxable year to have the Plan deduct an amount from a distribution which the Eligible Retired Public Safety Officer otherwise would receive and include in income. The Plan will pay such deducted amounts directly to pay qualified health insurance premiums.

**(A) Direct payment.** The Plan will pay directly to the provider of the accident or health insurance plan or qualified long-term care insurance contract the amounts the Eligible Retired Public Safety Officer has elected to have deducted from the distribution. Such amounts may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified health insurance premiums, and which otherwise complies with Code §402(i).

**(B) Definitions.**

**(1) Eligible retired public safety officer.** An "Eligible Retired Public Safety Officer" is an individual who, by reason of disability or attainment of Normal Retirement Age, is separated from service as a Public Safety Officer with the Employer.

**(2) Public safety officer.** A "Public Safety Officer" has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b(9)(A)).

**(3) Qualified health insurance premiums.** The term "qualified health insurance premiums" means premiums for coverage for the Eligible Retired Public Safety Officer, his or her spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in Code §7702B(b)).

**ARTICLE V****PLAN ADMINISTRATOR - DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS**

**5.01 TERM/VACANCY.** The Plan Administrator will serve until his or her successor is appointed. In case of a vacancy in the position of the Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.

**5.02 POWERS AND DUTIES.** The Plan Administrator will have the following powers and duties:

- (a) To select a committee to assist the Plan Administrator;
- (b) To select a secretary for the committee, who need not be a member of the committee;
- (c) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Account;

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- (d) To adopt rules and procedures and to create administrative forms necessary for the proper and efficient administration of the Plan provided the rules, procedures and forms are not inconsistent with the terms of the Plan;
- (e) To construe and enforce the terms of the Plan and the rules and regulations the Plan Administrator adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
- (f) To direct the distribution of a Participant's Account;
- (g) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
- (h) To furnish the Employer with information which the Employer may require for tax or other purposes;
- (i) To establish a policy in making distributions for unforeseeable emergencies;
- (j) To establish policies regarding the receipt of Rollover Contributions and default rollover distributions;
- (k) To establish a policy regarding the making and the receipt of Transfers;
- (l) To establish a policy regarding Participant or Beneficiary direction of investment;
- (m) To engage the services of any person to invest any Account under this Plan and to direct such person to make payment to a Participant of his or her Vested Account;
- (n) To establish a policy (see Section 5.02(A)) which the Trustee must observe in making loans, if any, to Participants and Beneficiaries;
- (o) To undertake correction of any Plan failures as necessary to preserve eligible Plan status; and
- (p) To undertake any other action the Plan Administrator deems reasonable or necessary to administer the Plan.

The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

**(A) Loan Policy.** The Plan Administrator, in its sole discretion, may establish, amend or terminate from time to time, a nondiscriminatory policy which the Trustee must observe in making Plan loans, if any, to Participants and to Beneficiaries. If the Plan Administrator adopts a loan policy, the loan policy must be a written document and must include: (1) the identity of the person or positions authorized to administer the participant loan program; (2) the procedure for applying for a loan; (3) the criteria for approving or denying a loan; (4) the limitations, if any, on the types and amounts of loans available; (5) the procedure for determining a reasonable rate of interest; (6) the types of collateral which may secure the loan; and (7) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default. A loan policy the Plan Administrator adopts under this Section 5.02(A) is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.01.

**(B) QDRO Policy.** If the QDRO provisions of Section 4.06 apply, the Plan Administrator will establish QDRO procedures.

**5.03 COMPENSATION.** The Plan Administrator and the members of the Committee will serve without compensation for services, but the Employer will pay all expenses of the Plan Administrator and Committee.

**5.04 AUTHORIZED REPRESENTATIVE.** The Plan Administrator may authorize any one of the members of the Committee, if any, or the Committee's Secretary, to sign on the Plan Administrator's behalf any Plan notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

**5.05 INDIVIDUAL ACCOUNTS/RECORDS.** The Plan Administrator will maintain a separate Account in the name of each Participant to reflect the value of the Participant's Deferred Compensation under the Plan. The Plan Administrator will maintain records of its activities.

**5.06 VALUE OF PARTICIPANT'S ACCOUNT.** The value of each Participant's Account consists of his or her accumulated Deferred Compensation, as of the most recent Accounting Date or any later date as the Plan Administrator may determine.

**5.07 ACCOUNT ADMINISTRATION, VALUATION AND EXPENSES.**

**(A) Individual Accounts.** The Plan Administrator, as necessary for the proper administration of the Plan, will maintain, or direct the Trustee to maintain, a separate Account, or multiple Accounts, in the name of each Participant to reflect the Participant's Account Balance under the Plan. The Plan Administrator will make its allocations of Employer Contributions and of Earnings, or will request the Trustee to make such allocations, to the Accounts of the Participants as necessary to maintain proper Plan records and in accordance with the applicable: (i) Contribution Types; (ii) allocation conditions; (iii) investment account types; and (iv) Earnings allocation methods. The Plan Administrator may also maintain, or direct the Trustee to maintain, a separate temporary Account for Participant forfeitures which occur during a Plan Year, pending their accrual and allocation in accordance with the Plan terms, or for other special items as the Plan Administrator determines is necessary and appropriate for proper plan administration.

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**(1) By Contribution Type.** The Plan Administrator, will establish Plan Accounts for each Participant as necessary to reflect his or her Accounts attributable to the following Contribution Types and the Earnings attributable thereto: Pre-Tax Deferrals, Roth Deferrals, Matching Contributions, Nonelective Contributions, Rollover Contributions (including Roth versus pre-tax amounts), and Transfers.

**(2) By investment account type.** The Plan Administrator will establish separate Accounts for each Participant as necessary to reflect his or her investment account types as described below:

**(a) Pooled Accounts.** A Pooled Account is an Account which for investment purposes is not a Segregated Account or a Participant-Directed Account. If any or all Plan investment Accounts are Pooled Accounts, each Participant's Account has an undivided interest in the assets comprising the Pooled Account. In a Pooled Account, the value of each Participant's Account Balance consists of that proportion of the net worth (at fair market value) of the Trust Fund which the net credit balance in his or her Account (exclusive of the cash value of incidental benefit insurance contracts) bears to the total net credit balance in the Accounts of all Participants plus the cash surrender value of any insurance contracts held by the Trustee on the Participant's life. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

**(b) Participant-Directed Accounts.** A Participant-Directed Account is an Account that the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant to invest in one or more assets that are not pooled assets held by the Trust, such as assets in a brokerage account or other property in which other Participants do not have any interest. As the Plan Administrator determines, a Participant-Directed Account may provide for a limited number and type of investment options or funds, or may be open-ended and subject only to any limitations imposed by applicable law. A Participant may have one or more Participant-Directed Accounts in addition to Pooled or Segregated Accounts. A Participant-Directed Account is credited and charged with the Earnings. As of each Valuation Date, the Plan Administrator must reduce a Participant-Directed Account for any forfeiture arising from Section 5.07 after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the valuation period.

**(c) Segregated Accounts.** A Segregated Account is an Account the Plan Administrator establishes and maintains or directs the Trustee to establish and maintain for a Participant: (i) to facilitate installment payments; (ii) to hold a QDRO amount; (iii) to prevent a distortion of Plan Earnings allocations; or (iv) for such other purposes as the Plan Administrator may direct. A Segregated Account receives all income it earns and bears all expense or loss it incurs. The Trustee will invest the assets of a Segregated Account consistent with the purpose for which the Plan Administrator or Trustee established the Account. As of each Valuation Date, the Plan Administrator must reduce a Segregated Account for any forfeiture arising after the Plan Administrator has made all other allocations, changes or adjustments to the Account (excluding Earnings) for the Valuation Period. Notwithstanding anything in this Section to the contrary, transferred amounts are not required to be separately accounted for and may be combined with the corresponding Account maintained in this Plan provided all rights, benefits and features and other attributes are identical with respect to each account, or are identical after the combination.

**(3) Amount of Account/distributions.** The amount of a Participant's Account, as determined by the Plan Administrator, is equal to the sum of all contributions, Earnings and other additions credited to the Account, less all distributions (including distributions to Beneficiaries and to alternate payees and also including disbursement of Plan loan proceeds), expenses and other charges against the Account as of a Valuation Date or other relevant date. For purposes of a distribution under the Plan, the amount of a Participant's Account Balance is determined based upon its value on the Valuation Date immediately preceding or coinciding with the date of the distribution. If any or all Plan investment Accounts are Participant-Directed Accounts, the directing Participant's Account Balance consists of the assets held within the Participant-Directed Account and the value of the Account is determined based upon the fair market value of such assets.

**(4) Account statements.** As soon as practicable after the Accounting Date of each Plan Year, the Plan Administrator will deliver to each Participant (and to each Beneficiary) a statement reflecting the amount of his or her Account Balance in the Trust as of the statement date or most recent Valuation Date. No Participant, except the Plan Administrator/Participant or Trustee/Participant, has the right to inspect the records reflecting the Account of any other Participant.

**(B) Allocation of Earnings.** This Section 5.07(B) applies solely to the allocation of Earnings of the Trust Fund. The Plan Administrator will allocate Employer Contributions and Participant forfeitures, if any, in accordance with Article III. Earnings means the net income, gain or loss earned by a particular Account, by the Trust, or with respect to a contribution or to a distribution, as the context requires.

**(1) Allocate as of Valuation Date.** As of each Valuation Date, the Plan Administrator must adjust Accounts to reflect Earnings for the Valuation Period since the last Valuation Date.

**(2) Definition of Valuation Date.** A Valuation Date under this Plan is each: (a) Accounting Date; (b) Valuation Date the Employer elects in the Adoption Agreement; or (c) Valuation Date the Plan Administrator establishes. The Employer in the Adoption Agreement or the Plan Administrator may elect alternative Valuation Dates for the different Contribution Types which the Plan Administrator maintains under the Plan.

**(3) Definition of Valuation Period.** The Valuation Period is the period beginning on the day after the last Valuation Date and ending on the current Valuation Date.

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**(4) Allocation methods.** The Plan Administrator will allocate Earnings to the Participant Accounts in accordance with the daily valuation method, balance forward method, balance forward with adjustment method, weighted average method, Participant-Directed Account method, or other method the Employer elects under the Adoption Agreement. The Employer in the Adoption Agreement may elect alternative methods under which the Plan Administrator will allocate the Earnings to the Accounts reflecting different Contribution Types or investment Account types which the Plan Administrator maintains under the Plan. The Plan Administrator first will adjust the Participant Accounts, as those Accounts stood at the beginning of the current Valuation Period, by reducing the Accounts for any forfeitures, distributions, and loan disbursement payments arising under the Plan, for expenses charged during the Valuation Period to the Accounts (expenses directly related to a Participant's Account). The Plan Administrator then, subject to the restoration allocation requirements of the Plan, will allocate Earnings under the applicable valuation method.

**(a) Daily valuation method.** If the Employer in the Adoption Agreement elects to apply the daily valuation method, the Plan Administrator will allocate Earnings on each day of the Plan Year for which Plan assets are valued on an established market and the Trustee is conducting business. Under the daily valuation method, all assets subject to this method are subject to daily valuation. The assets may be held in Participant-Directed Accounts or in Accounts which are subject to Trustee or other fiduciary investment direction.

**(b) Balance forward method.** If the Employer in the Adoption Agreement elects to apply the balance forward method, the Plan Administrator will allocate Earnings pro rata to the adjusted Participant Accounts, since the last Valuation Date.

**(c) Balance forward with adjustment method.** If the Employer in the Adoption Agreement elects to apply the balance forward with adjustment method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat as part of the relevant Account at the beginning of the Valuation Period the percentage of the contributions made as the Employer elects in the Adoption Agreement, during the Valuation Period the Employer elects in the Adoption Agreement.

**(d) Weighted average method.** If the Employer in the Adoption Agreement elects to apply a weighted average allocation method, the Plan Administrator will allocate pursuant to the balance forward method, except it will treat a weighted portion of the applicable contributions as if includible in the Participant's Account as of the beginning of the Valuation Period. The weighted portion is a fraction, the numerator of which is the number of months in the Valuation Period, excluding each month in the Valuation Period which begins prior to the contribution date of the applicable contributions, and the denominator of which is the number of months in the Valuation Period. The Employer in the Adoption Agreement may elect to substitute a weighting period other than months for purposes of this weighted average allocation.

**(e) Participant-Directed Account method.** The Employer in the Adoption Agreement must elect to apply the Participant-Directed Account method to any Participant-Directed Account under the Plan. Under the Participant-Directed Account method: (i) each Participant-Directed Account is credited and charged with the Earnings such Account generates; (ii) the Employer's election, if any, in the Adoption Agreement of another method for the allocation of Earnings will not apply to any Participant-Directed Account; and (iii) the Participant-Directed Account may be valued as often as daily, but will be valued at least annually, and all assets in the Account are not necessarily valued on the same frequency. An Account which is subject to the Participant-Directed Account method includes an individual brokerage account or similar account in title to the Trustee for the benefit of the Participant.

5.08 **ACCOUNT CHARGED.** The Plan Administrator will charge all distributions made to a Participant or to his or her Beneficiary, or transferred under Section 9.03 from his or her Account, against the Account of the Participant when made.

5.09 RESERVED

5.10 **PARTICIPANT DIRECTION OF INVESTMENT.** Subject to the terms of the Plan Administrator's adopted policy, if any, and also to written consent of the Trustee, if the Plan has a Trust, a Participant will have the right to direct the investment or re-investment of the assets comprising the Participant's Account. The Plan Administrator will account separately for the Participant-Directed Accounts. The Participant's right to direct investment does not give the Participant any vested interest or secured or preferred position with respect to assets over which he/she has investment responsibility.

5.11 **VESTING/SUBSTANTIAL RISK OF FORFEITURE.** The Employer in the Adoption Agreement may elect to apply a vesting schedule or to specify any other Substantial Risk of Forfeiture applicable to any or all Deferral Contributions.

**(A) Forfeiture Allocation.** The Employer in the Adoption Agreement must elect the method the Plan Administrator will use to allocate any Participant forfeitures, including those related to lost Participants under Section 5.14. However, if a forfeiture allocation method is not selected in the adoption agreement, forfeitures are allocated as an Employer Contribution. The Plan Administrator will allocate a forfeiture in the Plan Year in which the forfeiture occurs or in the next following Plan Year. Regardless of the Adoption Agreement election, the Employer may direct the Plan Administrator to use forfeitures to pay some or all Plan expenses.

5.12 **PRESERVATION OF ELIGIBLE PLAN STATUS.** The Plan Administrator may elect to sever from this Plan and to treat as a separate 457 plan, the Accounts of any Participants who have Excess Deferrals that the Plan Administrator has not corrected in accordance with Section 3.10 or in the case of any other Code §457(b) failure that the Employer may not otherwise correct, and which failure would result in the Plan ceasing to be an Eligible 457 Plan. In such event, the Plan Administrator will take any necessary or appropriate action consistent with the Employer's maintenance of separate 457 plans and with preservation of Eligible 457 Plan status of this Plan.

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5.13 **LIMITED LIABILITY.** The Employer will not be liable to pay plan benefits to a Participant in excess of the value of the Participant's Account as the Plan Administrator determines in accordance with the Plan terms. Neither the Employer nor the Plan Administrator will be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

5.14 **LOST PARTICIPANTS.** If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable (a "lost Participant"), the Plan Administrator will apply the provisions of this Section 5.14.

**(A) Attempt to Locate.** The Plan Administrator will attempt to locate a lost Participant and may use one or more of the following methods: (1) provide a distribution notice to the lost Participant at his or her last known address by certified or registered mail; (2) use a commercial locator service, the internet or other general search method; or (3) use such other methods as the Plan Administrator believes prudent.

**(B) Failure to Locate.** If a lost Participant remains unlocated for 6 months following the date the Plan Administrator first attempts to locate the lost Participant using one or more of the methods described in Section 5.14(A), the Plan Administrator may forfeit the lost Participant's Account. If the Plan Administrator forfeits the lost Participant's Account, the forfeiture occurs at the end of the above-described 6-month period and the Plan Administrator will allocate the forfeiture in accordance with Section 5.11, or as the Employer shall otherwise determine. The Plan Administrator under this Section 5.14(B) will forfeit the entire Account of the lost Participant, including Salary Reduction Contributions.

If a lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his or her forfeited Account, the Plan Administrator will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Plan Administrator will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year and last from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Plan Administrator will distribute the restored Account to the lost Participant not later than 60 days after the close of the Plan Year in which the Plan Administrator restores the forfeited Account.

**(C) Nonexclusivity and Uniformity.** The provisions of this Section 5.14 are intended to provide permissible but not exclusive means for the Plan Administrator to administer the Accounts of lost Participants. The Plan Administrator may utilize any other reasonable method to locate lost Participants and to administer the Accounts of lost Participants, including the default rollover under Section 4.07(C) and such other methods as the Revenue Service or the U.S. Department of Labor ("DOL") may in the future specify. The Plan Administrator will apply Section 5.14 in a reasonable manner, but may in determining a specific course of action as to a particular Account, reasonably take into account differing circumstances such as the amount of a lost Participant's Account, the expense in attempting to locate a lost Participant, the Plan Administrator's ability to establish and the expense of establishing a rollover IRA, and other factors. The Plan Administrator may charge to the Account of a lost Participant the reasonable expenses incurred under this Section 5.14 and which are associated with the lost Participant's Account.

5.15 **PLAN CORRECTION.** The Plan Administrator, in conjunction with the Employer and Trustee as appropriate, may undertake such correction of Plan errors as the Plan Administrator deems necessary, including but not limited to correction to maintain the Plan's status as an Eligible 457 Plan. The Plan Administrator under this Section 5.15 also may undertake Plan correction in accordance with any correction program that the Internal Revenue Service makes applicable to 457 plans.

**ARTICLE VI  
PARTICIPANT ADMINISTRATIVE PROVISIONS**

6.01 **BENEFICIARY DESIGNATION.** A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Plan Administrator or Trustee will pay the Participant's Account (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the method of payment of his or her Account. The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form revokes all designations filed prior to that date by the same Participant. A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his or her spouse as his or her Beneficiary under the Plan unless the decree or a QDRO provides otherwise. The foregoing revocation provision (if applicable) applies only with respect to a Participant whose divorce becomes effective on or following the date the Employer executes the Adoption Agreement, unless the Employer in the Adoption Agreement specifies a different effective date.

**(A) Spousal Consent.** This Section 6.01(A) applies if Employer has elected to apply it in its adoption agreement. If this Section 6.01(A) applies, the Beneficiary designation of a married Participant is not valid unless the Participant's spouse consents. The Plan Administrator may impose such requirements for witnessing or notarizing the spouse's consent as the Plan Administrator deems necessary or appropriate.

6.02 **NO BENEFICIARY DESIGNATION.** If a Participant fails to name a Beneficiary in accordance with Section 6.01, or if the Beneficiary named by a Participant predeceases the Participant, then the Plan Administrator will pay the Participant's remaining Account in accordance with Article IV in the following order of priority, to:

- (a) The Participant's surviving spouse; or
- (b) The Participant's children (including adopted 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); and if none to
- (c) Parents. The Participant's surviving parents, in equal shares; and if none to
- (d) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Account, the Trustee will pay the remaining Account to the Beneficiary's estate unless: (1) the Participant's Beneficiary designation provides otherwise; or (2) the

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Beneficiary has properly designated a beneficiary. A Beneficiary may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, unless the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. If a Participant and his/her Beneficiary should die simultaneously, or under circumstances that render it difficult or impossible to determine who predeceased the other, then unless the Participant's Beneficiary designation otherwise specifies, the Plan Administrator will presume conclusively that the Beneficiary predeceased the Participant. The Plan Administrator will direct a Trustee if applicable as to the method and to whom the Trustee will make payment under this Section 6.02.

**6.03 SALARY REDUCTION AGREEMENT.**

**(A) General.** A Participant must elect to make Salary Reduction Contributions on a Salary Reduction Agreement form the Plan Administrator provides for this purpose. The Salary Reduction Agreement must be consistent with the Employer's Adoption Agreement elections and the Plan Administrator in a Salary Reduction Agreement may impose such other terms and limitations as the Plan Administrator may determine. The Plan Administrator may adopt or change a Salary Reduction Agreement policy addressing contributions pursuant to salary reduction agreements of Participants.

**(B) Election Timing.** Except as provided in the Salary Reduction Agreement policy, a Participant's Salary Reduction Agreement may not take effect earlier than the first day of the calendar month following the date the Participant executes the Salary Reduction Agreement and as to Compensation paid or made available in such calendar month. However, if an Employee is eligible to become a Participant during the Employee's calendar month of hire, the Employee may execute a Salary Reduction Agreement on or before the date he/she becomes an Employee, effective for the month in which he/she becomes an Employee. The Salary Reduction Agreement Policy may provide that a Participant's Salary Reduction Agreement may take effect at any time prior to the date the compensation is currently available to the Participant.

**(C) Sick, Vacation and Back Pay.** If the Employer in the Adoption Agreement permits Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay, a Participant who will incur a Severance from Employment may execute a Salary Reduction Agreement before such amounts are paid or made available provided: (i) such amounts are paid or made available before the Participant incurs the Severance; and (ii) the Participant is an Employee in that month.

**(D) Modification of Salary Reduction Agreement.** A Participant's Salary Reduction Agreement remains in effect until a Participant modifies it or ceases to be eligible to participate in the Plan. A Participant may modify his or her Salary Reduction Agreement by executing a new Salary Reduction Agreement. Any modification will become effective no earlier than the beginning of the calendar month commencing after the date the Participant executes the new Salary Reduction Agreement. Filing a new Salary Reduction Agreement will revoke all Salary Reduction Agreements filed prior to that date. The Employer or Plan Administrator may restrict the Participant's right to modify his or her Salary Reduction Agreement in any Taxable Year.

**6.04 PERSONAL DATA TO PLAN ADMINISTRATOR.** Each Participant and each Beneficiary of a deceased Participant must furnish to the Plan Administrator such evidence, data or information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Plan Administrator, provided the Plan Administrator advises each Participant of the effect of his or her failure to comply with its request.

**6.05 ADDRESS FOR NOTIFICATION.** Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his or her address and any change of address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his or her last address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

**6.06 PARTICIPANT OR BENEFICIARY INCAPACITATED.** If, in the opinion of the Plan Administrator or of the Trustee, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his or her affairs because of a mental condition, a physical condition, or by reason of age, the Plan Administrator or at the direction of the Plan Administrator, the Trustee, may make the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his or her attorney-in-fact or to other legal representative upon furnishing evidence of such status satisfactory to the Plan Administrator and to the Trustee. The Plan Administrator and the Trustee do not have any liability with respect to payments so made and neither the Plan Administrator nor the Trustee has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan.

**ARTICLE VII  
MISCELLANEOUS**

**7.01 NO ASSIGNMENT OR ALIENATION.** A Participant or Beneficiary does not have the right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments under the Plan or Trust and the Plan Administrator and the Trustee will not recognize any such anticipation, assignment, or alienation. The payments and the rights under this Plan are nonassignable and nontransferable. Furthermore, a Participant's or Beneficiary's interest in the Trust is not subject to attachment, garnishment, levy, execution or other legal or equitable process.

**7.02 EFFECT ON OTHER PLANS.** This Plan does not affect benefits under any other retirement, pension, or benefit plan or system established for the benefit of the Employer's Employees, and participation under this Plan does not affect benefits receivable under any such plan or system, except to the extent provided in such plan or system.

**7.03 WORD USAGE.** Words used in the masculine will apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural will be read as the singular and the singular as the plural.

**7.04 STATE LAW.** The laws of the state of the Employer's principal place of business will determine all questions arising with respect to the provisions of this Plan, except to the extent Federal law supersedes state law.

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7.05 EMPLOYMENT NOT GUARANTEED. Nothing contained in this Plan, or any modification or amendment to the Plan, or in the creation of any Account, or the payment of any benefit, gives any Employee, Participant or Beneficiary any right to continue employment, any legal or equitable right against the Employer, the Plan Administrator, the Trustee, any other Employee of the Employer, or any agents thereof except as expressly provided by the Plan.

7.06 NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER. All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code.

**ARTICLE VIII  
TRUST PROVISIONS—GOVERNMENTAL ELIGIBLE 457 PLAN**

8.01 GOVERNMENTAL ELIGIBLE 457 PLAN. The Employer in the Adoption Agreement may elect to substitute another trust (attached to this Plan as "Appendix A") or to modify any provision of Article VIII, consistent with Code §457(g) and applicable Treasury regulations.

8.02 ACCEPTANCE/HOLDING. The Trustee accepts the Trust created under the Plan and agrees to perform the duties and obligations imposed. The Trustee must hold in trust under this Article VIII, all Deferred Compensation until paid in accordance with the Plan terms.

8.03 RECEIPT OF CONTRIBUTIONS. The Trustee is accountable to the Employer for the funds contributed to it by the Employer or the Plan Administrator, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan.

8.04 FULL INVESTMENT POWERS. The Trustee has full discretion and authority with regard to the investment of the Trust, except with respect to a Trust asset under Participant direction of investment, in accordance with Section 8.12. The Trustee is authorized and empowered, but not by way of limitation, to exercise and perform the following powers, rights and duties:

- (a) To invest any part or all of the Trust in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U. S. Treasury bills, U. S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, as a prudent person would do under like circumstances. Any investment made or retained by the Trustee in good faith will be proper but must be of a kind constituting a diversification considered by law suitable for trust investments;
- (b) To retain in cash so much of the Trust as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust in a bank account at reasonable interest;
- (c) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a State, in any type of deposit of the Trustee (or a bank related to the Trustee within the meaning of Code §414(b)) at a reasonable rate of interest or in a common trust fund as described in Code §584, or in a collective investment fund, the provisions of which the Trust incorporates by this reference, which the Trustee (or its affiliate, as defined in Code §1504) maintains exclusively for the collective investment of money contributed by the bank (or its affiliate) in its capacity as Trustee and which conforms to the rules of the Comptroller of the Currency;
- (d) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustee decides;
- (e) To credit and distribute the Trust as directed by the Plan Administrator of the Plan. The Trustee will not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee will be accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator;
- (f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;
- (g) To compromise, contest, arbitrate or abandon claims and demands, in the Trustee's discretion;
- (h) To have with respect to the Trust all of the rights of an individual owner, including the power to exercise any and all voting rights associated with Trust assets, to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, to tender shares and to exercise or sell stock subscriptions or conversion rights;
- (i) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interest in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;
- (j) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship;

**Governmental Eligible 457 Plan**

- (k) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;
- (l) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes a final adjudication;
- (m) To file all tax returns required of the Trustee;
- (n) To furnish to the Employer and the Plan Administrator an annual statement of account showing the condition of the Trust and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts will be conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts; and
- (o) To begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustee will not be obliged or required to do so unless indemnified to its satisfaction.

**(A) Nondiscretionary Trustee.** The Employer in the Adoption Agreement may elect to appoint a Nondiscretionary Trustee, subject to this Section 8.04(A). The Nondiscretionary Trustee does not have any discretion or authority with regard to the investment of the Trust, but must act solely as a directed Trustee hereunder. The Nondiscretionary Trustee is authorized and empowered to exercise and perform the above Section 8.04 powers, rights and duties provided that the Trustee shall act solely as a directed Trustee and only in accordance with the written direction of the Employer, the Plan Administrator or of a Participant as applicable. The Nondiscretionary Trustee is not liable for making, retaining or disposing of any investment or for taking or failing to take any other action, in accordance with proper Employer, Plan Administrator or Participant direction.

**8.05 RECORDS AND STATEMENTS.** The records of the Trustee pertaining to the Trust will be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee will furnish the Plan Administrator whatever information relating to the Trust the Plan Administrator considers necessary.

**8.06 FEES AND EXPENSES FROM FUND.** The Trustee will receive reasonable annual compensation in accordance with its fee schedule as published from time to time. The Trustee will pay from the Trust all fees and expenses the Trustee reasonably incurs in its administration of the Trust, unless the Employer pays the fees and expenses.

**8.07 PROFESSIONAL AGENTS.** The Trustee may employ and pay from the Trust reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

**8.08 DISTRIBUTION OF CASH OR PROPERTY.** The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

**8.09 RESIGNATION AND REMOVAL.** The Trustee or the Custodian may resign its position by giving written notice to the Employer and to the Plan Administrator. The Trustee's notice must specify the effective date of the Trustee's resignation, which date must be at least 30 days following the date of the Trustee's notice, unless the Employer consents in writing to shorter notice.

The Employer may remove a Trustee or a Custodian by giving written notice to the affected party. The Employer's notice must specify the effective date of removal which date must be at least 30 days following the date of the Employer's notice, except where the Employer reasonably determines a shorter notice period or immediate removal is necessary to protect Plan assets.

**8.10 SUCCESSOR TRUSTEE.**

**(A) Appointment.** In the event of the resignation or the removal of a Trustee, where no other Trustee continues to service, the Employer must appoint a successor Trustee if it intends to continue the Plan. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending, or during any period such person is unable to serve for any reason, the remaining person or persons will act as the Trustee. If the Employer fails to appoint a successor Trustee as of the effective date of the Trustee resignation or removal and no other Trustee remains, the Trustee will treat the Employer as having appointed itself as Trustee and as having filed the Employer's acceptance of appointment as successor Trustee with the former Trustee.

**(B) Automatic Successor.** Any corporation which succeeds to the trust business of the Trustee, or results from any merger or consolidation to which the Trustee is a party, or is the transferee of substantially all the Trustee's assets, will be the successor to the Trustee under this Trust. The successor Trustee will possess all rights, duties and powers under this Trust as if the successor Trustee were the original Trustee. Neither the Trustee nor the successor Trustee need provide notice to any interested person of any transaction resulting in a successor Trustee. The successor Trustee need not file or execute any additional instrument or perform any additional act to become successor Trustee.

**8.11 VALUATION OF TRUST.** The Trustee will value the Trust as of each Accounting Date to determine the fair market value of the Trust assets. The Trustee will value the Trust on such other date(s) the Plan Administrator may direct.

**8.12 PARTICIPANT DIRECTION OF INVESTMENT.** Consistent with the Plan Administrator's policy adopted under Section 5.02(l), the Trustee may consent in writing to permit Participants in the Plan to direct the investment to the Trust assets. The Plan Administrator will advise the Trustee of the portion of the Trust credited to each Participant's Account under the Plan, and subject to such Participant direction. As a condition of Participant direction, the Trustee may impose such conditions, limitations and other provisions as the

**Governmental Eligible 457 Plan**

Trustee may deem appropriate and as are consistent with the Plan Administrator's policy. The Trustee will report to the Plan Administrator the net income, gain or losses incurred by each Participant-Directed Account separately from the net income, gain or losses incurred by the general Trust during the Trust Year.

8.13 **THIRD PARTY RELIANCE.** No person dealing with the Trustee will be obliged to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Trust. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and will not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Trust will be conclusive in favor of any person relying on the certificate.

8.14 **INVALIDITY OF ANY TRUST PROVISION.** If any clause or provision of this Article VIII proves to be or is adjudged to be invalid or void for any reason, such void or invalid clause or provision will not affect any of the other provisions of this Article VIII and the balance of the Trust provisions will remain operative.

8.15 **EXCLUSIVE BENEFIT.** The Trustee will hold all the assets of the Trust for the exclusive benefit of the Participants and their Beneficiaries and neither the Employer nor the Trustee will use or divert any part of the corpus or income of the Trust for purposes other than the exclusive benefit of the Participants and Beneficiaries of the Plan. The Employer will not have any right to the assets held by the Trustee and the Trust assets will not be subject to the claims of the Employer's creditors or, except as provided in Section 4.06, of the creditors of any Participant or Beneficiary. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey his or her Account or any interest in his or her Deferred Compensation. Notwithstanding the foregoing, the Plan Administrator may pay from a Participant's or Beneficiary's Account the amount the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. The Trust created under the Employer's Plan is irrevocable and its assets will not inure to the benefit of the Employer.

8.16 **SUBSTITUTION OF CUSTODIAL ACCOUNT OR ANNUITY CONTRACT.** The Employer in the Adoption Agreement may elect to use one or more custodial accounts or annuity contracts in lieu of or in addition to the Trust established in this Article VIII. Any such custodial account or annuity contract must satisfy the requirements of Code §457(g)(3) and applicable Treasury regulations.

8.17 **GROUP TRUST AUTHORITY.** Notwithstanding any contrary provision in this Plan, the Trustee may, unless restricted in writing by the Plan Administrator, transfer assets of the Plan to a group trust that is operated or maintained exclusively for the commingling and collective investment of monies provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Code §401(a), individual retirement accounts that are exempt under Code §408(e), and eligible governmental plans that meets the requirements of Code §457(b). For this purpose, a trust includes a custodial account that is treated as a trust under Code §401(f) or under Code §457(g)(3). For purposes of valuation, the value of the interest maintained by the Plan in such group trust shall be the fair market value of the portion of the group trust held for Plan, determined in accordance with generally recognized valuation procedures.

**ARTICLE IX  
AMENDMENT, TERMINATION, TRANSFERS**

9.01 **AMENDMENT BY EMPLOYER/SPONSOR.** The Employer has the right at any time and from time to time:

- (a) To amend this Plan and Trust Agreement and the Adoption Agreement in any manner it deems necessary or advisable in order to continue the status of this Plan as an Eligible 457 Plan; and
- (b) To amend this Plan and Trust Agreement and the Adoption Agreement in any other manner, including deletion, substitution or modification of any Plan, Trust or Adoption Agreement provision.

The Employer must make all amendments in writing. The Employer may amend the Plan by an Adoption Agreement election, by addenda, by separate amendment, or by restatement of the Adoption Agreement or Plan. Each amendment must state the date to which it is either retroactively or prospectively effective. The Employer also may not make any amendment that affects the rights, duties or responsibilities of the Trustee or the Plan Administrator without the written consent of the affected Trustee or the Plan Administrator.

9.02 **TERMINATION/FREEZING OF PLAN.** The Employer has the right, at any time, to terminate this Plan or to cease (freeze) further Deferral Contributions to the Plan. Upon termination or freezing of the Plan, the provisions of the Plan (other than provisions permitting continued Deferral Contributions) remain operative until distribution of all Accounts. Upon Plan termination, the Plan Administrator or Trustee shall distribute to Participants and Beneficiaries all Deferred Compensation as soon as is reasonably practicable following termination.

9.03 **TRANSFERS.** The Employer may enter into a Transfer agreement with another employer under which this Plan: (a) may accept a Transfer of a Participant's Account in the other employer's Eligible 457 Plan; or (b) may Transfer a Participant's (or Beneficiary's) Account in this Plan to the other employer's Eligible 457 Plan. The plan sponsors of the plans involved in the Transfer both must be States and the plans must provide for Transfers. The Participant or Beneficiary, after the Transfer will have Deferred Compensation in the recipient plan at least equal to his or her Deferred Compensation in the transferring plan immediately before the Transfer. Any Transfer also must comply with applicable Treasury regulations, and in particular Treas. Reg. §§1.457-10(b)(2) as to post-severance transfers between Governmental Eligible 457 Plans; 1.457-10(b)(3) as to transfers of all assets between Governmental Eligible 457 Plans; and 1.457-10(b)(4) as to transfers between Governmental Eligible 457 Plans of the same Employer. The Plan Administrator will credit any Transfer accepted under this Section 9.03 to the Participant's Account and will treat the transferred amount as a Deferral Contribution for all purposes of this Plan except the Plan Administrator, will not treat such Transfer as a Deferral Contribution subject to the limitations of Article III. The Plan's Transfer of any Participant's or Beneficiary's Account under this Section 9.03 completely discharges the Employer, the Plan Administrator, the Trustee and the Plan from any liability to the Participant or Beneficiary for any Plan benefits.

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9.04 PURCHASE OF PERMISSIVE SERVICE CREDIT. A Participant prior to otherwise incurring a distributable event under Article IV, may direct the Trustee to transfer all or a portion of his or her Account to a governmental defined benefit plan (under Code §414(d)) for: (a) the purchase of permissive service credit (under Code §415(n)(3)(A)) under such plan, or (b) the repayment of contributions and earnings previously refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code §415 does not apply by reason of Code §415(k)(3).

**TOWN OF WESTPORT 457(B) PLAN**

**PARTICIPANT LOAN POLICY**

Town of Westport 457(b) Plan permits loans to be made to Participants, their beneficiaries, and alternate payees pursuant to a written loan policy. All references to Participants in this loan policy include Participants who are active employees.

The Plan Administrator is authorized to administer the Participant loan policy. A Participant must apply to the Plan Administrator for a loan in the manner set forth by the Plan Administrator.

1. **Loan Application/Borrower Qualification.** Any Participant may apply for a loan from the Plan. A Participant must apply for each loan with an application which specifies the amount of the loan desired, the requested duration for the loan and the source of security for the loan.

All loan applications will be considered by the Plan Administrator within a reasonable time after the Participant applies for the loan.

2. **Loan limitations.** The Plan Administrator will not approve any loan to a Participant in an amount which exceeds 50% of his or her nonforfeitable account balance. The maximum aggregate dollar amount of loans outstanding to any Participant may not exceed \$50,000, reduced by the excess of the Participant's highest outstanding Participant loan balance during the 12-month period ending on the date of the loan over the Participant's current outstanding Participant loan balance on the date of the loan. With regard to any loan made pursuant to this loan policy, the following rule(s) and limitation(s) will apply, in addition to such other requirements set forth in the Plan:

- No loan in an amount less than \$1,000 will be granted to any Participant.
- A Participant can have 1 loan(s) currently outstanding from the Plan.
- Loan refinancing is not permitted.
- Loans will be permitted for any reasonable purpose.

3. **Evidence and terms of loan.** The Plan Administrator will document every loan in the form of a promissory note signed by the Participant for the face amount of the loan, together with a commercially reasonable rate of interest.

Any loan granted or renewed under this policy will bear an interest rate equal to 0% above the prime rate. The interest rate will be fixed for the duration of the loan.

The loan must provide at least quarterly payments under a level amortization schedule. Generally, the Plan Administrator will require that the Participant repay the loan by agreeing to either a payroll deduction or an ACH agreement to repay the loan.

The Plan Administrator will fix the term for repayment of any loan, however, in no instance may the term of repayment be greater than five years, unless the loan qualifies as a home loan. A "home loan" is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as a principal residence. The term for a home loan will be 15 years.

All loans will be considered a directed investment from the account(s) of the Participant maintained under the Plan. As such, all payments of principal and interest made by the Participant will be credited only to the account(s) of such Participant.

A loan, if not otherwise due and payable, is due and payable on termination of the Plan, notwithstanding any contrary provision in the promissory note. Nothing in this loan policy restricts the Employer's right to terminate the Plan at any time.

Participants should note the law treats the amount of any loan (other than a "home loan") not repaid five years after the date of the loan as a taxable distribution on the last day of the five year period or, if sooner, at the time the loan is in default. If a Participant extends a non-home loan having a five year or less repayment term beyond five years, the balance of the loan at the time of the extension is a taxable distribution to the Participant.

4. **Security for loan.** The Plan will require that adequate security be provided by the Participant before a loan is granted. For this purpose, the Plan will consider a Participant's interest under the Plan (account balance) to be adequate security. However, in no event will more than 50% of a Participant's vested interest in the Plan (determined immediately after origination of the loan) be used as security for the loan. Generally, it will be the policy of the Plan not to make loans which require security other than the Participant's vested interest in the Plan. However, if additional security is necessary to adequately secure the loan, then the Plan Administrator will require that such security be provided before the loan will be granted.

5. **Form of pledge.** The pledge and assignment of a Participant's account balances will be in the form prescribed by the Plan Administrator.

6. **Leave of absence/suspension of payment.** The Plan Administrator will suspend loan repayments for a period not exceeding one year which occurs during an approved leave of absence, either without pay from the Employer or at a rate of pay (after applicable

employment tax withholdings) that is less than the amount of the installment payments required under the terms of the loan. The Plan Administrator will provide the Participant with a written explanation of the effect of the leave of absence upon his or her Plan loan.

7. **Payments after leave of absence.** When payments resume following a payment suspension in connection with a leave of absence authorized above, the Participant shall select one of the following methods to repay the loan, plus accumulated interest:

- The Participant shall increase the amount of the required installments to an amount sufficient to amortize the remaining balance of the loan, plus accrued interest, over the remaining term of the loan.
- The Participant shall pay a balloon payment of the remaining unpaid principal and interest, at the conclusion of the term of the loan as determined in the promissory note.
- The Participant may extend the maturity of the loan and reamortize the payments over the remaining term of the loan. In no event shall the amount of the adjusted installment payment be less than the amount of the installment payment provided under the promissory note. In the case of a non-military leave of absence, the revised term of the loan shall not exceed the maximum term permitted under item 3 above. In the case of a military leave of absence, the revised term of the loan shall not exceed the maximum term permitted under item 3 above, augmented by the time the Participant was actually in United States military service.

8. **Default.** The Plan Administrator will treat a loan as in default if:

- any scheduled payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the Participant missed the scheduled payment

The Participant will have the opportunity to repay the loan, resume current status of the loan by paying any missed payment plus interest or, if distribution is available under the Plan, request distribution of the note. If the loan remains in default, the Plan Administrator will offset the Participant's vested account balances by the outstanding balance of the loan to the extent permitted by law. The Plan Administrator will treat the note as repaid to the extent of any permissible offset. Pending final disposition of the note, the Participant remains obligated for any unpaid principal and accrued interest.

**ADOPTION OF LOAN POLICY**

The Administrator of Town of Westport 457(b) Plan adopts this Loan Policy on the date specified below.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Plan Administrator

**TOWN OF WESTPORT 457(B) PLAN  
APPLICATION FOR PARTICIPANT LOAN**

**Participant Information**

Name \_\_\_\_\_

Address \_\_\_\_\_

Last 4 digits of Social Security Number \_\_\_\_\_

I hereby apply for a loan from the Plan. In support of this loan application, I attach such information which the Plan Administrator may require to determine whether I qualify for the loan.

If I am presently employed by the Employer sponsoring the Plan, I also understand that I must execute an agreement to use payroll withholding or enter into an ACH agreement to make payments on the loan. Additionally, I understand and agree to execute a pledge of 50% of my account balance as security for the loan. If I am married, the plan terms may also require that my spouse consent to the pledge.

**Loan amount.** The amount of the loan is \$ \_\_\_\_\_ for a period of \_\_\_\_\_ months (if longer than 60 months, the purpose of the loan must be to acquire your principal residence).

**Marital status.** I am: (check one) ( ) married ( ) not married

**Representations.** I understand the Plan Administrator will make any loan in reliance on the statements on this APPLICATION FOR PARTICIPANT LOAN which I certify are correct and complete.

**Fees.** If you apply for a loan, you will be charged for Plan expenses associated with the loan. All fees are subject to change.

**Acknowledgement/Authorization**

In applying for this loan, I acknowledge that I have read the section of the Summary governing Plan loans and have been furnished with a copy of the Participant Loan Policy established by the Plan.

I hereby authorize the Plan Administrator to verify the statements in this application and to obtain any information the Plan or its authorized representative may require in connection with this application.

Date of execution: \_\_\_\_\_

\_\_\_\_\_  
Signature of Plan Administrator

\_\_\_\_\_  
Signature of Participant

TOWN OF WESTPORT 457(B) PLAN

PROMISSORY NOTE  
(Fixed Interest Rate)

Participant (BORROWER): \_\_\_\_\_

Payment Schedule. Your Payment Schedule will be:

Number of Months	Amount of Payments	When Payments are Due
_____	_____	_____

Prepayment: If you pay your loan off early, you will not have to pay a penalty.  
Security Interest: You are giving a security interest in your account in the plan.  
See below for any additional information about non-payment and default.

**Promissory Note**

For value received, I \_\_\_\_\_, the undersigned BORROWER, promises to pay the Town of Westport 457(b) Plan, or order, the sum of \_\_\_\_\_ dollars \$ \_\_\_\_\_, together with interest on the unpaid balance at the rate of \_\_\_\_\_% per annum, payable in \_\_\_\_\_ equal monthly payments of \$ \_\_\_\_\_ each, including interest. The first payment is due on \_\_\_\_\_, with like payments due on the same date of each month thereafter until the BORROWER has made all payments under this Note.

The BORROWER will make all payments at \_\_\_\_\_ or such other place as the HOLDER designates in writing. However, if the Borrower is employed by the Plan sponsor, the Borrower must either enter into an agreement to use payroll deduction or must execute an ACH agreement to repay the loan. If not sooner paid, this Note in any event is due and payable \_\_\_\_\_.

At the option of the Plan Administrator until payment in full or maturity, upon default, all monies payable under this Note are due and immediately payable. The Note is in default if any payment remains unpaid beyond the last day of the calendar quarter following the calendar quarter in which the BORROWER missed the scheduled payment. Also, all monies payable under this Note are due and immediately payable upon termination of the Plan.

The BORROWER may prepay the loan without penalty. Each payment first applies to the payment of accrued interest and the balance of each payment applies to the payment of principal.

The BORROWER secures this loan by a pledge and irrevocable assignment of his/her vested interest in Town of Westport 457(b) Plan.

If the BORROWER does not pay this Note when due, the BORROWER promises to pay all costs of collection and reasonable attorneys' fees incurred by the HOLDER of this Note on account of such collection, whether or not the HOLDER files suit on this Note.

**Acknowledgement/Authorization**

Date of execution: \_\_\_\_\_

\_\_\_\_\_  
Signature of Plan Administrator

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of Participant (BORROWER)

**TOWN OF WESTPORT 457(B) PLAN  
IRREVOCABLE PLEDGE AND ASSIGNMENT**

**Participant (BORROWER):** \_\_\_\_\_

**Pledge.** In consideration of a loan to me of \$ \_\_\_\_\_, from Town of Westport 457(b) Plan (the "Plan"), as evidenced by a copy of the Promissory Note attached to this pledge, I (the "Borrower") hereby irrevocably pledge and assign to the Plan, or to its successor or successors, 50% of my vested account balances, at any time existing under the Plan, but not less than 50% of my vested account balances determined on the date of the loan which is subject to this pledge, to the extent necessary to satisfy such loan, any unpaid interest on such loan, all reasonable attorneys' fees necessary for collection of this obligation and all costs of collection. If I fail to repay this loan when due, or to pay any installment or interest when due, the authorized representatives of the Plan may foreclose on this security or bring a lawsuit to collect the outstanding indebtedness and interest on the indebtedness.

**Acknowledgement/Authorization.** This Irrevocable Pledge and Assignment shall bind my heirs, personal representatives or other legal representatives.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Borrower