

ADOPTION AGREEMENT FOR
FIS BUSINESS SYSTEMS LLC
PRE-APPROVED NON-STANDARDIZED DEFINED BENEFIT PLAN

CAUTION: Failure to properly fill out this Adoption Agreement may result in disqualification of the Plan.

EMPLOYER INFORMATION

(An amendment to the Adoption Agreement is not needed solely to reflect a change in the information shown at this Question.)

1. EMPLOYER'S NAME, ADDRESS, TELEPHONE NUMBER, TIN ("EIN") AND FISCAL YEAR

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

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

Street

City

State

Zip

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

Taxpayer Identification Number (a.k.a. EIN): \_\_\_\_\_

Employer's Fiscal Year ends: \_\_\_\_\_

2. TYPE OF ENTITY (An amendment to the Adoption Agreement is not needed solely to reflect a change in the information shown at this Question.)

- a. [ ] Corporation (including Tax-exempt or Non-profit Corporation)
b. [ ] Professional Service Corporation
c. [ ] S Corporation
d. [ ] Limited Liability Company that is taxed as:
1. [ ] a partnership or sole proprietorship
2. [ ] a Corporation
3. [ ] an S Corporation
e. [ ] Sole Proprietorship
f. [ ] Partnership (including a Limited Liability arrangement)
g. [ ] Other: \_\_\_\_\_ (must be an entity recognized under both state and federal income tax laws)

Note: Even when used for a governmental or church employer, this Plan does NOT reflect any special rules applicable to a governmental plan (IRC §414(d)) or a nonselecting church plan. (Thus, for example, a church employer must have made the irrevocable election described by IRC §410(d) in order to adopt this Plan.)

3. MULTIPLE EMPLOYER PLAN (Plan Article XII). Will any Employers who are not Affiliated Employers adopt this Plan as part of a Multiple Employer Plan (MEP) arrangement?

- a. [ ] No, only Affiliated Employers will adopt the Plan.
b. [ ] Yes, an Employer other than an Affiliated Employer has adopted or might adopt the Plan, and Article XII will apply to any such Employers. (Complete a participation agreement for each Participating Employer.)

PLAN INFORMATION

4. PLAN NAME:

\_\_\_\_\_

5. PLAN STATUS

- a. [ ] New Plan
b. [ ] Restatement of existing Plan
AND this is the first Cycle 3 RESTATEMENT (leave the following option blank if updating the AA for a plan that has already been restated for Cycle 3)
1. [ ] This is the first restatement for Cycle 3, i.e., to bring a plan document into retroactive compliance with the legislative and regulatory changes set forth in IRS Notice 2020-14.

6. EFFECTIVE DATE (Plan Section 1.27)

Initial Effective Date of Plan (complete for all plans)

- a. \_\_\_\_\_ (enter month day, year) (hereinafter called the "Effective Date" unless 6.b. is entered below) (for new plans, this date may not be prior to the first day of the current Plan Year).

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**Restatement Effective Date.** If this is a restatement, the effective date of the restatement (hereinafter called the "Effective Date") is: (complete only if a restatement)

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

**NOTE:** The restatement date may not be prior to the first day of the current Plan Year. (The Plan document contains appropriate retroactive effective dates with respect to provisions for appropriate laws, some of which might need to be specified on this AA for a Cycle 3 restatement.)

7. PLAN YEAR (Plan Section 1.69) means, except as otherwise provided in d. below:

- a.  the calendar year
- b.  the twelve-month period ending on \_\_\_\_\_ (e.g., June 30th)
- c.  other: \_\_\_\_\_ (e.g., a 52/53 week year ending on the date nearest the last Friday in December)

SHORT PLAN YEAR (Plan Section 1.81). Specify below if there is a short Plan Year (if the effective date of participation is based on a Plan Year, then coordinate with Question 15) (leave blank if not applicable):

- d.  beginning on \_\_\_\_\_ (enter month day, year; e.g., July 1, 2016)  
and ending on \_\_\_\_\_ (enter month day, year).

8. PLAN NUMBER assigned by the Employer. (An amendment to the Adoption Agreement is not needed solely to reflect a change in the information shown at this Question.)

- a.  001
- b.  002
- c.  Other: \_\_\_\_\_

9. TRUSTEE(S) OR INSURER(S) (Plan Sections 1.45 and 1.94). (An amendment to the Adoption Agreement is not needed solely to reflect a change in the information shown at this Question.)

- a.  Insurer. (This Plan is funded exclusively with contracts)
- b.  Individual Trustee(s).
- c.  Corporate Trustee(s).

**Separate trust.** For Cycle 3, the Plan document cannot contain any Trust provisions (see Note that follows). Will the FIS separate trust agreement be used?

- d.  Yes, the FIS separate trust agreement will be used
- e.  No, a non-FIS separate trust agreement will be used

**NOTE:** An executed copy of the separate Trust Agreement between the Trustee and the Employer must be associated with (and ideally attached to) this Plan. The Plan and Trust Agreement will be read and construed together. The responsibilities, rights and powers of the Trustee will be those specified in the Trust Agreement. The separate Trust Agreement **cannot** state that the separate Trust Agreement prevails in the event of a conflict with the language of the Adoption Agreement and Basic Plan Document (i.e., the "Plan").

10. ADMINISTRATOR'S NAME, ADDRESS AND TELEPHONE NUMBER: (An amendment to the Adoption Agreement is not needed solely to reflect a change in the information shown at this Question.)

(If none is named, the Employer will be the Administrator (Plan Section 1.5).)

- a.  Employer (Use Employer address and telephone number)
- b.  Other:

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

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

\_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip

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

11. ANNIVERSARY DATE of Plan: \_\_\_\_\_ (enter month and day)

12. BENEFIT FORMULA

The selections made below must correspond with the selections made under the Normal Retirement Benefit Section of this Adoption Agreement.

FROZEN PLAN (Plan Section 5.2(k)) (leave blank if not applicable)

- a.  This is a frozen Plan (i.e., all accruals cease):
  - 1.  All accruals ceased as of, or prior to, the effective date of this restatement and the prior Plan provisions *are not* reflected in this Adoption Agreement (may enter effective date at 3. below (optional), and/or select benefit formula and/or contributions at b. - g. (optional), skip questions 13-24)
  - 2.  All accruals ceased or were suspended and the prior Plan provisions *are* reflected in this Adoption Agreement

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(must enter effective date at 3. below and select type of benefit formula and other contributions below)

**Effective date**

3.  as of \_\_\_\_\_ (effective date is optional unless a.2. has been selected above or this is the amendment or restatement to freeze the Plan; the adoption of an amendment to freeze accruals cannot be retroactive).

**TYPE OF BENEFIT FORMULA**

The Plan currently provides for the following benefit formula (select one):

- b.  **Traditional defined benefit formula only** (select one):
1.  Non-Integrated Benefit Formula (Question 20)
  2.  Integrated Benefit Formula (Question 21)
- c.  **Cash Balance Formula** (Question 23) (select one):
1.  Cash Balance Formula has been in effect since plan inception
  2.  The Plan was initially a traditional defined benefit plan

Effective date of conversion to a cash balance plan: \_\_\_\_\_

**OTHER CONTRIBUTIONS/PROVISIONS** (select all that apply; leave blank if not applicable)

- d.  Rollover contributions (Question 50) (other than rollover contributions described by Revenue Ruling 2012-4)
- e.  Employee mandatory contributions (Question 56)
- f.  Voluntary Employee contributions (Question 57)
- g.  Floor-offset arrangement (Plan Section 5.2(i)). Benefits under this Plan are reduced for benefits a Participant receives in the \_\_\_\_\_ (enter name of other plan; if the Plan includes a Cash Balance Formula then the other plan must be a defined contribution plan)

**ELIGIBILITY REQUIREMENTS**

13. **ELIGIBLE EMPLOYEES** (Plan Section 1.28) means all Employees (including Leased Employees) except those Employees who are excluded below or elsewhere in the Plan (select a. OR select b. and/or c.):

- a.  **No other exclusions.** No exclusions (skip to Question 14). (There are no excluded employees other than those, if any, described in the Basic Plan Document Section 1.28.
- b.  **Exclusions.** The following Employees are not Eligible Employees for Plan purposes (select one or more):
1.  Union Employees (as defined in Plan Section 1.28)
  2.  Nonresident aliens (as defined in Plan Section 1.28)
  3.  Highly Compensated Employees
  4.  Leased Employees
  5.  Part-time/Temporary/Seasonal Employees. A part-time, temporary or seasonal Employee is an Employee whose regularly scheduled Service is less than \_\_\_\_\_ (may not exceed 1,000) Hours of Service in the Employees initial eligibility computation period set forth in Plan Section 1.98 and then shifting to the Plan Year computation period as set forth in Plan Section 1.98. If, however, any such excluded Employee actually completes a Year of Service, then such Employee will no longer be part of this excluded class. All such Employees are excluded unless one or more selections made below:
    - a.  Part-time
    - b.  Temporary
    - c.  Seasonal
  6.  Residents of Puerto Rico
  7.  Interns (as defined in Section 1.28)
  8.  Other: \_\_\_\_\_ (Must be definitely determinable, may not be based on age or length of service (except as provided in 5. above), and, if using the average benefits test to satisfy Code §410(b) coverage testing, be a reasonable classification. In addition, the specified exclusions cannot result in the group of Nonhighly Compensated Employees participating under the Plan being only those Nonhighly Compensated Employees with the lowest amount of Compensation and/or the shortest periods of service and who may represent the minimum number of these Employees necessary to satisfy coverage under Code §410(b).)
- c.  **Code §410(b)(6)(C) inclusion.** The Code §410(b)(6)(C) exclusion set forth in Plan Section 1.28 will not apply with respect to the following (such Employees must still satisfy any applicable eligibility conditions):
1.  All Employees.
  2.  Only the following Employees: \_\_\_\_\_ (e.g., those who became Employees due to the acquisition of the assets of ABC Company)

14. **CONDITIONS OF ELIGIBILITY** (Plan Section 3.1)

Any Eligible Employee will be eligible to participate in the Plan upon satisfaction of the following (select either a. OR b.; c. and d. are optional):

- a.  **No age or service required** (skip to Question 15).
- b.  **Eligibility.** Any Eligible Employee will be eligible to participate in the Plan upon satisfaction of the following (complete age and service; complete c. and d. if applicable):

**Age**

1.  No age requirement
2.  Age requirement as follows:

- a.  Age 20 1/2
- b.  Age 21
- c.  Age \_\_\_\_\_ (may not exceed 21)

**Service**

- 3.  No service requirement
- 4.  Service requirement as follows:
  - a.  \_\_\_\_\_ (not to exceed 12) months of service (elapsed time)
  - b.  1 Year of Service
  - c.  1 1/2 Years of Service
  - d.  2 Years of Service
  - e.  \_\_\_\_\_ (not to exceed 12) consecutive month period from the Eligible Employee's employment commencement date and during which at least \_\_\_\_\_ (not to exceed 1,000) Hours of Service are completed. If an Employee does not complete the stated Hours of Service during the specified time period, the Employee is subject to the 1 Year of Service requirement in 4.b. above.
  - f.  \_\_\_\_\_ (not to exceed 12) consecutive months of employment from the Eligible Employee's employment commencement date. If an Employee does not complete the stated number of months, the Employee is subject to the 1 Year of Service requirement in 4.b. above.
  - g.  Other: \_\_\_\_\_ (e.g., date on which 1,000 Hours of Service is completed within the computation period) (must satisfy the Notes below)

**NOTE:** If b.2.c. or b.4.g. is selected, the condition must be an age or service requirement that is definitely determinable and may not exceed age 21 and 2 Years of Service. If more than 1 Year of Service is selected, 100% immediate vesting is required.

**NOTE:** If the service requirement is or includes a fractional year, then, except in a manner consistent with b.4.e., an Employee will not be required to complete any specified number of Hours of Service to receive credit for such fractional year. If expressed in months of service, then an Employee will not be required to complete any specified number of Hours of Service in a particular month, unless selected in b.4.e. above. In both cases, the Plan must use the elapsed time method to determine service, except that the Hours of Service method will be used for the 1 Year of Service override (e.g., options b.4.e. and b.4.f.). In such case, select the Hours of Service method at Question 17.

**NOTE:** Year of Service means Period of Service if elapsed time method is chosen.

- c.  **Requirements waived.** The service and/or age requirements specified above will be waived if employed on \_\_\_\_\_. The waiver applies to any Eligible Employee unless 3. is selected below. Such Employee will enter the Plan as of such date.  
The requirements to be waived are (select 1. and/or 2. AND 3. if applicable):
  - 1.  service requirement (will let part-time Eligible Employees into the Plan)
  - 2.  age requirement
  - 3.  waiver is for: \_\_\_\_\_ (e.g., employees of a specific division or employees covered by a Code §410(b)(6)(C) acquisition).

**Amendment or restatement to change eligibility requirements**

- d.  If this is an amendment or restatement that modifies the eligibility requirements, then the modified eligibility conditions set forth above only apply to the following Eligible Employees (the prior eligibility conditions apply to those who are not subject to the modified conditions). If this option is NOT selected, then the modified eligibility conditions do not apply to Participant's in the Plan as of the effective date of the modification).
  - 1.  The modified eligibility conditions apply to all Eligible Employees even those who were Participants as of the effective date of the modification.
  - 2.  The modified eligibility conditions only apply to individuals who are hired on or after the effective date of the modification.

15. **EFFECTIVE DATE OF PARTICIPATION (ENTRY DATE) (Plan Section 3.2)**

An Eligible Employee who has satisfied the eligibility requirements will become a Participant in the Plan as of:

- a.  the date such requirements are met
- b.  the first day of the month coinciding with or next following the date on which such requirements are met
- c.  the first day of the Plan Year quarter coinciding with or next following the date on which such requirements are met
- d.  the earlier of the first day of the Plan Year or the first day of the seventh month of the Plan Year coinciding with or next following the date on which such requirements are met
- e.  the first day of the Plan Year coinciding with or next following the date on which such requirements are met. (Eligibility must be six months of service (or 1 1/2 Years (or Periods) of Service if 100% immediate vesting is selected) or less and age must be 20 1/2 or less)
- f.  the first day of the Plan Year in which such requirements are met
- g.  the first day of the Plan Year nearest the date such requirements are met
- h.  the earlier of the last day of the Plan Year or the last day of the sixth month of the Plan Year coinciding with or next following the date on which such requirements are met
- i.  the last day of the Plan Year coinciding with or next following the date on which such requirements are met. (Eligibility must be six months of service (or 1 1/2 Years (or Periods) of Service if 100% immediate vesting is selected) or less and age must be 20 1/2 or less)
- j.  other: \_\_\_\_\_ (must be definitely determinable and satisfy Note below)

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**NOTE:** If j. above is selected, then it must be completed in a manner that ensures an Eligible Employee who has satisfied the maximum age (21) and service requirements (1 Year (or Period) of Service (or more than 1 year if full and immediate vesting)) and who is otherwise entitled to participate, will become a Participant not later than the earlier of (a) 6 months after such requirements are satisfied, or (b) the first day of the first Plan Year after such requirements are satisfied, unless the Employee separates from service before such participation date.

**SERVICE**

16. RECOGNITION OF SERVICE WITH OTHER EMPLOYERS (Plan Sections 1.64 and 1.98)

- a.  No service with other employers is recognized except as otherwise required by law (e.g., the Plan already provides for the recognition of service with Employers who have adopted this Plan as well as service with Affiliated Employers and predecessor Employers who maintained this Plan; skip to Question 17).
- b.  Prior service with the designated employers is recognized as follows (answer c. and select one or more of c.1. - 3.; select d. - g. as applicable) (if more than 3 employers, attach an addendum to the Adoption Agreement or complete option m. under Section B of Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections)):

<b>Other Employer</b>	<b>Eligibility</b>	<b>Vesting</b>	<b>Benefits</b>
c. <input type="checkbox"/> Employer name: _____	1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>
d. <input type="checkbox"/> Employer name: _____	1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>
e. <input type="checkbox"/> Employer name: _____	1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>
f. <input type="checkbox"/> Any entity the Employer acquires whether by asset or stock purchase, but only with respect to individuals who are employees of the acquired entity at the time of the acquisition	1. <input type="checkbox"/>	2. <input type="checkbox"/>	3. <input type="checkbox"/>

**Limitations**

- g.  The following provisions or limitations apply with respect to the recognition of prior service: \_\_\_\_\_  
(e.g., credit service with X only on/following 1/1/22 or credit all service with entities the Employer acquires after 12/31/22)

**NOTE:** If the other Employer(s) maintained this qualified Plan, then Years (and/or Periods) of Service with such Employer(s) must be recognized pursuant to Plan Sections 1.64 and 1.98 regardless of any selections above.

17. SERVICE CREDITING METHOD (Plan Sections 1.64 and 1.98) (select all that apply; leave blank if not applicable or if defaults apply)

This Question may be skipped if (1) there are no age and service requirements for eligibility AND Participants are automatically 100% Vested in their Accrued Benefit, OR (2) the provisions set forth in the definition of Year of Service in Plan Section 1.98 including the following default provisions apply:

1. For eligibility purposes, a Year of Service means the completion of at least 1,000 Hours of Service during the eligibility computation period. Hours of Service will be based on actual Hours of Service except that for Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees) the monthly equivalency method will be used). The eligibility computation period will only shift to the Plan Year if the eligibility condition is one (1) Year of Service or less. (To modify these defaults, complete a. below)

2. For Vesting purposes, a Year of Service means the completion of at least 1,000 Hours of Service during the vesting computation period. The vesting computation period will be the Plan Year. Hours of Service will be based on actual Hours of Service except that for Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees) the monthly equivalency method will be used). (To modify this default, complete b. below)

3. The "one-year hold-out" rule after a 1-Year Break in Service will not be used. (To modify this default, complete c. below.)

- a.  **Eligibility.** Alternative definition of Year of Service for eligibility (select 1. or 2.)
  - 1.  **Elapsed time.** The elapsed time method will be used instead of the Hours of Service method.
  - 2.  **Hours of Service.** Alternative definitions for the Hours of Service method will be used.

**AND,** if a.2. selected, select one or more of 3. - 5. (may not be selected with a.1.)

- 3.  **Hours of Service required.** Instead of 1,000 Hours of Service, Year of Service means the eligibility computation period during which an Employee has completed at least \_\_\_\_\_ (not to exceed 1,000) Hours of Service.

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4.  **Equivalency Method.** Instead of using actual Hours of Service, an equivalency method will be used to determine Hours of Service for eligibility. Such method will apply to:
- a.  all Employees
  - b.  Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees)
  - c.  other: \_\_\_\_\_ (e.g., per-diem Employees only)
- Hours of Service for eligibility will be determined on the basis of:
- d.  days worked (10 hours per day).
  - e.  weeks worked (45 hours per week).
  - f.  semi-monthly payroll periods worked (95 hours per semi-monthly pay period).
  - g.  months worked (190 hours per month).
  - h.  bi-weekly payroll periods worked (90 hours per bi-weekly pay period).
  - i.  other: \_\_\_\_\_ (must satisfy DOL Regulation §2530.200b-3(e); e.g., option d. is used for per-diem Employees and option e. is used for on-call Employees)
5.  **Computation period.** Alternative method for determining eligibility computation period
- a.  The eligibility computation period will shift to the Plan Year after the initial computation period.
  - b.  The eligibility computation period will be based on the date an Employee first performs an Hour of Service (initial computation period) and subsequent computation periods will be based on each anniversary date thereof.
- b.  **Vesting.** Alternative definition of Year of Service for vesting (select 1. or 2.)
- 1.  **Elapsed Time.** The elapsed time method will be used instead of the Hours of Service method.
  - 2.  **Hours of Service.** Alternative definitions for the Hours of Service method will be used.
- AND, if b.2. selected, select one or more of 3. - 5. (may not be selected with b.1.)**
3.  **Hours of Service required.** Instead of 1,000 Hours of Service, Year of Service means the vesting computation period during which an Employee has completed at least \_\_\_\_\_ (not to exceed 1,000) Hours of Service.
4.  **Equivalency Method.** Instead of using actual Hours of Service, an equivalency method will be used to determine Hours of Service for vesting. Such method will apply to:
- a.  all Employees
  - b.  Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees)
  - c.  other: \_\_\_\_\_ (e.g., per-diem Employees only)
- Hours of Service for vesting will be determined on the basis of:
- d.  days worked (10 hours per day).
  - e.  weeks worked (45 hours per week).
  - f.  semi-monthly payroll periods worked (95 hours per semi-monthly pay period).
  - g.  months worked (190 hours per month).
  - h.  bi-weekly payroll periods worked (90 hours per bi-weekly pay period).
  - i.  other: \_\_\_\_\_ (must satisfy DOL Regulation §2530.200b-3(e); e.g., option d. is used for per-diem Employees and option e. is used for on-call Employees)
5.  **Computation period.** Instead of the Plan Year, the vesting computation period will be based on the date an Employee first performs an Hour of Service (initial computation period) and each anniversary thereof.
- c.  **The "one-year hold-out" rule.** The "one-year hold-out" rule will apply to (select one or both):
- 1.  determine eligibility
  - 2.  determine vesting

**COMPENSATION**

18. COMPENSATION with respect to any Participant is defined as follows (Plan Sections 1.16 and 1.38).

**Base definition**

- a.  Wages, tips and other compensation on Form W-2.
- b.  Code §3401(a) wages (wages for withholding purposes).
- c.  415 safe harbor compensation(i.e., the "simplified" definition found only at Regulation Section §1.415(c)-2(d)(2)).

**NOTE:** Plan Section 1.16(d) provides that the base definition of Compensation includes deferrals that are not included in income due to Code §§401(k), 125, 132(f)(4), 403(b), 402(h)(1)(B)(SEP), 414(h)(2), & 457. The selection made above is also used to determine 415 Compensation.

**Adjustments to base compensation** (for Plan Section 1.16). The base definition of compensation will be adjusted by:

- d.  **No adjustments** (i.e., total pre-severance compensation)
- e.  **Adjustments.** Compensation will be adjusted by: (select one or more) (options 1., 2., 3., and 4. are safe harbor adjustments)
  - 1.  excluding salary reductions (401(k), 125, 132(f)(4), 403(b), SEP, 414(h)(2) pickup, & 457)

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- 2.  excluding reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, deferred compensation (other than deferrals specified in 1. above) and welfare benefits
- 3.  excluding all post-severance Compensation (generally does not exclude Military Differential Pay)
- 4.  excluding Military Differential Pay
- 5.  excluding overtime
- 6.  excluding bonuses
- 7.  excluding commissions
- 8.  excluding Compensation in excess of \$ \_\_\_\_\_
- 9.  other \_\_\_\_\_ (must be definitely determinable)  
(e.g., describe Compensation from the elections available above or a combination thereof as to a Participant group).

**NOTE:** If Options 3, 4, 5, 6, 7, 8, or 9. are selected, the definition of Compensation is not automatically nondiscriminatory under IRC 414(s), meaning that annual compensation testing is required in any context that requires a nondiscriminatory definition of compensation (such as, but not limited to, ADP safe harbors).

**POST-SEVERANCE COMPENSATION (Plan Section 1.38)**

(select all that apply f. – h.; leave blank if none apply)

**NOTE:** Unless otherwise elected under g. below, the following defaults apply: Compensation and 415 Compensation will **include** (to the extent provided in Plan Section 1.38), post-severance regular pay, leave cash-outs and payments from nonqualified unfunded deferred compensation plans.

- f.  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:
    - a.  Nonhighly Compensated Employees only
    - b.  all participants and the salary continuation will continue for the following fixed or determinable period: \_\_\_\_\_
- g.  For 415 Compensation only, the last paycheck ("administrative delay") rule will be applied (amounts paid in the first few weeks of a Limitation Year due to administrative delay relate back to the prior Limitation Year).
- h.  For "Compensation" within the meaning of Section 1.16 (a.k.a. "plan compensation"), the following defaults apply except as selected below. The defaults are that the Plan will **include** (to the extent provided in Plan Section 1.16), post-severance regular pay, leave cash-outs and payments from nonqualified unfunded deferred compensation plans. (select one)
  - 1.  The same post-severance compensation (as described above) will be included for both Compensation (Plan Section 1.16) and 415 Compensation (Plan Section 1.38)) (skip to next Question if option 18e3 was selected)
  - 2.  For "Compensation," all post-severance pay will be **excluded** (may violate the nondiscrimination requirements; see Note at option 18.e.)
  - 3.  For "Compensation," the following adjustments will be made to the **default** provisions: (select one or more)
    - a.  Regular pay will be **excluded** (may violate the nondiscrimination requirements; see Note at option 18e)
    - b.  Leave cash-outs will be **excluded**
    - c.  Nonqualified unfunded deferred compensation will be **excluded**
    - d.  Disability continuation payments will be **included** for:
      - 1.  Nonhighly Compensated Employees only
      - 2.  all participants and the salary continuation will continue for the following fixed or determinable period: \_\_\_\_\_

19. **AVERAGE COMPENSATION (Plan Section 1.12)** (select all that apply; leave blank if not applicable or if defaults apply)  
A Participant's Average Compensation is the average of the Participant's Compensation during the "averaging period" that falls within the Participant's Compensation history.

**NOTE:** This Question may be skipped if (1) the benefit formula is not based on Average Compensation, OR (2) the provisions set forth in the following default provisions apply:

- 1. The "averaging period" is the three (3) consecutive "measuring periods" which produce the highest Average Compensation. (to modify this default, complete b. below)
- 2. The "measuring period" is the Plan Year. (to modify this default, complete b. below, which will also affect the measuring period for the definition of Final Average Compensation for purposes any plan using "offset" permitted disparity)
- 3. The Compensation history is the period that begins on the Participant's date of hire and ends in the current Plan Year. (to modify this default, complete c. and/or d. below)
- a.  **Alternative definition of "averaging period."** The "averaging period" is:
  - 1.  \_\_\_\_\_ consecutive "measuring periods" which produce the highest Average Compensation.
    - a.  within the following number of most recent measuring periods: \_\_\_\_\_ (must be higher than number of measuring periods indicated above)
  - 2.  final \_\_\_\_\_ "measuring periods" included in the Compensation history.
  - 3.  all "measuring periods" (career average).
  - 4.  \_\_\_\_\_ "measuring periods" (whether or not consecutive) which produce the highest Average Compensation. (might be discriminatory if selected with an integrated benefit formula)
  - 5.  Other: \_\_\_\_\_

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**NOTE:** In order to be a design-based safe harbor plan under the Code §401(a)(4) Regulations, the "averaging period" must be at least 3 years (or 36 months if the "measuring period" below is the calendar month).

- b.  **Alternative definition of "measuring period."** The "measuring period" is:
  - 1.  the Plan Year.
  - 2.  the calendar year.
  - 3.  the 12-month period ending on \_\_\_\_\_.
  - 4.  a calendar month.
  
- c.  **Alternative definition of Compensation history.** The Compensation history is:
  - 1.  the period that begins on the Participant's date of hire and ends in the current Plan Year
  - 2.  the period that begins on the date the Participant's participation in the Plan commenced and ends in the current Plan Year.
  - 3.  the \_\_\_\_\_ consecutive "measuring periods" ending in the current Plan Year.
  - 4.  the period measured from \_\_\_\_\_ through the end of the current Plan Year.
  - 5.  Other: \_\_\_\_\_ (must be definitely determinable, may not discriminate in favor of Highly Compensated Employees and must be applied uniformly to all Participants).
  
- d.  **Other excluded periods.** Compensation history does not include the following periods: (select at least one)
  - 1.  A "measuring period" in which the Participant terminates employment.
  - 2.  A "measuring period" in which the Participant does not complete at least \_\_\_\_\_ Hours of Service.
  - 3.  Other: \_\_\_\_\_ (must be definitely determinable, may not discriminate in favor of Highly Compensated Employees and must be applied uniformly to all Participants).

**BENEFIT FORMULAS**

20. **NORMAL RETIREMENT BENEFIT FORMULA – NON-INTEGRATED FORMULAS (Plan Section 5.1)**  
A Participant's "Normal Retirement Benefit" is an annual benefit determined under the formula elected below (select one from a. - g.; h. is optional). A Participant is only considered to be benefiting under Code §401(a)(26) if the Participant receives a meaningful benefit within the meaning of Code §401(a)(26).

**Flat Benefit**

**NOTE:** In order to be a design-based safe harbor plan under the Code §401(a)(4) Regulations, a Participant must be required to complete a minimum of 25 years of Credited Service to receive an unreduced benefit. Therefore, to be a design-based safe harbor plan using a Flat Benefit formula with a fractional accrual method, Question 20.i.1. must be completed with an insertion of no less than 25 years of Credited Service.

- a.  \_\_\_\_\_% of Average Compensation.
- b.  \$\_\_\_\_\_.

**Unit Benefit**

**NOTE:** In order to be a design-based safe harbor plan under the Code §401(a)(4) Regulations, if a Unit Benefit formula is used and the Accrued Benefit is calculated using a fractional accrual method or the Plan is a fully insured Code §412(e)(3) (formerly Code §412(i)) Plan, then the maximum number of years of Credited Service may not be less than 25.

- c.  \_\_\_\_\_% of Average Compensation, multiplied by Credited Service. The maximum number of years of Credited Service to be taken into account will be \_\_\_\_\_.
- d.  \$\_\_\_\_\_ multiplied by Credited Service. The maximum number of years of Credited Service to be taken into account will be \_\_\_\_\_.
- e.  \_\_\_\_\_% of Average Compensation, multiplied by the first \_\_\_\_\_ years of Credited Service
  - 1.  plus \_\_\_\_\_% of Average Compensation multiplied by the next \_\_\_\_\_ years of Credited Service
  - 2.  plus \_\_\_\_\_% of Average Compensation multiplied by the number of all remaining years of Credited Service. The maximum number of years of Credited Service to be taken into account will be \_\_\_\_\_.

**NOTE:** If the unit accrual method applies, any percentage selected in 1. or 2. above may not be more than 133 1/3% greater than any prior percentage under the formula. If the Employer elects to apply the Fractional Accrual Method and the years of Credited Service to which the first percentage under e. applies is less than 33, special limits apply for the Plan to be a design-based safe harbor plan under the Code §401(a)(4) Regulations.

- f.  **Grouping method.** A Participant's Years of Credited Service multiplied by a dollar amount or a percentage of the Participant's Average Compensation as set forth below. (Selecting this option is inconsistent with having a safe harbor, i.e., nondiscrimination testing will be required.)

The dollar amount or percentage and credited service limit are based on the Participant's classification as follows (add additional classifications as necessary):

- 1.  Classification A will consist of: \_\_\_\_\_.  
The benefit is \$\_\_\_\_\_ OR \_\_\_\_\_% of Average Compensation times credited service up to \_\_\_\_\_ years (leave years blank if no limit).
- 2.  Classification B will consist of: \_\_\_\_\_.  
The benefit is \$\_\_\_\_\_ OR \_\_\_\_\_% of Average Compensation times credited service up to \_\_\_\_\_ years (leave years blank if no limit).
- 3.  Classification C will consist of: \_\_\_\_\_.



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The benefit is \$ \_\_\_\_\_ OR \_\_\_\_\_ % of Average Compensation times credited service up to \_\_\_\_\_ years (leave years blank if no limit).

4.  Classification D will consist of: \_\_\_\_\_.  
The benefit is \$ \_\_\_\_\_ OR \_\_\_\_\_ % of Average Compensation times credited service up to \_\_\_\_\_ years (leave years blank if no limit).

**NOTE:** The classifications must be definitely determinable and not subject to Employer discretion. An Employer cannot select both a dollar amount and a percentage of Average Compensation for a specified classification. A Participant may only belong to one classification.

**NOTE:** The design of the groups cannot be such that the only NHCEs benefiting under the Plan are those with the lowest amount of compensation and/or the shortest periods of service and who may represent the minimum number of these employees necessary to satisfy coverage under Code §410(b).

**NOTE:** If more than four (4) classifications, attach the additional classifications and benefit percentage as an addendum to the Adoption Agreement.

**AND**, if a Participant shifts from one classification to another during a Plan Year, then unless elected below, the Participant will be considered as belonging to the classification that provides the greatest Accrued Benefit. However, if elected below, the Participant will be assigned to the classification based on the Participant's status as of the last day of the Plan Year, or if earlier, the date of termination of employment: (select if applicable)

5.  The Participant will be assigned to the classification based on the Participant's status as of the last day of the Plan Year, or if earlier, the date of termination of employment.

- g.  **Other:** \_\_\_\_\_ (The Employer may only describe a formula from the elections available above at a. – f. or Option 21 below and/or a combination thereof. For example: (1) a Flat Benefit for Union Employees and a Unit Benefit for non-Union Employees, or (2) a Unit Credit Excess Benefit but disregarding the provisions of Plan Section 5.21. The formula must be definitely determinable and not be subject to Employer discretion.)

**Accumulation Plan** (optional)

- h.  If c. or e. is selected above, the benefit formula applies separately for each Plan Year, using Compensation for the Plan Year (instead of Average Compensation).

**Reductions and limitations.** Regardless of the above, the formula above will be modified as follows (leave blank if no reductions or limitations):

- i.  **Reductions and limitations.** The following apply (select one or more):

1.  A Participant's benefit will be reduced on a pro-rata basis for each year of Credited Service less than \_\_\_\_\_ (e.g., 25) that the Participant is credited with at Normal Retirement Date.
2.  A Participant's benefit will not exceed \$ \_\_\_\_\_.
3.  A Participant's benefit will not be less than \$ \_\_\_\_\_.
4.  Increases in a Participant's benefit resulting from a change in Compensation will be recognized as of each Anniversary Date, but decreases will not be recognized until the decrease in Compensation has been in effect for \_\_\_\_\_ Plan Years.
5.  The benefit will be rounded to the  next  nearest \$ \_\_\_\_\_.

**NOTE:** To be a design-based safe harbor plan under the Code §401(a)(4) Regulations, if a fractional accrual method is used with a Flat Benefit formula, option i.1. above must be selected with a reduction for Credited Service less than 25.

21. **NORMAL RETIREMENT BENEFIT FORMULA – INTEGRATED BENEFIT FORMULAS** (Plan Section 5.1).

Subject to the overall permitted disparity limits in the Plan, a Participant's "Normal Retirement Benefit" is an annual benefit determined under the formula selected below (select one from a. - d. and one from e.1. - e.7.; g is optional unless a fractional accrual method is used). A Participant is only considered to be benefiting under Code §401(a)(26) if the Participant receives a meaningful benefit within the meaning of Code §401(a)(26).

- a.  **Unit Credit Excess Benefit.** The sum of 1. and 2. below:

1. Base benefit percentage and excess benefit percentage (complete a., b. and c.)
  - a. \_\_\_\_\_ % (base benefit percentage) times Average Compensation up to the integration level times each year of Credited Service
  - b. plus a benefit equal to \_\_\_\_\_ % (excess benefit percentage -- not to exceed the base benefit percentage by more than the lesser of the base percentage or the maximum excess allowance) times Average Compensation in excess of the integration level times each year of Credited Service.
  - c. The maximum number of years of Credited Service taken into account under this paragraph will be \_\_\_\_\_ (may not exceed 35). If the Participant's Accrued Benefit after the latest Fresh-Start Date is determined under the fractional method, the maximum number of years of Credited Service during which permitted disparity is taken into account under this formula may not be less than 25.

The number of years of Credited Service taken into account under paragraph 1. for any Participant will not exceed the Participant's cumulative permitted disparity limit. The Participant's cumulative permitted disparity limit is equal to 35 minus the number of years credited to the Participant for purposes of the benefit formula or the accrual method under the Plan or under one or more qualified plans or simplified employee pensions (whether or not

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terminated) ever maintained by the Employer, other than years for which a Participant earned a year of Credited Service under the benefit formula in paragraph a. 1. above. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant's cumulative permitted disparity limit is less than the period of years specified in paragraph 1., then for years after the Participant reaches the cumulative permitted disparity limit and through the end of the period specified in paragraph 1., the Participant's benefit will be equal to the excess benefit percentage, or, if the Participant's benefit after the latest Fresh-Start Date is not accrued under the fractional accrual rule and the Plan does not satisfy Code §411(b)(1)(F), 133 1/3 percent of the base benefit percentage, if lesser, times Average Compensation.

2.  Additional benefit percentage
  - a. \_\_\_\_\_% (not to exceed the lesser of (1) the excess benefit percentage, or (2) 133 1/3 percent of the base benefit percentage) times Average Compensation for each year of Credited Service after the number of years of Credited Service taken into account in paragraph 1. above. If, however, benefits after the latest Fresh-Start Date are accrued under the fractional method, then for each year of Credited Service taken into account in paragraph 1., this percentage will be equal to the excess benefit percentage.
  - b. The maximum number of years of Credited Service taken into account under this paragraph 2. will be \_\_\_\_\_ (if benefits after the latest Fresh-Start Date are accrued under the fractional accrual rule and the Plan does not satisfy Code §411(b)(1)(F), the number of years entered must be no less than 35 minus the number of years of Credited Service specified in paragraph 1. above).
- b.  **Flat Excess Benefit** (complete 1. and 2.):
  1. \_\_\_\_\_% (base benefit percentage) times Average Compensation up to the integration level.
  2. plus a benefit equal to \_\_\_\_\_% (excess benefit percentage -- not to exceed the base benefit percentage by more than the lesser of the base percentage or the maximum excess allowance) times Average Compensation in excess of the integration level for the Plan Year.
- c.  **Offset Formula (Unit Credit Benefit)**: The sum of 1. and 2. below:
  1. Gross benefit percentage and offset percentage (complete a., b. and c.)
    - a. \_\_\_\_\_% (gross benefit percentage) times Average Compensation for the Plan Year times each year of Credited Service.
    - b. offset by \_\_\_\_\_% (offset percentage -- not to exceed the lesser of one-half of the gross benefit percentage or the maximum offset allowance) times Final Average Compensation up to the offset level times each year of Credited Service. The offset percentage for any Participant will not exceed one-half of the gross benefit percentage, multiplied by a fraction (not to exceed one), the numerator of which is the Participant's Average Compensation, and the denominator of which is the Participant's Final Average Compensation up to the offset level.
    - c. The maximum number of years of Credited Service taken into account under this paragraph will be \_\_\_\_\_ (may not exceed 35). If the Participant's Accrued Benefit after the latest Fresh-Start Date is determined under the fractional method, the maximum number of years of Credited Service during which permitted disparity is taken into account under this formula may not be less than 25.

The number of years of Credited Service taken into account under paragraph 1. for any Participant may not exceed the Participant's cumulative permitted disparity limit. The Participant's cumulative permitted disparity limit is equal to 35 minus the number of years credited to the Participant for purposes of the benefit formula or the accrual method under the Plan or under one or more qualified plans or simplified employee pensions (whether or not terminated) ever maintained by the Employer, other than years for which a Participant earned a year of Credited Service under the benefit formula in paragraph 1. above. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant's cumulative permitted disparity limit is less than the period of years specified in paragraph 1., then for years after the Participant reaches the cumulative permitted disparity limit and through the end of the period specified in paragraph 1., the Participant's benefit will be equal to the gross benefit percentage, or, if the Participant's benefit after the latest Fresh-Start Date is not accrued under the fractional accrual rule and the Plan does not satisfy Code §411(b)(1)(F), 133 1/3 percent of the gross benefit percentage reduced by the offset percentage, if lesser, times Average Compensation.

2.  Additional benefit percentage
  - a. \_\_\_\_\_% (not to exceed the lesser of (a) the gross benefit percentage, or (b) 133 1/3 percent of the gross benefit percentage reduced by the offset percentage times Average Compensation for each year of Credited Service taken into account in paragraph 1. above. If, however, benefits after the latest Fresh-Start Date are accrued under the fractional method, then for each Year of Credited Service taken into account in paragraph 1. above, this percentage will be equal to the gross benefit percentage.)
  - b. The maximum number of years of Credited Service taken into account under this paragraph 2. will be \_\_\_\_\_ (if the Participant's Accrued Benefit after the latest Fresh-Start Date is determined under the fractional method, the number of years entered must be no less than 35 minus the number of years of Credited Service taken into account in paragraph 1.).

- d.  **Offset Formula (Flat Benefit)** (complete 1. and 2.):
1. \_\_\_\_\_% (gross benefit percentage) times Average Compensation.
  2. offset by \_\_\_\_\_% (offset percentage -- not to exceed the lesser of one-half of the gross benefit percentage or the maximum offset allowance) times Final Average Compensation up to the offset level. The offset percentage for any Participant will not exceed one-half of the gross benefit percentage, multiplied by a fraction (not to exceed one), the numerator of which is the Participant's Average Compensation, and the denominator of which is the Participant's Final Average Compensation up to the offset level.
- e. **Integration Level** (or offset level) means (subject to the adjustments described below) (select one):
1.  the current Covered Compensation Table.
  2.  the Frozen Covered Compensation Table for the year \_\_\_\_\_ (may be the Covered Compensation for a Plan Year earlier than the current Plan Year, provided the earlier Plan Year is the same for all Employees and is not earlier than the Plan Year that begins 5 years before the current Plan Year. If the Plan Year entered is, or becomes, more than five years prior to the current Plan Year, the Participant's Covered Compensation will be that determined under the Covered Compensation table for the Plan Year five years prior to the current Plan Year).
  3.  the greater of \$10,000 or one-half of the Covered Compensation of any person who attains Social Security Retirement Age during the calendar year in which the Plan Year begins.
  4.  \$ \_\_\_\_\_ (not to exceed the greater of \$10,000 or one-half of the Covered Compensation of any person who attains Social Security Retirement Age during the calendar year in which the Plan Year begins).
  5.  \$ \_\_\_\_\_ (more than \$10,000, but not in excess of the greater of \$25,450 or 150% of the Covered Compensation of any person who attains Social Security Retirement Age during the calendar year in which the Plan Year begins). The reduction to the maximum disparity factor that is described in Note #6 below will be implemented by using:
    - a.  The plan-wide reduction method described at 1.401(l)-3(d)(9)(iii)(A)
    - b.  The individual reduction method described at 1.401(l)-3(d)(9)(iii)(B)
  6.  a uniform percentage equal to \_\_\_\_\_% (greater than 100%, but not greater than 150%) of each Participant's Covered Compensation for the current Plan Year, but in no event in excess of the Taxable Wage Base for excess plans, or Final Average Compensation for offset plans.
  7.  the Taxable Wage Base, and the reduction to the maximum disparity factor that is described in Note #7 below will be implemented by using:
    - a.  The plan-wide reduction method described at 1.401(l)-3(d)(9)(iii)(A)
    - b.  The individual reduction method described at 1.401(l)-3(d)(9)(iii)(B)

**MAXIMUM EXCESS OR OFFSET ALLOWANCE AND OTHER LIMITATIONS**

The default maximum permissible excess percentage 75% (i.e., 26.25% for a flat benefit plan). However, the maximum permissible excess percentage of .75% (26.25%) will be reduced by all of the following limitations and adjustments (when applicable).

**NOTES**

1. If e.5. or e.6. is selected as an integration level, the maximum excess or offset allowance will be .75% (or 26.25% for a flat benefit plan) multiplied by .8.
2. If the Normal Form of Benefit is other than a life annuity, the maximum excess or offset allowance will be .75% (or 26.25% for a flat benefit plan) reduced, if necessary, pursuant to 1. above, multiplied by the factor below.

<u>Normal Form of Benefit</u>	<u>Factor</u>
Life Annuity +5 Years Certain	0.97
Life Annuity +10 Years Certain	0.91
Life Annuity +15 Years Certain	0.84
Life Annuity +20 Years Certain	0.78

3. If this is a fully insured Plan within the meaning of Code §§ 411(b)(1)(F) and 412(e)(3) and the unit credit funding method is not being used, then the maximum excess or offset allowance will be .75% (or 26.25% for a flat benefit plan), reduced, if necessary, pursuant to 1. and 2. above, multiplied by a factor of .8.
4. If a Participant begins receiving benefits at an age other than the Social Security Retirement Age, the maximum excess or offset allowance will be .75% (or 26.25% for a flat benefit plan), reduced, if necessary, pursuant to 1. and 2. above, and Plan Section 5.20. However, this limitation will not apply to a fully insured plan within the meaning of Code §§ 411(b)(1)(F) and 412(e)(3).
5. With respect to an offset formula, the offset for any year of Credited Service will not exceed one-half of the Employer derived benefit, prior to the application of the offset, with respect to the Participant's Average Compensation not in excess of Final Average Compensation up to the integration level.
6. With respect to an offset formula, the offset for any year of Credited Service will not exceed one-half of the Employer derived benefit, prior to the application of the offset, with respect to the Participant's Average Compensation not in excess of Final Average Compensation up to the integration level.
7. If the Covered Compensation is the Taxable Wage Base (option e.7 is selected above), the maximum excess percentage will be

reduced by .42%

Reductions and limitations. Regardless of the above, the formula above will be modified as follows (leave blank if no reductions or limitations):

- f.  **Reductions and limitations.** The following apply (select one or more):
  - 1.  A Participant's benefit will be reduced on a pro-rata basis for each year of Credited Service less than \_\_ (e.g., 35) that the Participant is credited with at Normal Retirement Date.
  - 2.  A Participant's benefit will not exceed \$\_\_\_\_\_.
  - 3.  A Participant's benefit will not be less than \$\_\_\_\_\_.
  - 4.  Increases in a Participant's benefit resulting from a change in Compensation will be recognized as of each Anniversary Date, but decreases will not be recognized until the decrease in Compensation has been in effect for \_\_\_\_\_ Plan Years.
  - 5.  The benefit will be rounded to the  next  nearest \$\_\_\_\_\_.

NOTE: To be a design-based safe harbor plan under the Code §401(a)(4) Regulations, if a fractional accrual method is used with a Flat Benefit formula, option f.1. above must be selected with a reduction for Credited Service less than 35.

Accumulation Plan (with integration) (optional)

- g.  If a. is selected above, the benefit formula applies separately for each Plan Year, using Compensation for the Plan Year (instead of Average Compensation).

22. CREDITED SERVICE (Plan Section 1.20)

Determining Credited Service. For purposes of applying the benefit formula, with respect to a Participant, Credited Service means:

- a.  N/A. The retirement benefit formula is not based on Credited Service or a Cash Balance Formula is being used).
- b.  Total Years of Service (as defined for benefit accrual purposes).
- c.  Plan Years of Service (as defined for benefit accrual purposes).

Limitations. The following limitations apply in determining Credited Service (select all that apply or leave blank if not applicable):

- d.  Credited Service completed prior to \_\_\_\_\_ is disregarded.
- e.  Credited Service attributable to "past service credit" will be limited to \_\_\_\_\_ years (may not exceed 5 years). "Past service credit" means (1) benefit accruals for service prior to the Effective Date of this Plan, (2) increases in existing Accrued Benefits resulting from service prior to the Effective Date of a Plan amendment, and (3) benefit accruals for service with another employer.

NOTE: To be a design-based safe harbor plan under the Code §401(a)(4) Regulations, if a fractional accrual method is being used, Credited Service and service used in the fraction must be determined on the same basis.

23. NORMAL RETIREMENT BENEFIT FORMULA – CASH BALANCE FORMULAS. (Plan Section 5.1)

A Participant's "Normal Retirement Benefit" is an annual benefit determined under the formula below (select one). A Participant is only considered to be benefiting under Code §401(a)(26) if the Participant receives a meaningful benefit within the meaning of Code §401(a)(26).

A. Principal Credit Formula. The Principal Credit will equal: (select one)

- a.  **Uniform amount.** The Principal Credit for each Participant will equal (select one):
  - 1.  \_\_\_\_\_% of "determination period" Compensation for each eligible Participant
  - 2.  \$\_\_\_\_\_ for each eligible Participant
  - 3.  \_\_\_\_\_% of each Participant's Moving Average Compensation (may be selected only for a plan using the Plan Year as both the Principal Credit Period and the Compensation Computation Period) (must define at option k.6.)
- b.  **Grouping Method.** The Principal Credit for the Principal Credit Period will equal the amount determined below (each group must be definitely determinable). (Selecting this option is inconsistent with having a safe harbor, i.e., nondiscrimination testing will generally be required.)
  - 1.  Group A: \_\_\_\_\_ (select one)
    - a.  \_\_\_\_\_% of "determination period" Compensation
    - b.  \$\_\_\_\_\_
    - c.  The greater of \_\_\_\_\_% of "determination period" Compensation or \$\_\_\_\_\_
    - d.  The lesser of \_\_\_\_\_% of "determination period" Compensation or \$\_\_\_\_\_
  - 2.  Group B: \_\_\_\_\_ (select one)
    - a.  \_\_\_\_\_% of "determination period" Compensation
    - b.  \$\_\_\_\_\_
    - c.  The greater of \_\_\_\_\_% of "determination period" Compensation or \$\_\_\_\_\_
    - d.  The lesser of \_\_\_\_\_% of "determination period" Compensation or \$\_\_\_\_\_
  - 3.  Group C: \_\_\_\_\_ (select one)
    - a.  \_\_\_\_\_% of "determination period" Compensation
    - b.  \$\_\_\_\_\_
    - c.  The greater of \_\_\_\_\_% of "determination period" Compensation or \$\_\_\_\_\_
    - d.  The lesser of \_\_\_\_\_% of "determination period" Compensation or \$\_\_\_\_\_
  - 4.  Group D: \_\_\_\_\_ (select one)

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- a.  \_\_\_\_\_% of "determination period" Compensation
  - b.  \$ \_\_\_\_\_
  - c.  The greater of \_\_\_\_\_% of "determination period" Compensation or \$ \_\_\_\_\_
  - d.  The lesser of \_\_\_\_\_% of "determination period" Compensation or \$ \_\_\_\_\_
5.  Group E: \_\_\_\_\_ (select one)
- a.  \_\_\_\_\_% of "determination period" Compensation
  - b.  \$ \_\_\_\_\_
  - c.  The greater of \_\_\_\_\_% of "determination period" Compensation or \$ \_\_\_\_\_
  - d.  The lesser of \_\_\_\_\_% of "determination period" Compensation or \$ \_\_\_\_\_

**NOTE:** Attach an addendum to the Adoption Agreement to add additional groups as necessary.

**NOTE:** The classifications of Participants must be definitely determinable and not subject to Employer discretion. A Participant may only belong to one classification. In addition, an Employer cannot select both a dollar amount and a percentage of Compensation for a specified classification.

**NOTE:** The design of the groups cannot be such that the only NHCEs benefiting under the Plan are those with the lowest amount of compensation and/or the shortest periods of service and who may represent the minimum number of these employees necessary to satisfy coverage under Code §410(b).

**AND**, if a Participant shifts from one classification to another during a Plan Year, then unless elected below, the Participant will be considered as belonging to the classification that provides the greatest Principal Credit. However, if elected below, the Participant will be assigned to the classification based on the Participant's status as of the last day of the Plan Year, or if earlier, the date of termination of employment: (select if applicable)

- 6.  The Participant will be assigned to the classification based on the Participant's status as of the last day of the Plan Year, or if earlier, the date of termination of employment.

c.  **Greater of Percentage of Compensation or Dollar Amount** The Principal Credit for each eligible Participant will equal the greater of: \_\_\_\_\_% of "determination period" Compensation for each eligible Participant or \$ \_\_\_\_\_

d.  **Lesser of Percentage of Compensation or Dollar Amount.** The Principal Credit for each eligible Participant will equal the lesser of: \_\_\_\_\_% of "determination period" Compensation for each eligible Participant or \$ \_\_\_\_\_

e.  **Simple Schedule of Graded Principal Credits.** The Principal Credit for each eligible Participant will equal: (select 1. or 2. and select one of 3. – 5.)

- 1.  \_\_\_\_\_% of "determination period" Compensation
- 2.  \$ \_\_\_\_\_

For each: (select one)

- 3.  whole year of the Participant's attained age
- 4.  whole year of participation
- 5.  whole year of the Participant's attained age plus each whole year of participation

f.  **Tiered Schedule of Graded Principal Credits.** A Principal Credit for each eligible Participant in the amount of: (select one)

- 1.  The percentage of "determination period" Compensation shown in the table below
- 2.  The dollar amount shown in the table below

**AND** the designated amount will be based on: (select one)

- 3.  whole years of the participant's attained age
- 4.  years of participation
- 5.  whole years of the participant's attained age plus each year of participation

6. **AND** the following amounts will be used for purposes of the preceding provisions (enter a dollar amount or percent):

Units	Amount
First _____	_____
Next _____	_____
Next _____	_____
Next _____	_____
Next _____	_____
Next _____	_____
Next _____	_____
Next _____	_____

**NOTE:** Attach an addendum to the Adoption Agreement to add additional tiers as necessary.

**NOTE:** The schedule of Principal Credits must comply with the 133 1/3% rule under Code §411(b)(1)(B), taking into account the minimum Principal Credits (guaranteed (if any)). For this purpose, a plan for which the Interest Credit Rate could be negative is permitted to assume that the Interest Credit Rate for the current and future years will be equal to zero. The Employer does **not** have reliance on the Opinion Letter with respect to whether this formula meets the accrual rule requirements under Code §411(b).

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- g.  **Other:** \_\_\_\_\_ (The Employer may only describe the principal credit formula from the elections available above and/or a combination thereof as to any Participant group (e.g., specifying a tiered schedule of graded principal credits for Division A Employees and a uniform amount for Division B Employees). The formula must (1) be definitely determinable, (2) not be subject to Employer discretion, and (3) by design, satisfy the 133 1/3% rule under Code §411(b)(1)(B)).

**NOTE:** The schedule of Principal Credits must comply with the 133 1/3% rule under Code §411(b)(1)(B), taking into account the minimum Principal Credits (guaranteed (if any)). For this purpose, a plan for which the Interest Credit Rate could be negative is permitted to assume that the Interest Credit Rate for the current and future years will be equal to zero. The Employer does **not** have reliance on the Opinion Letter with respect to whether this formula meets the accrual rule requirements under Code §411(b).

**B. Principal Credit Provisions** (complete h., i., j. and k.)

- h. **Principal Crediting Period.** The Principal Credit will be allocated as of the last day of the "determination period," which period will be the:

1.  Plan Month (see Plan Section 1.67)
2.  Plan Quarter (see Plan Section 1.68)
3.  Plan Year
4.  Calendar month
5.  Calendar quarter
6.  Calendar year

**NOTE:** If the Principal Credit uses Compensation, then the selection above defines the period (the "determination period") of Compensation to be used in the Principal Credit.

- i. **Eligible Participants.** The Principal Credit will be made to Participants who (select all that apply of 1. – 4. or select 5.):

1.  are actively employed on the last day of the "determination period" (Plan Section 1.16(c)). (may not be selected with i.3. below.)
2.  complete 1 Year of Service (may only be selected if h.3. and 24.c.2 have been selected)(may not be selected with 3.)
  - a.  Limit this requirement to only HCEs
3.  complete a 12-month Period of Service during the "determination period" (may only be selected if 24.c.1. has been selected) (may not be selected with 2.)
  - a.  Limit this requirement to only HCEs
4.  are employed at any time during the "determination period" (may not be selected if h.3 is selected and may not be selected with i.2)
5.  Other: \_\_\_\_\_ (must be definitely determinable and not subject to Employer discretion)

**NOTE:** If h.3. or h.6. is selected, i.1. may not also be selected (would violate accrual requirements under Code §411(b)).

**AND,** the conditions above will be waived in the year of a Participant's (skip if i.4. is selected above) (select all that apply, if any)

6.  death
7.  disability
8.  retirement

- j.  **Determining Principal Credits.** If the Principal Credit is based on Compensation, pre-participation Compensation will be included in determining Principal Credits unless elected otherwise below:

1.  Exclude pre-participation compensation

- k.  **Adjustments to Principal Credit.** (If k. is selected, must select at least one option below)

**Use partial year flat dollar amount.** Whenever the Principal Credit is based on a flat dollar amount, then (select if applicable)

1.  For any Principal Credit Period, adjust for the number of hours of actual participation in proportion to the total number of potential hours during the Principal Credit Period (based on maximum of 2,000 hours annually, e.g., 500 hours for a 3-month Principal Credit Period)

**Partial dollar credit for year of retirement.** Whenever an allocation to a participant is based on a flat dollar amount for a 12-month period, use the prescribed dollar amount except as elected below: (select if applicable, otherwise leave blank) (skip if the Principal Credit Period is not a Plan Year or calendar year)

2.  For the year of retirement only, provide 25% of the Principal Credit for each quarter through the end of the quarter that:
  - a.  precedes the date of retirement
  - b.  contains the date of retirement

**Minimum Principal Credit.** A Participant will receive a minimum Principal Credit accrual for each Plan Year of:

3.  The amount needed to provide an increase in accrued benefit of .5% of compensation at NRA using the actuarial equivalence factors in the Plan's definition of Actuarial Equivalent
4.  Other: \_\_\_\_\_ (must be definitely determinable, uniform, nondiscriminatory, and satisfy the 133 1/3% accrual method, and must be a formula that could have been provided as a permissible benefit formula using the preapproved Principal Credit of this checklist (and which uses the 133 1/3% accrual method), and the minimum amount provided shall be at least the amount needed to provide an increase in accrued benefit of .5% of compensation at NRA using the actuarial equivalence factors in the Plan's definition of Actuarial Equivalent)

**Starting Principal Credit.** For the first Plan Year, Participant will receive the following Principal Credit (this election may not be used to meet the requirements of Regulations §1.411(b)(5)-1(c) for purposes of the benefit described in Regulations §1.411(b)(5)-1(c)(2)(i)(A)):

5.  Credit the Hypothetical Account (on the Effective Date of the Plan) with the following amount:
- a.  A credit (equal to the first year's Principal Credit as a participant) for each year of service credit prior to the Effective Date of the Plan, up to a maximum of \_\_\_\_\_ years of past service
  - b.  \$ \_\_\_\_\_
  - c.  Other: \_\_\_\_\_ (may be some combination of the preceding options, or some other specification that is definitely determinable and not subject to Employer discretion)

**Moving Average definition of Compensation.** Solely for the purpose of determining the Principal Credit (prior to making any adjustments, e.g., minimum or maximum), "Moving Average Compensation" shall be determined as the average Compensation for the number of consecutive Principal Credit Periods which produce the highest average, determined as follows. (Selecting this option is inconsistent with having a safe harbor, i.e., nondiscrimination testing will generally be required.) (must select if option a.3. is selected)

6.  Use the \_\_\_\_\_ consecutive Principal Credit Periods ending with the end of the current Principal Credit Period to determine average Compensation for purposes of determining the current Principal Credit (skip unless option a.3. selected)
- a.  within the last \_\_\_\_\_ compensation computation periods (must be higher than number of measuring periods indicated above) (leave blank if not applicable)

**C. Interest Credit Rate Provisions.** Provide the interest credit rate by selecting one of options l. through o. (The plan may, however, have a more complex interest credit rate by **also** selecting option **23.v.** below.)

**Interest credit rate.** The Interest Credit Rate will be: (select one)

- l.  Fixed rate. A fixed annual rate of \_\_\_\_\_% (enter at least 1% and not more than 6%) (the document will require pro-rating for a non-annual Interest Credit Period)
  
- m.  Government Securities. Based on the following government securities: (select one of 1. – 5.)
  - 1.  The discount rate on \_\_\_\_\_ month (enter a whole number that is not more than 12) Treasury Bills
  - 2.  The yield on 1-year Treasury Constant Maturities
  - 3.  The yield on \_\_\_\_\_ (not more than 3) year Treasury Bonds
  - 4.  The yield on \_\_\_\_\_ (at least 4 and not more than 7) year Treasury Bonds
  - 5.  The yield on \_\_\_\_\_ (at least 8 and not more than 30) year Treasury Bonds (may not select option m.6.)**AND** the time of determination will be as follows: (response required)
  - 6.  The look-back month will be the \_\_\_\_\_ (enter first, second, third, fourth or fifth) month preceding the first day of the following stability period:
    - a.  Plan Year
    - b.  Interest Credit Period (each credit must be a pro rata portion of the published annual rate)

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Optional Provisions (leave blank if not applicable):

7.  Basis Point. The following basis points will be added to the above rate (select one):  
**Note:** The following restrictions apply to option m.6: (1) If option m.1 is selected with an entry other than 3 months, then option m.6.g. cannot be selected; (2) If option m.2. is selected then options m.6.e. – g. may not be selected; (3) if option m.3. is selected then options m.6.c. – g. may not be selected; (4) if option m.4. is selected then only option m.6.a. can be selected.
- a.  25
  - b.  50
  - c.  75
  - d.  100
  - e.  125
  - f.  150
  - g.  175
8.  Guaranteed annual rate. Provide for a guaranteed annual rate of \_\_\_\_\_% (enter at least 1% and not more than 5%)

n.  Segment Rate:

- 1.  1st segment rate under Code §430(h)(2)
  - 2.  2nd segment rate under Code §430(h)(2)
  - 3.  3rd segment rate under Code §430(h)(2)
  - 4.  The rate used by the Plan for purposes of Code §417(e)(3)(D)
    - a.  Using the time of determination expressed at Q26c (i.e., for §417 purposes)
    - b.  Using the time of determination expressed below
- AND** the time of determination will be as follows: (response required) (skip if c.4. selected)
5.  The look-back month will be the \_\_\_\_\_ (enter first, second, third, fourth or fifth) month preceding the first day of the following stability period:
- a.  Plan Year
  - b.  Interest Credit Period (each credit must be a pro rata portion of the published annual rate)

Optional guaranteed annual rate. (leave blank if not applicable):

6.  Provide for a guaranteed annual rate of \_\_\_\_\_% (enter at least 1% and not more than 4%)

Optional adjustment. (leave blank if not applicable)

7.  The selected segment rate will reflect the adjustment for 25-year average interest rates under Code §430(h)(2)(C)(iv))

o.  Actual Rate of Return on the aggregate assets of the Plan, using the following rules of application (must complete 1. – 5.)

- 1. The Actual Rate of Return will be determined to the following number of decimals: (select one)
  - a.  none (e.g., 1% or 3%)
  - b.  one decimal (e.g., 1.2% or 2.7%)
  - c.  two decimals (e.g., 1.24% or 2.75%)
- 2. Employer contributions (excluding a contribution receivable) will be included based on the actual date of such contribution(s), with weighting for the period of time between the contribution date and the end of the Interest Credit Period based on number of: (select one of a. – g. and one of h. and i.)
  - a.  days
  - b.  whole Plan Months
  - c.  whole calendar months
  - d.  nearest Plan Months
  - e.  nearest Plan Quarters
  - f.  nearest calendar months
  - g.  nearest calendar quarters
- 3. Additionally, in calculating the Actual Rate of Return, only distributions of benefits made during the Interest Credit Period will be reflected, and contributions receivable as of the last day of the Plan Year shall be treated: (select one)
  - h.  as if they were made as of the last day of the Plan Year
  - i.  as if they were made on the day each amount was actually contributed



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4. Distributions of benefits will be included in the calculation of the Actual Rate of Return with weighting for the period of time between the actual date of distribution and the end of the Interest Credit Period based on the number of: (select one)
- a.  days
  - b.  whole Plan Months
  - c.  whole calendar months
  - d.  nearest Plan Months
  - e.  nearest Plan Quarters
  - f.  nearest calendar months
  - g.  nearest calendar quarters
5. The following Plan expenses incurred for the Interest Credit Period will be included: (select one)
- a.  investment expenses paid from the Plan's Trust
  - b.  administrative and investment expenses paid by the Plan's Trust
  - c.  administrative and investment expenses paid by the Plan's Trust except: \_\_\_\_\_ (insert description of excluded expenses)
  - d.  no administrative or investment expenses
6. For purposes of the first Plan Year only of the Plan, the Interest Credit Rate shall be: (select one)
- a.  4%
  - b.  5%
  - c.  6%
  - d.  N/A
  - e.  Other: \_\_\_\_\_ (must be between 4% and 6%)

**Interest credit period.** The Interest Credit Period will be: (select one)

- p.  Plan Year
- q.  Calendar Year
- r.  Other:
  - 1.  Plan Quarter
  - 2.  Plan Month
  - 3.  Calendar quarter
  - 4.  Calendar month
  - 5.  Daily

The simple interest rate will be determined (skip unless simple interest rate selected at option 231)

- 6.  as if interest were compounded (4 times a year if s.1. or 3.; 12 times a year if s.2. or 4.; daily if s.5.)
- 7.  as the annual rate divided (divided by 4 if s.1. or 3.; divided by 12 if s.2. or 4.; divided by 365 for s.5.)

NOTE: Any Government Securities or Segmented Rate options that are expressed as an annual rate must be prorated in accordance with the plan document for computation periods of less than one year (e.g., a quarterly Interest Credit Period or stability period, as applicable)

**Additional interest credit provisions**

- s.  **Interest after Annuity Starting Date.** If a Participant's Annuity Starting Date occurs before the end of an Interest Credit Period, the Interest Credit Rate for such period will be a pro-rata Interest Credit Rate based on the portion of the Interest Credit Period before the Participant's Annuity Starting Date (if this option is not selected, then no Interest Credit Rate will be provided for such period).
- t.  **Special Effective Date of Preservation of Capital.** The Plan's provisions regarding the preservation of capital will apply to all distributions since the inception of the Cash Balance Formula unless a special effective date applies, as follows: (leave blank if Plan always provided for preservation of capital): \_\_\_\_\_ (insert a date no later than June 29, 2005, or the date the Plan became a cash balance plan, if later).
- u.  **Cumulative Floor.** In no event will the Hypothetical Account Balance be less than the amount that would have been determined if the Plan had used a fixed annual interest credit rate for the period starting on the date described below, using the interest described below, and ending on the Annuity Starting Date:
  - 1.  Beginning date: \_\_\_\_\_
  - 2.  Interest rate: \_\_\_\_\_ % (enter at least 1 and no more than 3)
- v.  **Complex Interest Credit Rate Provisions.** All Participants shall have the same Interest Credit Rate described on the Addendum for Uniform Complex Interest Credit Rate. The Interest Credit Rate which is specified above needs to be compared to a different Interest Credit Rate, and the Plan shall make such comparison as elected below, and shall specify the "secondary" interest credit rate on the Complex Interest Credit Rate Addendum: (select one)

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- 1.  The **lesser** of the Rate determined above or the Rate determined using the Complex Interest Credit Rate Addendum
- 2.  The **greater** of the Rate determined above or the Rate determined using the Complex Interest Credit Rate Addendum

NOTE for Question 23: The right to future Interest Credits that are not conditioned on future service constitutes a Code § 411(d)(6) protected benefit. Unless otherwise specifically provided by law, an amendment to the Plan to change the Interest Credit Rate must satisfy IRC § 411(d)(6) with respect to a Participant's Hypothetical Account Balance that has accrued as of the date of the amendment. See Reg. § 1.411(b)(5)-1(e)(3).

24. ACCRUED BENEFIT (Plan Section 5.2) will be:

a. **Accrual method.** The Accrued Benefit will be calculated using the following method:

- 1.  133 1/3% rule (unit accrual).
- 2.  Fractional rule based on Years of Service.
- 3.  Fractional rule based on Plan Years of Service.
- 4.  Fractional rule using Plan Years of Service, plus \_\_\_\_\_ Years of Service credited prior to Plan entry.
- 5.  3% rule.
- 6.  N/A (Plan is fully insured, i.e., a Code §412(e)(3) (formerly Code §412(i)) plan)

**NOTE:** If the Plan is using a Cash Balance Formula (Question 12.c is selected) then the 133 1/3% method must be selected. In addition, a plan using a Cash Balance Formula may not be a fully insured plan under Code §412(e)(3).

b. **Limitations.** If a fractional method is being used (a.2 - a.4. above), then the following limitations on Years of Service taken into account in determining a Participant's Accrued Benefit will apply (select all that apply or leave blank if not applicable):

**NOTE:** To be a design-based safe harbor plan under the Code §401(a)(4) Regulations, if a fractional accrual method is being used, then Credited Service and the fraction must be determined on the same basis.

- 1.  The denominator of the fraction will not exceed \_\_\_\_\_.
- 2.  Years of Service completed prior to \_\_\_\_\_ are disregarded.
- 3.  Years of Service in excess of \_\_\_\_\_ years are disregarded.
- 4.  "Past service credit" will be limited to \_\_\_\_\_ years (safe harbor for past service is 5 years or less) and the "past service credit" limitation will ...
  - a.  apply to the determination of a Participant's entire Accrued Benefit.
  - b.  only apply in determining increases to a Participant's Accrued Benefits.

For purposes of this Section, "past service credit" means (A) benefit accruals for service prior to the Effective Date of this Plan, (B) increases in existing Accrued Benefits resulting from service prior to the Effective Date of a Plan amendment, and (C) benefit accruals for service with another employer.

c. **Year of Service.** For benefit accrual purposes, a Year of Service means:

- 1.  **Elapsed time.** The elapsed time method will be used, and a Participant will be credited with a Year of Service for:
  - a.  each 12-month Period of Service
  - b.  if the Participant has a 3-month Period of Service during the accrual computation period (as defined in Section 1.64 of the Basic Plan Document).
- 2.  **Hour of Service.** Unless otherwise selected below, a Year of Service will be a Plan Year during which an Employee completes at least 1,000 Hours of Service. Hours of Service will be based on actual Hours of Service except that for Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees) the monthly equivalency method will be used). (select all that apply of a. - c. or leave blank if defaults apply)
  - a.  **Alternative definition of Year of Service** (select all that apply or leave blank if not applicable)
    - 1.  **Computation period.** The computation period for benefit accrual purposes will be based on the date an Employee first performs an Hour of Service and each anniversary thereof.
    - 2.  **Number of Hours of Service required.** Year of Service will be the applicable computation period during which an Employee has completed at least \_\_\_\_\_ (may not be more than 2,000) Hours of Service. (If more than 1,000 Hours of Service is entered, credit for a fractional period must be recognized and c.2. below must be selected.)
    - 3.  A Participant will be credited with a Year of Service if employed on the last day of the Plan Year or if more than 500 Hours of Service has been completed during the Plan Year.
  - b.  **Equivalency methods.** Instead of using actual Hours of Service, the following equivalency method will be used to determine Hours of Service. (leave blank if not applicable):  
Such method will apply to:
    - 1.  all Employees
    - 2.  Employees for whom records of actual Hours of Service are not maintained or available (e.g., salaried Employees)
    - 3.  other: \_\_\_\_\_ (e.g., per-diem Employees only)**Hours of Service** will be determined on the basis of:
    - 4.  days worked (10 hours per day)
    - 5.  weeks worked (45 hours per week)
    - 6.  semi-monthly payroll periods worked (95 hours per semi-monthly pay period)

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- 7.  months worked (190 hours per month)
- 8.  bi-weekly payroll periods worked (90 hours per bi-weekly pay period)
- 9.  other: \_\_\_\_\_ (must satisfy DOL Regulation §2530.200b-3(e); e.g., option 3. is used for per-diem Employees and option 4. is used for on-call Employees)
- c.  **Fractional Credit.** If c.2.a.2. or c.2.a.3. is selected above, will Participants receive fractional credit?
  - 1.  No
  - 2.  Yes, based on \_\_\_\_\_ Hours of Service.
  - 3.  Yes, for Participants who have died, become Totally and Permanently Disabled or retired, based on \_\_\_\_\_ Hours of Service.
- d. **Special Rules** (select all that apply or leave blank if not applicable)
  - 1.  Top-Heavy Minimum Benefit (select one or more):
    - a.  If the Plan is a Top-Heavy Plan, the Accrued Benefit of a Participant who is a Key Employee will not be less than the minimum benefit for any Top-Heavy Plan Year as set forth in Plan Section 5.6.
    - b.  Instead of 2%, substitute the following percentage(s) to determine top-heavy minimum benefits (must be at least 2%) \_\_\_\_\_.
    - c.  A 5-year "averaging period" applies to determine Average Compensation for the top-heavy minimum benefit regardless of the "averaging period" used in the "Normal Retirement Benefit" formula.
  - 2.  Application of Code §415 limitations. The Code §415 limits apply to the "Normal Retirement Benefit" formula before determining a Participant's Accrued Benefit.
  - 3.  The special accrual rule in Plan Section 5.2(j) used to satisfy the minimum coverage rules of Code §410(b) will apply.
  - 4.  The monthly Accrued Benefit shall not be less than \$ \_\_\_\_\_.
- e. **Fresh-start rules**
  - 1.  N/A (new Plan or there is no Fresh-Start Date)
  - 2.  The Fresh-Start Date is \_\_\_\_\_

**Accrued Benefit.** The Accrued Benefit with respect to each Participant in the "Fresh-Start Group" will be determined using the following fresh-start rules (Plan Section 5.2(e)): (if this Plan is a conversion from a traditional defined benefit plan to a Cash Balance Plan, then the formula without wear-away (option b. below) must be used)

- a.  Formula with wear-away (the greater of the Frozen Accrued Benefit or the Accrued Benefit determined under Plan Section 5.2).
- b.  Formula without wear-away (the sum of the Frozen Accrued Benefit plus the Accrued Benefit determined under Plan Section 5.2, but only taking into account Credited Service after the Fresh-Start Date).
- c.  Formula with extended wear-away (the greater of a. or b. above).

- NOTES:**
- (1) If the fractional accrual method is being used or if this Plan is fully insured, the formula without wear-away may not be selected.
  - (2) If the 3% accrual method is being used, the formula with wear-away is the only method which may be used.
  - (3) The formula with wear-away and formula with extended wear-away fresh-Start rules above take into account an Employee's past service in determining the Employee's benefit accruals under the Plan; either of these fresh-Start rules may cause the Plan to fail to satisfy the safe harbor for past service in Regulations §1.401(a)(4)-5(a)(5).

**Adjustments.** Each Participant's Frozen Accrued Benefit will be adjusted in accordance with the following fraction (Plan Section 5.2(f)(8)):

- d.  N/A or no adjustment
- e.  Old compensation fraction
- f.  New compensation fraction
- g.  Reconstructed compensation fraction based on the Plan Year beginning in \_\_\_\_\_ (insert 1989, 1990, 1991, 1992, 1993 or 1994) (the year must begin after the latest Fresh-Start Date)
- h.  Special adjustment for "TRA '86 Section 401(a)(17) participants" and "OBRA '93 Section 401(a)(17) participants."

**"Fresh-Start Group."** The "Fresh-Start Group" consists of all Participants who have Accrued Benefits as of the Fresh-Start Date and have at least one Hour of Service with the Employer after that date. However, if designated below, the "Fresh-Start Group" will be limited to: (select all that apply or leave blank if not applicable)

- i.  Code §401(a)(17) Participants (may be selected only with respect to a Tax Reform Act of 1986 (TRA '86) Fresh-Start Date and with respect to an Omnibus Budget Reconciliation Act of 1993 (OBRA '93) Fresh-Start Date). A "TRA '86 Fresh-Start Date" means a Fresh-Start Date that is not earlier than the last day of the last Plan Year beginning before the first Plan Year beginning on or after January 1, 1989 (the statutory effective date), and not later than the last day of the last Plan Year beginning before the first Plan Year beginning on or after January 1, 1994 (the regulatory effective date). An "OBRA '93 Fresh-Start Date" means the last day of the last Plan Year beginning before the first Plan Year beginning on or after January 1, 1994.
- j.  Members of an "acquired group of Employees." An "acquired group of Employees" means employees of a prior employer who become employed by the Employer in a transaction between the Employer and the prior

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employer that is a stock or asset acquisition, merger, or other similar transaction involving a change in the employer of the employees of the trade business on or before \_\_\_\_\_ (enter a date no later than the end of the transaction period defined in Code §410(b)(6)(C)(ii), if the date selected is after February 10, 1993). The date in the preceding sentence will be the Fresh-Start Date with respect to members of the "acquired group of Employees" described below.

The "acquired group of Employees" consists of: \_\_\_\_\_

- k.  Employees with a Frozen Accrued Benefit that is attributable to assets and liabilities transferred to the Plan as of a Fresh-Start Date in connection with the transfer and for whom the current formula is different from the formula used to determine the Frozen Accrued Benefit.

The Fresh-Start Date in connection with the transfer is: \_\_\_\_\_ (must be the date as of which the Employees begin accruing benefits under the Plan).

The group of Employees with the Frozen Accrued Benefit that is attributable to assets and liabilities transferred to the Plan is: \_\_\_\_\_

25. NORMAL FORM OF BENEFIT (Plan Section 5.1(b)) will be:

- a.  a life annuity.  
b.  an annuity for life and \_\_\_\_\_ years certain.  
c.  for married Participants a joint and \_\_\_\_\_% survivor annuity and for unmarried Participants an annuity for life and \_\_\_\_\_ years certain (leave years blank if only a life annuity for unmarried Participants).

**NOTE:** If options b. or c. are selected, then the Plan could fail to satisfy Code §415. In addition, options b. and c. may not be completed with so large a period-certain that it would likely result in a violation of Code §401(a)(9).

26. ACTUARIAL EQUIVALENT (Plan Section 1.4) means amounts of equal value when computed using the following (select a. OR b.; c. must be completed) (See Plan Section 1.4 for special rules that apply to certain forms of distributions such as nondecreasing annuities):

**Actuarial assumptions**

- a.  The following actuarial assumptions will apply except as otherwise provided below or in Plan Section 1.4 (select one)
1.  Only use the "applicable interest rate" and "applicable mortality table" as defined in Plan Section 1.4. (skip to c. below)
  2.  Use the following: (select one or more of a. - d.)
    - a.  Pre-Retirement Mortality Table: \_\_\_\_\_
    - b.  Pre-Retirement Interest: \_\_\_\_\_
    - c.  Post-Retirement Mortality Table: \_\_\_\_\_
    - d.  Post-Retirement Interest: \_\_\_\_\_

**NOTE:** If an integrated benefit formula is elected (Question 21), then to be a design-based safe harbor plan the mortality table above must be a standard mortality table as described in Regulations §1.401(a)(4)-12.

**NOTE:** For Plan Years that begin on or after the effective date specified in Regulation § 1.411(a)(13)-1(e)(2)(ii)(A) or Reg. § 1.411(a)(13)-1(e)(2)(ii)(B) as applicable (generally, for Plan Years beginning on or after January 1, 2017, if the Accrued Benefit attributable to the Cash Balance Formula is determined using assumptions that are not considered reasonable, including assumptions that produce a subsidized Accrued Benefit, the Cash Balance Formula is not considered a lump sum based formula. If that is the case, the lump sum payment must be no less than the present value of the Accrued Benefit using the applicable interest and mortality rates under Code § 417(e)(3).

**NOTE:** For post-2009 Plan Years, the applicable mortality table (under Revenue Ruling 2001-62) for purposes of Code §415 is specified at Question 39.

- b.  **Fully insured Plan** (traditional formula plan). For a fully insured (i.e., Code §412(e)(3)) Plan, the interest and mortality assumptions specified in the insurance or annuity contract will be used instead of specifying such assumptions at option a. above. The Employer must attach an Appendix to the Plan indicating the contract name/number, the company that issued the contract, and the date of issuance of the contract. A Plan using a Cash Balance Formula may not be a fully insured Plan. The Contract information is as follows: (Complete 1., 2., and 3, and optionally 4. and/or 5.) Response optional.

1.  Contract name/number: \_\_\_\_\_
2.  Insurer that issued the contract: \_\_\_\_\_
3.  Date of issuance: \_\_\_\_\_

**AND** if the insurance or annuity contract specifies different interest and mortality assumptions for different purposes under the contract, the assumptions that will be used to determine Actuarial Equivalence are those assumptions specified under the contract for purposes of determining: (select at least one)

4.  N/A
5.  the amount of benefits payable in different forms
6.  the cash surrender value of the contract
7.  other: \_\_\_\_\_ (must be in the nature of some other purpose stated in the contract)

**AND** are there are additional contracts?

8.  There are additional contracts to be identified in an Appendix that provides all the above information for each contract. (response optional, select only if applicable)

**NOTE:** Any change in the insurance or annuity contract, including the substitution of a different contract, that results in a change in the interest and mortality assumptions used to determine Actuarial Equivalence under the Plan shall be treated as an amendment of the Plan for purposes of Section 1.4 of the Plan.

c. **Stability period/Lookback month for purposes of Code §417.** The applicable interest is based on the following:

1. **Stability period.** The "stability period" for purposes of determining the "applicable interest rate" is:
  - a.  one calendar month
  - b.  one Plan Year quarter
  - c.  one calendar year quarter
  - d.  one Plan Year
  - e.  one calendar year
2. **Lookback month.** The "lookback month" relating to the "stability period" is the:
  - a.  first calendar month preceding the first day of the "stability period"
  - b.  second calendar month preceding the first day of the "stability period"
  - c.  third calendar month preceding the first day of the "stability period"
  - d.  fourth calendar month preceding the first day of the "stability period"
  - e.  fifth calendar month preceding the first day of the "stability period"
  - f.  average rate for two or more calendar months preceding the first day of the "stability period" (specify which of the first through fifth months are averaged) \_\_\_\_\_

**Cash Balance benefit formula**

- d.  With respect to benefits determined under a Cash Balance Formula, Actuarial Equivalence will be applied to:
  1.  The Participant's Hypothetical Account Balance
  2.  The Participant's Accrued Benefit in the Normal Form commencing at Normal Retirement Age (rare)
- e.  With respect to benefits determined under a Cash Balance Formula, lump sum payments and other benefits payable in a form that would normally be subject to the minimum present value requirements of Code § 417(e)(3) either **will** or **will not** be determined (as specified below) using the applicable mortality table and applicable interest rate under Code § 417(e)(3), if doing so produces a benefit that is greater than the Hypothetical Account Balance (if the benefit is paid in the form of a lump sum payment) or the benefit determined using the Actuarial Equivalence assumptions specified in item a. above (if the benefit is paid in a form other than a lump sum payment):
  1.  Will not
  2.  Will (rare)

**NORMAL RETIREMENT**

27. NORMAL RETIREMENT AGE ("NRA") (Plan Section 1.57)

a. "NRA" means:

1.  **Specific age.** The date of a Participant attains age \_\_\_\_\_ (see Note below).
2.  **Age/participation.** The later of the date a Participant attains age \_\_\_\_\_ (see Note below) or the \_\_\_\_\_ (not to exceed 5th) anniversary of the first day of the Plan Year in which participation in the Plan commenced.
3.  **Age/participation.** The later of the date a Participant attains age \_\_\_\_\_ (see Note below) or the \_\_\_\_\_ (not to exceed 5th) anniversary of the first day of the Plan Year in which participation in the Plan commenced, but in no event later than age \_\_\_\_\_.
4.  Other: \_\_\_\_\_ (may not be later than the maximum permitted under 2. above).

**NOTE:** A Participant's age specified above may not exceed 65 and may not be less than age 55. An age between age 55 and 62 may satisfy this requirement if it is reasonably representative of the typical retirement age for the industry in which the Participant's work based on facts and circumstances, and the IRS Opinion Letter offers **no** reliance on that issue. An age of 62 or older is deemed to satisfy this requirement (and will be accompanied by reliance).

**Maximum "NRA."** However, a Participant's "NRA" will not be later than the satisfaction of each of the following (select all that apply or leave blank if not applicable).

- b.  Attainment of age \_\_\_\_\_.
- c.  The \_\_\_\_\_ anniversary of the first day of the Plan Year in which Participation in the Plan commenced.
- d.  The \_\_\_\_\_ anniversary of the Participant's date of hire.
- e.  The completion of \_\_\_\_\_ Years of Service.

28. NORMAL RETIREMENT DATE (Plan Section 1.58) means, with respect to any Participant, the:

- a.  date on which the Participant attains "NRA"
- b.  first day of the month
  - 1.  nearest the Participant's "NRA."
  - 2.  coinciding with or next following the Participant's "NRA."
- c.  Anniversary Date
  - 1.  nearest the Participant's "NRA."
  - 2.  coinciding with or next following the Participant's "NRA."
- d.  Other: \_\_\_\_\_ (Must be definite and applied in a uniform and nondiscriminatory manner; in addition, in order to be a design-based safe harbor plan under the Code §401(a)(4) Regulations, the Normal Retirement Date may not be more than 6 months earlier or later than the Participant's "NRA.")

**NOTE:** If c.2. is selected, this Plan will not be a design-based safe harbor plan under the Code §401(a)(4) Regulations.

**EARLY AND LATE RETIREMENT, DISABILITY AND DEATH BENEFITS**

29. EARLY RETIREMENT PENSION

- a.  N/A (no early retirement provision provided; skip to next Question)
- b.  Early retirement benefits will equal:
  - 1.  Vested Accrued Benefit reduced by 1/15 for each of the first five years and then 1/30 for each of the next five years (and actuarially thereafter) that the Early Retirement Date precedes the Normal Retirement Date (See Plan Section 5.4).
  - 2.  Actuarial Equivalent of Vested Accrued Benefit.
  - 3.  Vested Accrued Benefit reduced by 1/2 of 1% for each month early retirement precedes normal retirement.
  - 4.  Fully accrued early retirement benefit. There is no reduction of the Vested Accrued Benefit unless such reduction is required by applicable laws and regulations.
  - 5.  Vested Accrued Benefit reduced by 5/9 of 1% for each of the first sixty (60) complete calendar months, and 5/18 of 1% for each complete calendar month in excess of sixty (60) calendar months that the Early Retirement date precedes Normal Retirement Date.
  - 6.  Vested Accrued Benefit subject to the following actuarial reduction for early commencement: \_\_\_\_\_ (may not discriminate in favor of Highly Compensated Employees and must be applied uniformly to all Participants).

**Early Retirement Age ("ERA")**

- c. Participant attains age \_\_\_\_  
**AND**, completes the following (select 1. or leave blank if not applicable):
  - 1.  at least \_\_\_\_\_ Years (or Periods) of Service for:
    - a.  vesting purposes.
    - b.  benefit accrual purposes.

**Early Retirement Date** (Plan Section 1.25). The Early Retirement Date is the:

- d.  date on which a Participant attains "ERA."
- e.  first day of the month coinciding with or next following the date on which a Participant attains "ERA."
- f.  Anniversary Date coinciding with or next following the date on which a Participant attains "ERA."

30. LATE RETIREMENT BENEFIT COMMENCEMENT (Plan Section 5.5) If a Participant continues employment beyond Normal Retirement Age, benefits will be paid at the time and in the manner elected below:

- a.  No benefit is payable until actual retirement, at which time the participant will be entitled to an accrual for each year the benefit is deferred that is equal to the greater of that year's (1) continued accrual or (2) actuarial adjustment for deferred retirement.
- b.  The benefit will be paid as elected below:
  - 1.  The benefit will be paid as though the Participant had actually retired on the Normal Retirement Date.
  - 2.  The participant may elect either to defer benefit payments or to be paid as though the Participant had actually retired on the Normal Retirement Date.

31. DISABILITY RETIREMENT BENEFITS (Plan Section 5.8)

- a.  N/A (no disability benefits are provided; skip to next Question)
- b.  Disability benefits are equal to:
  - 1.  Early Retirement benefit without regard to age and service requirements.

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- 2.  Actuarial Equivalent of Vested Accrued Benefit.
- 3.  Vested Accrued Benefit subject to the following actuarial reduction for early commencement:  
\_\_\_\_\_ (may not discriminate in favor of Highly Compensated Employees and must be applied uniformly to all Participants).

**Determination.** The disability of Participants will be determined...

- 4.  By a physician.
- 5.  Under the Social Security Act.

**Additional Conditions.** In addition to disability, the following additional conditions apply to a Participant's eligibility for a disability pension (leave blank if not applicable):

- 6.  Specify: \_\_\_\_\_ (may not discriminate in favor of Highly Compensated Employees and must be applied uniformly to all Participants).

- 32. SUSPENSION OF BENEFITS (Plan Section 5.5(d)) The suspension of benefit rules applies as follows (select a., b. or c.)
  - a.  The suspension of benefit rules do **not** apply.
  - b.  For new Plans or for existing Plans restating an identical suspension of benefits provision, the suspension of benefit rules apply to:
    - 1.  all Participants.
    - 2.  only those participants described in Plan Section 6.1(d) whose benefits, if actuarially increased, would exceed the limitations of Plan Section 6.1.
  - c.  Plans where a suspension of benefits option is being added or expanded, the suspension of benefit rules apply to:
    - 1.  employees who commence participation in the Plan on or after the later of the adoption date or the effective date of the suspension of benefit rules in Plan Section 5.5(d).
    - 2.  the portion of Participants' Code §411(d)(6) protected benefits (within the meaning of Regulations §1.411(d)-4, Q&A 1(a)) that accrue after the later of the adoption date or effective date of the suspension of benefit rules in Plan Section 5.5(d).

- 33. DEATH BENEFITS (Plan Section 5.9) The death benefit under this Plan is:
  - a.  only the "minimum spouse's death benefit" as defined in Plan Section 5.9(s) (i.e., **no** death benefits are provided with respect to unmarried Participants)
  - b.  the Actuarial Equivalent of the Vested Accrued Benefit
  - c.  the Policy proceeds less the cash value of the Policies
  - d.  the Policy proceeds
  - e.  the greater of (1) Policy proceeds (less the cash value of the Policies) plus the Theoretical Reserve, or (2) the Actuarial Equivalent of the Vested Accrued Benefit.
  - f.  the Policy proceeds (less the cash value of the Policies) PLUS 1. or 2. below.
    - 1.  the Actuarial Equivalent of the Vested Accrued Benefit
    - 2.  the Value of Total Prior Contributions
  - g.  the greater of the Policy proceeds OR 1. or 2. below.
    - 1.  the Actuarial Equivalent of the Vested Accrued Benefit
    - 2.  the Value of Total Prior Contributions
  - h.  \_\_\_\_\_ times the anticipated monthly retirement benefit payable at Normal Retirement Age (or, if later at the date of death), based on the Participant's Vested Accrued Benefit as of the date of death.
  - i.  the incidental reserve, if a positive amount. The incidental reserve equals the Policy proceeds plus the Theoretical Individual Level Premium Reserve less the cash value of the Policies.
  - j.  the greater of the Actuarial Equivalent of the Vested Accrued Benefit or \_\_\_\_\_ times the anticipated monthly retirement benefit payable at Normal Retirement Age (or, if later at the date of death), based on the Participant's Vested Accrued Benefit as of the date of death
  - k.  Other: \_\_\_\_\_ (death benefits must be incidental within the meaning of Code §401(a))

**Maximum death benefit.** Regardless of the above, the maximum death benefit will be:

- l.  N/A or no maximum other than the limitations of Plan Section 5.9(i).
- m.  the greater of 100 times the anticipated monthly benefit or the Theoretical Individual Level Premium Reserve
- n.  100 times the anticipated monthly benefit
- o.  the reserve under the Theoretical Individual Level Premium Reserve
- p.  the face amount of insurance which could be purchased if less than 66 2/3% (if whole life) or 33 1/3% (if term or universal life) of the Theoretical Contribution is used to purchase insurance plus the Theoretical Individual Level Premium Reserve
- q.  other: \_\_\_\_\_ (death benefits must be incidental within the meaning of Code §401(a))

**Death benefit payable to Spouse.** Pursuant to Plan Section 5.9(k), the portion of the death benefit payable to a Participant's surviving Spouse will be equal to:

- r.  "minimum spouse's death benefit" as defined in Plan Section 5.9(s) (must select if 33.a. above is selected)
- s.  the entire death benefit
- t.  other: \_\_\_\_\_ (may not be less than the "minimum spouse's death benefit as defined in Plan Section 5.9(s))

34. LIFE INSURANCE

Complete the following if life insurance Policies are being used to fund a death benefit (leave blank if not applicable):

- a.  The face amount of the Policies will be:
1.  equal to \_\_\_\_\_ (maximum 100) times the anticipated monthly benefit.
  2.  an amount to be determined by the Administrator and applied in a uniform and nondiscriminatory manner, but not to exceed \_\_\_\_\_ (may not exceed 100) times the anticipated monthly benefit.
  3.  in that amount which can be purchased by a premium equal to \_\_\_\_\_% of the Theoretical Contribution (select if applicable)...
    - a.  or, if greater, \_\_\_\_\_ (maximum 100) times the anticipated monthly benefit.
    - b.  but not in excess of \_\_\_\_\_ times the anticipated monthly benefit.

**NOTE:** If more than 66 2/3% (if whole life) or 33 1/3% (if term or universal life) of the Theoretical Contribution is used to purchase insurance, then 33.m., n., o., p. or q. must be selected.

**Limitations** (select all that apply or leave blank if not applicable)

4.  Each initial Policy will have a minimum face amount of \$ \_\_\_\_\_.
5.  Additional Policies will have a minimum face amount of \$ \_\_\_\_\_.
6.  The maximum face amount of Policies purchased on behalf of a Participant will be \$ \_\_\_\_\_.

VESTING

35. VESTING OF PARTICIPANT'S INTEREST (Plan Section 5.10(c))

- a.  Vesting waiver. 100% for those Participants employed on \_\_\_\_\_ (enter date). For those Participants hired after such date, the vesting provisions selected below apply.
- b.  The vesting provisions selected below apply.

**NOTE:** Option h. under Section B of Appendix A to the Adoption Agreement (Special Effective Dates and Other Permitted Elections) can be used to specify any exceptions to the provisions below.

**Vesting for Accrued Benefit**

- c.  100% vesting. Participants are 100% Vested upon entering Plan. (required if eligibility requirement is greater than one (1) Year (or Period) of Service)
- d.  The following vesting schedule, based on a Participant's Years of Service (or Periods of Service if the Elapsed Time method is selected), applies to Employer contributions:

**NOTE:** The Plan must use a vesting at least as liberal as d.1. below with respect to accruals that are based on a Cash Balance Formula.

1.  3 Year Cliff: 0-2 years-0%; 3 years-100%
2.  5 Year Cliff: 0-4 years-0%; 5 years-100%
3.  6 Year Graded: 0-1 year-0%; 2 years-20%; 3 years-40%; 4 years-60%; 5 years-80%; 6 years-100%
4.  4 Year Graded: 1 year-25%; 2 years-50%; 3 years-75%; 4 years-100%
5.  5 Year Graded: 1 year-20%; 2 years-40%; 3 years-60%; 4 years-80%; 5 years-100%
6.  7 Year Graded: 0-2 years-0%; 3 years-20%; 4 years-40%; 5 years-60%; 6 years-80%; 7 years-100%
7.  Other – modified graded vesting schedule. Must be at least as liberal as either 2. or 6. above in each year without switching between the two schedules:

Years (or Periods) of Service	Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
7 or more	100 %

8.  Other – modified 3 year-cliff vesting schedule. Must be at least as liberal as d.1. (use d.1. above for 3-year cliff schedule)

Years (or Periods) of Service	Percentage
_____	_____ %
_____	_____ %
3 or more	100 %

36. TOP-HEAVY VESTING (Plan Section 5.10(d))

Instead of vesting schedule above, if this Plan becomes a Top-Heavy Plan, the following vesting schedule, based on number of Years of Service (or Periods of Service if the elapsed time method is selected), will apply:

- a.  N/A (the regular vesting schedule already satisfies one of the minimum top-heavy schedules).
- b.  6 Year Graded: 0-1 year-0%; 2 years-20%; 3 years-40%; 4 years-60%; 5 years-80%; 6 years-100%
- c.  3 Year Cliff: 0-2 years-0%; 3 years-100%



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d.  Other - Must be at least as liberal as either b. or c. above in each year without switching between the two schedules:

Years (or Periods) of Service	Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

**NOTE:** This Section does not apply to the Accrued Benefit of any Participant who does not have an Hour of Service after the Plan has initially become top-heavy. Such Participant's Vested Accrued Benefit will be determined without regard to this Section.

**Continues to apply.** Unless selected below, once the Top-Heavy schedule becomes effective, it will continue to apply if the Plan ceases to be a Top-Heavy Plan.

e.  The Plan will switch back to the normal vesting schedule, except as noted in Plan Sections 5.10(f) and 5.10(g), when the Plan ceases to be a Top-Heavy Plan.

37. **VESTING OPTIONS**

**Vesting For Death, Total And Permanent Disability and Early Retirement.** Regardless of the vesting schedule, a Participant will become fully Vested upon (select all that apply; leave blank if none apply):

- a.  Death
- b.  Total and Permanent Disability
- c.  Early Retirement Date

**Excluded vesting service.** The following Years of Service will be disregarded for vesting purposes (select all that apply; leave blank if none apply):

- d.  Service prior to the initial Effective Date of the Plan or a predecessor plan (as defined in Regulations §1.401(a)-5(b)(3))
- e.  Service prior to the computation period in which an Employee has attained age 18
- f.  Service during a period for which an Employee made no Employee Mandatory Contributions

38. **DEEMED CASH-OUT RULE** (Plan Section 5.10(b))

Unless otherwise selected below (or unless a plan provides for 100% vesting), the deemed cash-out rule for a 0% Vested Participant applies (leave blank if not applicable).

- a.  The deemed cash-out rule does not apply.

**CODE §415 LIMITS**

39. **LIMITATION ON BENEFITS** (Plan Section 6.1)

**Adjustment to compensation limit.** In the case of a Participant who has had a "Severance from Employment" with the Employer, the "Defined Benefit Compensation Limitation" applicable to the Participant in any Limitation Year beginning after the date of severance **will be** automatically adjusted under Code §415(d) unless otherwise selected below.

- a.  The "Defined Benefit Compensation Limitation" **will not be** automatically adjusted under Code §415(d) effective for Limitation Years beginning on or after July 1, 2007.
- b.  The "Defined Benefit Compensation Limitation" **will not be** automatically adjusted under Code §415(d) effective for Limitation Years beginning on or after \_\_\_\_\_ (not earlier than July 1, 2007).

**Adjustment to dollar limit.** The "Defined Benefit Dollar Limitation" applicable to a Participant who has had a "Severance from Employment" with the Employer **will not be** automatically adjusted under Code §415(d) unless selected below.

- c.  The "Defined Benefit Dollar Limitation" **will be** automatically adjusted under Code §415(d) effective for Limitation Years beginning on or after July 1, 2007.
- d.  The "Defined Benefit Dollar Limitation" **will be** automatically adjusted under Code §415(d) effective for Limitation Years beginning on or after \_\_\_\_\_ (not earlier than July 1, 2007).

**More than one plan.** If a Participant is, or has ever been, a Participant in more than one defined benefit plan maintained by the Employer, the Participant may not accrue a benefit in the Plan that would cause the sum of the Annual Benefits under this Plan and all other such defined benefit plans to exceed the Maximum Permissible Amount.

- e.  N/A.
- f.  The rate of accrual in this Defined Benefit Plan will be reduced to the extent necessary so that the total Annual Benefits payable at any time under such plans will not exceed the Maximum Permissible Amount, as specified in Plan Section 6.1.
- g.  Specify the method under which the Plans will meet the limitation of Code §415(b) in a manner that precludes Employer discretion \_\_\_\_\_.

**NOTE:** If f. or g. is selected, an Employer may not rely on the Opinion Letter issued by the Internal Revenue Service with respect to the requirements of Code §415.

**PFEA.** The PFEA (Pension Funding Equity Act of 2004) transition rule set forth in Plan Section 6.2(a)(2) will not apply unless selected

below.

- h.  The PFEA transition rule applies (this rule sets the 2003 Code §415 limit calculation as a minimum Code §415 limit applicable to the 2004 Plan Year).

**Applicable mortality table.** The applicable mortality table for computing 415 limits is effective for years beginning after December 31, 2008, unless an earlier date is specified below.

- i.  \_\_\_\_\_ (may be a year beginning after December 31, 2007 and before January 1, 2009, or to any portion of such year) (leave blank if no special date)

**Limitation Year.** The Limitation Year is the Plan Year unless an alternative is specified below:

- j.  The Limitation Year is \_\_\_\_\_ (enter beginning and ending dates; must generally be a 12-month period unless there is an amendment changing the Limitation Year).

## DISTRIBUTIONS

### 40. FORM OF DISTRIBUTIONS (Plan Sections 5.11 and 5.12)

Distributions under the Plan may be made in one of the following optional forms of distributions in addition to the Normal Form of Benefit and the optional forms set forth in Plan Sections 5.11 and 5.12 (select all that apply or leave blank if not applicable):

- a.  lump-sums  
 b.  substantially equal installments  
     1.  Once installments have begun a Participant may elect to accelerate payments (including electing a lump-sum if lump-sums are otherwise permitted, provided, however, that once payments have begun over a period certain or as an annuity, the amount of the payments under the period certain or annuity cannot be increased except in limited circumstances in accordance with Regulations §1.401(a)(9)-6, Q&A-13 & Q&A 14)  
 c.  partial withdrawals provided the minimum withdrawal is \$\_\_\_\_\_ (leave blank if no minimum)  
 d.  other annuities:  
     1.  Any form of annuity described by option d.2.  
     2.  Only the following forms of annuity (select one or more):  
         a.  Straight life annuity  
         b.  Life and 5 years certain  
         c.  Life and 10 years certain  
         d.  Life and 15 years certain  
         e.  Life and 20 years certain  
         f.  Straight life with reduction upon receipt of Social Security benefits

**NOTE:** The basic plan document generally allows a Participant to elect a joint and 50%, 66 2/3%, 75%, or 100% survivor annuity and therefore satisfies the qualified optional survival annuity requirements of the Code.

- e.  Other: \_\_\_\_\_ (the annuity must be currently available to all Participants benefiting under the Plan, and its form must be defined by the Employer under the terms of the Plan in a definitely determinable manner).

**Normal form of annuity.** The normal form of the qualified Joint and Survivor Annuity will be a joint and 50% survivor annuity unless otherwise selected below (leave blank if default applies):

- f.  joint and 100% survivor annuity  
 g.  joint and 75% survivor annuity  
 h.  joint and 66 2/3% survivor annuity

**Cash or property.** Distributions may be made in:

- i.  cash only (except for insurance or annuity contracts).  
 j.  cash or property.

**Subsidized benefit.** The Plan provides the following subsidized benefit:

- k.  N/A (no subsidized benefits)  
 l.  a subsidized joint and \_\_\_\_\_% (not less than 50% and not more than 100%) survivor annuity payment option for Participants who have (select one or both):  
     1.  attained age \_\_\_\_\_.  
     2.  completed \_\_\_\_\_ Years of Service (or Periods of Service if the Elapsed Time Method has been selected) for benefit accrual purposes.

**Alternative forms of distribution on death.** Death benefits under the Plan may be paid in one of the following optional forms of payment (subject to the provisions of Plan Section 5.12):

- m.  No form of payment other than Qualified Pre-Retirement Survivor Annuity is permitted (may only be selected if 33.a is selected (i.e., the Plan only provides a death benefit equal to the "minimum spouse's death benefit")).  
 n.  the following form of payment (select one or more)  
     1.  lump-sums  
     2.  substantially equal installments  
         a.  Once installments have begun a Participant may elect to accelerate payments (including electing a lump-sum if lump-sums are otherwise permitted, provided, however, that once payments have begun over a period certain or as an annuity, the amount of payments under the period certain or

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annuity cannot be increased except in limited circumstances in accordance with Regulations §1.401(a)(9)-6, Q&A-13 & Q&A 14)

- 3.  partial withdrawals provided the minimum withdrawal is \$\_\_\_\_\_
- 4.  other annuities:
  - a.  All of the options shown at option b. below
  - b.  Only the following forms of annuity (select at least one):
    - 1.  Straight life annuity
    - 2.  Life and 5 years certain
    - 3.  Life and 10 years certain
    - 4.  Life and 15 years certain
    - 5.  Life and 20 years certain
- o.  **Value of lump sum distributions of early retirement benefits.** If lump sum distributions are permitted and a distribution is payable upon early retirement, what is the value of the lump sum distribution?
  - 1.  the Actuarial Equivalent of the Accrued Benefit that would be payable at Normal Retirement Age
  - 2.  the Actuarial Equivalent of the Accrued Benefit payable (if not equal to the amount described in the preceding option) at Early Retirement Date
  - 3.  the greater of the values under the preceding two options
- p.  **Bifurcated Distributions:** As described in IRS Notice 2017-44, Participants may elect to have the Accrued Benefit divided and distributed using the explicit bifurcation method. (Section 5.11(g))
  - 1.  No special effective date required
  - 2.  The provisions are effective for distributions made on or after January 1, 2017
  - 3.  The provisions are effective for distributions made on or after: \_\_\_\_\_ (might violate the anti-cutback rule)

**Note:** If the Plan previously permitted Participants to choose different forms of payment and applied the applicable interest and mortality rates under Code § 417(e)(3) to the full distribution, the prior benefits must be protected under Code § 411(d)(6) unless an amendment was timely adopted with an effective date shown above that is on or before December 31, 2017.

- q.  **Bifurcated Distributions Limitations (optional):** Participants who bifurcate distributions are subject to the following specified limitation: (select any that apply) (Section 5.11(g))
  - 1.  The Participant may elect a lump sum distribution only of the portion of the Accrued Benefit earned **through** the following date, with the remaining portion of the accrued benefit payable in an annuity form described in Section 5.12: \_\_\_\_\_ (may not be selected with 2.)
  - 2.  The Participant may elect a lump sum distribution only of the portion of the Accrued Benefit earned **after** the following date, with the remaining portion of the Accrued Benefit payable in an annuity form described in Section 5.12: \_\_\_\_\_ (may not be selected with 1.)
  - 3.  The Participant may elect a lump sum distribution **equal to** the following percentage of the Accrued Benefit, with the remaining portion of the Accrued Benefit payable in an annuity form described in Section 5.12: \_\_\_\_\_% (may not be selected with 4.)
  - 4.  The Participant may elect a lump sum distribution **up to** the following percentage of the Accrued Benefit, with the remaining portion of the Accrued Benefit payable in an annuity form described in Section 5.12: \_\_\_\_\_% (may not be selected with 3.)

**Note:** Unless the Plan already subjects Participants to the limitation shown above, or such limitation was timely adopted via an amendment that provided anti-cutback relief and which provided for such limitation, such limitation can be applied only to that portion of a Participant's Accrued Benefit that accrues after the date of an amendment imposing any of the above limitation.

- r.  Cost of Living ("COLA") adjustments
  - 1.  Any periodic amounts being paid for life (or life expectancy) in substantially equal amounts (without regard to this provision) at specified intervals shall be increased annually for the cost of living. If specified below, such amount shall be limited to RMDs only.
    - a.  The COLA provisions apply only to RMDs
    - b.  The time of such increases shall take effect as of the date specified below following the redetermination of the published COLA percentage:
      - 1.  The first day of the Plan Year
      - 2.  The anniversary of the Annuity Starting Date
    - c.  The index shall be:
      - 1.  the same as used for Social Security (for revisions effective during the 12-month period specified above)
      - 2.  Other: \_\_\_\_\_ (see following Note)

**Note:** The amount of such increases shall be determined on a uniform basis for all participants by reference to an index that is published by the U.S. government and which is redetermined annually (such as the percentage increase used for adjusting Social Security benefits).

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- s.  Other: \_\_\_\_\_ (The annuity must be currently available to all Participants benefiting under the Plan, and its form must be defined by the Employer under the terms of the Plan in a definitely determinable manner).

41. **CONDITIONS FOR DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.** Distributions upon termination of employment pursuant to Plan Section 5.10 will not be made unless the following conditions have been satisfied:

**A. Vested benefit in excess of \$5,000**

- a.  Distributions may be made as soon as administratively feasible following severance of employment.  
b.  Distributions may be made as soon as administratively feasible after the Participant has incurred \_\_\_\_\_ 1-Year Break(s) in Service (or Period(s) of Severance if the elapsed time method is selected).  
c.  Distributions may be made as soon as administratively feasible after the last day of the Plan Year coincident with or next following severance of employment.  
d.  Distributions may be made as soon as administratively feasible after the last day of the Plan Year quarter coincident with or next following severance of employment.  
e.  Distributions may be made as soon as administratively feasible after the Valuation Date coincident with or next following severance of employment.  
f.  Distributions may be made as soon as administratively feasible after \_\_\_\_\_ months have elapsed following severance of employment.  
g.  No distributions may be made until a Participant has reached Early or Normal Retirement Date.  
h.  Other: \_\_\_\_\_ (must be objective conditions which are ascertainable and are not subject to Employer discretion except as otherwise permitted in Regulations §1.411(d)-4 and may not exceed the limits of Code §401(a)(14) as set forth in Plan Section 5.15)

**B. Vested benefit of \$5,000 or less**

- i.  Same as above  
j.  Distributions may be made as soon as administratively feasible following severance of employment.  
k.  Distributions may be made as soon as administratively feasible after the Participant has incurred \_\_\_\_\_ 1-Year Break(s) in Service (or Period(s) of Severance if the elapsed time method is selected).  
l.  Distributions may be made as soon as administratively feasible after the last day of the Plan Year coincident with or next following severance of employment.  
m.  Other: \_\_\_\_\_ (must be objective conditions which are ascertainable and are not subject to Employer discretion except as otherwise permitted in Regulations §1.411(d)-4 and may not exceed the limits of Code §401(a)(14) as set forth in Plan Section 5.15).

**C. Timing after initial distributable event.** If a distribution is not made in accordance with the above provisions upon the occurrence of the distributable event, then a Participant may elect a subsequent distribution at any time after the time the amount was first distributable (assuming the amount is still distributable), unless otherwise selected below (may not be selected if 41.g. and 41.i. selected):

- n.  Other: \_\_\_\_\_ (e.g., a subsequent distribution request may only be made in accordance with l. above (i.e., the last day of another Plan Year); must be objective conditions which are ascertainable and are not subject to Employer discretion except as otherwise permitted in Regulations §1.411(d)-4 and may not exceed the limits of Code §401(a)(14) as set forth in Plan Section 5.15)

**D. Participant consent (i.e., involuntary cash-outs).** Should Vested Accrued Benefits less than a certain dollar threshold be automatically distributed without Participant consent (mandatory distributions)?

**NOTE:** The Plan provides that distributions of amounts of \$5,000 or less do not require spousal consent and are only paid as lump-sums.

- o.  No, Participant consent is required for all distributions.  
p.  Yes, Participant consent is required only if the distribution is over:  
1.  \$5,000  
2.  \$1,000 (including rollover contributions)  
3.  \$\_\_\_\_\_ (less than \$1,000) (including rollover contributions)

**Automatic IRA rollover.** With respect to mandatory distributions of amounts that are \$1,000 or less, if a Participant makes no election, the amount will be distributed as a lump-sum unless selected below.

4.  If a Participant makes no election, then the amount will be automatically rolled over to an IRA provided the amount is at least \$\_\_\_\_\_ (e.g., \$200).

**E. Rollovers in determination of \$5,000 threshold.** Unless otherwise elected below, amounts attributable to rollover contributions (if any) will be **included** in determining the \$5,000 threshold for timing of distributions, form of distributions or consent rules.

- q.  Exclude rollovers (rollover contributions will be **excluded** in determining the \$5,000 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.

**F. Mandatory distribution at Normal Retirement Age.** Regardless of the above elections other than any mandatory distributions

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provided for in p. above, unless otherwise selected below, a Participant who has severed employment may elect to delay a distribution beyond the later of age 62 or the Participant's Normal Retirement Age (subject to Plan Section 5.13).  
r.  A Participant who has severed employment may not elect to delay a distribution beyond the later of age 62 or the Participant's Normal Retirement Age.

42. DISTRIBUTIONS UPON DEATH (Plan Section 5.13(e))  
Distributions upon the death of a Participant prior to the "Required Beginning Date" will:  
a.  be made pursuant to the election of the Participant or "Designated Beneficiary."  
b.  begin within 1 year of death for a "Designated Beneficiary" and be payable over the life (or over a period not exceeding the life expectancy) of such Beneficiary, except that if the "Designated Beneficiary" is the Participant's Spouse, begin prior to December 31st of the year in which the Participant would have attained age 70 1/2.  
c.  be made within 5 (or if lesser \_\_\_\_\_) years of death for all Beneficiaries.  
d.  be made within 5 (or if lesser \_\_\_\_\_) years of death for all Beneficiaries, except that if the "Designated Beneficiary" is the Participant's spouse, begin prior to December 31st of the year in which the Participant would have attained age 70 1/2 and be payable over the life (or over a period not exceeding the life expectancy) of such "surviving spouse."
43. DISTRIBUTION OF THE PRE-RETIREMENT SURVIVOR ANNUITY (Plan Section 5.12(a)) may be made:  
a.  as of the first day of any month following the Participant's death.  
b.  as of the first day of any month following the Participant's Earliest Retirement Age.  
c.  Other \_\_\_\_\_ (no later than the first day of the month in which the Participant's Earliest Retirement Age occurs).
44. IN-SERVICE DISTRIBUTIONS OF ACCRUED BENEFIT  
a.  In-service distributions are NOT permitted (except as otherwise elected for Late Retirement Benefits).  
b.  In-service distributions may be made to a Participant who has reached (select one):  
1.  Normal Retirement Age.  
2.  age 62.  
3.  other \_\_\_\_\_ (may not be earlier than age 62)  
**AND**, is there a special effective date for in-service distributions? (do not select if not applicable)  
4.  Special effective date. Effective as of \_\_\_\_\_.
- Account restrictions.** In-service distributions are permitted from the following:  
c.  Participant's entire interest in the Plan (except as otherwise provided in f. below).  
d.  Only from the following accounts (select one or more):  
1.  Participant's grandfathered Section 414(k) Account (see Plan Section 1.79 which prohibits the establishment of new 414(k) accounts and limits the addition of any new additions to existing accounts)  
2.  Participant's Transfer Account
- Minimum distribution.** The minimum distribution will be:  
e.  N/A (no minimum)  
f.  \$ \_\_\_\_\_ (may not exceed \$1,000).
45. RETROACTIVE ANNUITY STARTING DATE (Plan Section 5.14)  
a.  Not permitted.  
b.  The Plan permits a retroactive Annuity Starting Date.

**TOP-HEAVY REQUIREMENTS**

46. TOP-HEAVY DUPLICATIONS (Plan Section 5.6(j)): When a Non-Key Employee is a Participant in this Plan (if it is not a frozen Plan) and a defined contribution plan maintained by the Employer that is subject to the top-heavy rules, indicate which method will be utilized to avoid duplication of top-heavy minimum benefits (leave blank if not applicable).  
a.  The full top-heavy minimum will be provided in each plan (if selected, Plan Section 5.6(j) will not apply).  
b.  5% defined contribution minimum will be made in \_\_\_\_\_ (enter the name of the other plan)  
c.  2% defined benefit minimum.  
d.  Specify the method under which the Plans will provide top-heavy minimum benefits for Non-Key Employees that will preclude Employer discretion and avoid inadvertent omissions:

**NOTE:** If b. – d. is selected, an Employer may not rely on the Opinion Letter issued by the Internal Revenue Service with respect to the requirements of Code §416.

47. PRESENT VALUE (Plan Section 9.2) For purposes of establishing the Present Value of Accrued Benefits to compute the top-heavy ratio, any benefit will be discounted only for mortality and interest based on the following:  
a.  Same interest and mortality used to determine Actuarial Equivalence.  
b.  the following interest and mortality: (complete 1. and 2.)  
1.  Interest rate: \_\_\_\_\_  
2.  Mortality table: \_\_\_\_\_

48. VALUATION DATE (Plan Section 9.2) For purposes of computing the top-heavy ratio, the valuation date will be \_\_\_\_\_ of each year.

MISCELLANEOUS

49. LOANS TO PARTICIPANTS (Plan Section 7.2)

- a.  New loans are not permitted.  
b.  New loans are permitted.

**NOTE:** Regardless of whether new loans are permitted, if the Plan permits rollovers, then the Administrator may, in a uniform and nondiscriminatory manner, accept rollovers of loans into this Plan.

50. ROLLOVER CONTRIBUTIONS INTO SEPARATE ACCOUNT (Plan Section 4.3)

- a.  Rollovers will not be accepted by this Plan.  
b.  Rollovers will be accepted by this Plan.

**Eligibility.** Rollovers may only be accepted from Participants who are Employees unless otherwise selected below (leave blank if not applicable):

1.  any Eligible Employee, even prior to meeting eligibility conditions to be a Participant

**Distributions.** When may distributions be made from a Participant's Rollover Account?

2.  at any time  
3.  only when the Participant is otherwise entitled to a distribution under the Plan (subject to the anti-cutback rule, when applicable)

51. AGE (Plan Section 1.8) means the age of a Participant at the:

- a.  Nearest birthday  
b.  Last birthday

52. EXCESS ASSETS (Plan Section 8.2) upon Plan termination will be:

- a.  Reallocated to Participants  
b.  Returned to the Employer

**NOTE:** The return of excess assets to the Employer shall not be treated as effective until the end of the fifth calendar year following the date such a provision was first adopted and continuously remained in effect unless the Plan has always provided for a return of assets.

53. HIGHLY COMPENSATED EMPLOYEE (Plan Section 1.42)

**Top-Paid Group** election and calendar year data election are not used unless selected below (the selections made for the latest year will continue to apply to subsequent Plan Years unless the Plan is amended) (select all that apply; leave blank if none apply):

- a.  Top-Paid Group Election will be used.  
b.  Calendar year data election will be used (only applicable to non-calendar year Plan Year).

54. HEART ACT PROVISIONS (Plan Section 5.26)

**Continued benefit accruals.**

- a.  Continued benefit accruals will NOT apply  
b.  Continued benefit accruals will apply

55. CODE §436 BENEFIT RESTRICTIONS (Plan Section 5.3)

**Treatment of Plan as of Close of Prohibited or Cessation Period.** Unless otherwise elected below, accruals that had been limited under Plan Section 5.3 will be automatically restored in accordance with Plan Section 5.3 as of the "Section 436 measurement date" that the limitation ceases to apply (leave blank if default applies).

- a.  Accruals will only continue prospectively as of the "Section 436 measurement date" that the limitation ceases to apply.  
b.  All accruals under the Plan will cease (even after the "Section 436 measurement date" that the limitation ceases to apply).

**Accelerated Benefit Distributions.** Unless otherwise elected below, (1) there is no new "annuity starting date" with respect to payments made as a result of the benefit limitations no longer being applicable, and (2) there are no optional forms of benefit that are only available for the period of the benefit restrictions (leave blank if default applies).

- c.  Participants who had an "annuity starting date" within a period during which a limitation under Plan Section 5.3 applied to the Plan will be provided with the opportunity to make a new election with a new "annuity starting date" in accordance with Plan Section 5.3.  
d.  The following optional forms of benefit are only available during the period in which Regulations §1.436-1(d)(1), (d)(2), or (d)(3) applies to limit prohibited payments under the Plan (specify): \_\_\_\_\_.

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56. EMPLOYEE MANDATORY CONTRIBUTIONS (Plan Section 4.8) (skip if Employee mandatory contributions NOT selected at Question 12.e)
- a.  In order to accrue benefits under the Plan, a Participant must make a Mandatory contribution equal to \_\_\_\_\_% of Compensation.

**NOTE:** May not elect if this is a floor-offset plan. Making this election will result in the Plan no longer being a design-based safe harbor plan.

57. EMPLOYEE VOLUNTARY CONTRIBUTIONS (Plan Sections 4.4 and 4.7) (skip if voluntary Employee contributions NOT selected at Question 12.f.)

The ACP ratio for "NHCEs" will be based on the current year ratio unless prior year testing method is selected below (leave blank if current year testing method is being used):

- a.  **Prior year testing method.** The prior year ratio will be used. If this selection is made for the first year the Code §401(m) feature is added to this Plan (unless this Plan is a successor plan), then for the first Plan Year only, the amount taken into account as the ACP of "NHCEs" for the preceding Plan Year will be the greater of 3% or the actual percentage for the initial Plan Year.

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**Reliance on Provider Opinion Letter.** The Provider has obtained from the IRS an Opinion Letter specifying the form of this document satisfies Code §401 as of the date of the Opinion Letter. An adopting Employer may rely on the Provider’s IRS Opinion Letter *only* to the extent provided in Rev. Proc. 2017-41 or subsequent guidance. The Employer may not rely on the Opinion Letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the Opinion Letter and in Rev. Proc. 2017-41 or subsequent guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, the Employer must apply for a determination letter to Employee Plans Determinations of the IRS.

An Employer who has ever maintained or who later adopts any plan (including a welfare benefit fund, as defined in Code §419(e), which provides post-retirement medical benefits allocated to separate accounts for key employees, as defined in Code §419A(d)(3), or an individual medical account, as defined in Code §415(l)(2)) in addition to this Plan may not rely on the Opinion Letter issued by the Internal Revenue Service with respect to the requirements of Code §§ 415 and 416.

This Adoption Agreement may be used only in conjunction with basic plan document #01. This Adoption Agreement and the basic Plan document will together be known as \_\_\_\_\_ Defined Benefit Pre-Approved Plan #01-001.

The adoption of this Plan, its qualification by the IRS, and the related tax consequences are the responsibility of the Employer and its independent tax and legal advisors.

**Execution for Page Substitution Amendment Only.** If this paragraph is completed, this Execution Page documents an amendment to Adoption Agreement Election(s) \_\_\_\_\_ effective \_\_\_\_\_, by substitute Adoption Agreement page number(s) \_\_\_\_\_. The Employer should retain all Adoption Agreement Execution Pages and amended pages. (*Note: The Effective Date may be retroactive or may be prospective.*)

The Provider, \_\_\_\_\_, will notify all adopting Employers of any amendment to this Pre-approved Plan or of any abandonment or discontinuance by the Provider of its maintenance of this Pre-approved Plan. In addition, this Plan is provided to the Employer either in connection with investment in a product or pursuant to a contract or other arrangement for products and/or services. Upon cessation of such investment in a product or cessation of such contract or arrangement, as applicable, the Employer is no longer considered to be an adopter of this Plan and the Provider no longer has any obligations to the Employer that relate to the adoption of this Plan. For inquiries regarding the adoption of the Pre-approved Plan, the Provider's intended meaning of any Plan provisions or the effect of the Opinion Letter issued to the Provider, please contact the Provider or the Provider’s representative.

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

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

Telephone Number: ( ) \_\_\_\_\_ - \_\_\_\_\_

Email address (optional): \_\_\_\_\_

The Employer, by executing below, hereby adopts this Plan (add additional signature lines as needed).

EMPLOYER: [Name of Employer]

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

\_\_\_\_\_  
DATE SIGNED



**APPENDIX A  
SPECIAL EFFECTIVE DATES AND OTHER PERMITTED ELECTIONS**

This Appendix A is an integral part of the Adoption Agreement, and any change to the information on this Appendix requires a Plan amendment. This Appendix A has been reviewed and approved by the IRS as an integral part of the Plan.

**A. Special effective dates/spin-offs/mergers** (the following elections are optional; select any that apply):

a.  **Special effective date(s):** \_\_\_\_\_  
For periods prior to the above specified special effective date(s), the Plan terms in effect prior to its restatement under this Adoption Agreement will control for purposes of the designated provisions. A special effective date may not result in the delay of a Plan provision beyond the permissible effective date under any applicable law.

b.  **Spin-off.** The Plan was a spin-off from the \_\_\_\_\_ (enter name of plan), which was originally effective \_\_\_\_\_ (enter effective date of original plan).

c.  **Merged plans.** The following plan(s) are merged into this Plan (optional to enter applicable information; attach an addendum if more than 4 merged plans):

	Name of merged plan	Merger date	Original effective date of merged plan
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

d.  **Special effective date(s) for Interest Credit Rate:** \_\_\_\_\_  
Prior to the above specified special effective date(s), the Interest Credit Rate was determined using the Plan's terms in effect prior to its amendment to use the transition Regulations as provided in Reg. § 1.411(b)(5)-1(e)(3)(iv), provided the amendment was made before the effective dates outlined in Reg. § 1.411(b)(5)-1(f)(2)(i)(B)(1) or Reg § 1.411(b)(5)-1(f)(2)(i)(B)(3).

**B. Other Permitted Elections.** (the following elections are optional):

a.  **No other permitted Elections**

**The following elections apply** (select one or more):

b.  **Deemed 125 compensation** (Plan Sections 1.16 and 1.38). Deemed 125 compensation will be included in Compensation and 415 Compensation.

c.  **Reemployed after five (5) 1-Year Breaks in Service ("rule of parity" provisions)** (Plan Section 3.5(d)). The "rule of parity" provisions in Plan Section 3.5(d) will not apply for (select all that apply):

- 1.  Eligibility purposes.
- 2.  Vesting purposes.
- 3.  Accrual purposes.

d.  **Beneficiary if no beneficiary elected by Participant** (Plan Section 5.9(k)). In the event no valid designation of Beneficiary exists, then in lieu of the order set forth in Plan Section 5.9(k), the following order of priority will be used:

\_\_\_\_\_  
(specify an order of beneficiaries; e.g., children per stirpes, parents, and then step-children).

e.  **Common, collective or other "pooled" trust funds** (not to be confused with a Pooled Employer Plan) . The name(s) of the common, collective or pooled trust funds available under the Plan is (are): (optional)

f.  **"Section 411(d)(6) protected benefits"** (Plan Section 8.1(b)). The following are Code §411(d)(6) protected benefits that are preserved under this Plan: \_\_\_\_\_ (specify the protected benefits and the accrued benefits that are subject to the protected benefits; there is no reliance on the IRS Opinion Letter unless the provisions inserted are those which have been the subject of a prior determination letter, Opinion Letter).

g.  **Recognition of Service with other employers** (Plan Sections 1.64 and 1.98). Service with the following employers (in addition to those specified at Question 16) will be recognized as follows (select one or more; if more than 6 employers, attach an addendum to the Adoption Agreement):

	Eligibility	Vesting	Accruals
1. <input type="checkbox"/> Employer name: _____	a. <input type="checkbox"/>	b. <input type="checkbox"/>	c. <input type="checkbox"/>
2. <input type="checkbox"/> Employer name: _____	a. <input type="checkbox"/>	b. <input type="checkbox"/>	c. <input type="checkbox"/>

3.  Employer name: \_\_\_\_\_ a.  b.  c.
4.  Employer name: \_\_\_\_\_ a.  b.  c.
5.  Employer name: \_\_\_\_\_ a.  b.  c.
6.  Employer name: \_\_\_\_\_ a.  b.  c.

**Limitations**

7.  The following provisions or limitations apply with respect to the recognition of prior service: \_\_\_\_\_ a.  b.  c.   
 (e.g., credit service with X only on/following 1/1/15 or credit all service with entities the Employer acquires after 12/31/14).

h.  **Other vesting provisions.** The following vesting provisions apply to the Plan (select one or more):

1.  **Special vesting provisions.** The following special provisions apply to the vesting provisions of the Plan: \_\_\_\_\_ (must be definitely determinable, non-discriminatory under Code §401(a)(4) and otherwise satisfy the parameters set forth in Questions 35 and 36 and Plan Section 5.10; e.g., rather than the schedule specified at Question 35, the 5-year graded schedule applies to amounts merged into the Plan from the XYZ Plan.)
2.  **Pre-amendment vesting schedule** (Plan Section 5.10(g)). If the vesting schedule has been amended and a different vesting schedule other than the schedule at Question 35 applies to any Participants, then the following provisions apply (must complete a. AND select one of b. - f.):

**Vesting schedule**

- a. The schedule that applies to Participants not subject to the vesting schedule in Question 35 is:

Years (or Periods) of Service	Percentage
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

**Applicable Participants.** The vesting schedule in Question 35 only applies to:

- b.  Participants who are Employees as of \_\_\_\_\_ (enter date).  
 c.  Participants in the Plan who have an Hour of Service on or after \_\_\_\_\_ (enter date).  
 d.  Participants (even if not an Employee) in the Plan on or after \_\_\_\_\_ (enter date).  
 e.  All Participants as of the date of change in vesting schedule to that shown at Question 35 \_\_\_\_\_ (enter date).  
 f.  Other: \_\_\_\_\_ (must be definitely determinable, e.g., Participants in division A, or some combination of the above).

i.  **Minimum Distribution Transitional Rules** (Plan Section 5.13(f)(7))

**NOTE:** This Section does not apply to (1) a new Plan, (2) an amendment or restatement of an existing Plan that never contained the provisions of Code §401(a)(9) as in effect prior to the amendments made by the Small Business Job Protection Act of 1996 (SBJPA), or (3) a Plan where the transition rules below do not affect any current Participants.

The "Required Beginning Date" for a Participant who is not a "Five (5) Percent Owner" is (leave blank if not applicable):

1.  April 1st of the calendar year following the year in which the Participant attains age 70 1/2. (pre-SBJPA rules will continue to apply)
2.  April 1st of the calendar year following the later of the year in which the Participant attains age 70 1/2 or retires (the post-SBJPA rules), with the following exceptions (select one or both; leave blank if both applied effective as of January 1, 1996):
- a.  A Participant who was already receiving required minimum distributions under the pre-SBJPA rules as of \_\_\_\_\_ (may not be earlier than January 1, 1996) may elect to stop receiving distributions and have them recommence in accordance with the post-SBJPA rules. Upon the commencement of distributions, the following will apply:



o.  **No retroactive application of pre-SBJPA family aggregation rules.** If this option is elected and the Plan was subject to the family aggregation rules of Code §401(a)(17) as in effect under Code §414(q)(6) prior to the enactment of the Small Business Job Protection Act of 1996 (SBJPA), the rules were not be deemed to have been repealed on a retroactive basis (if this option is not selected then the rules were deemed to have been repealed on a retroactive basis).

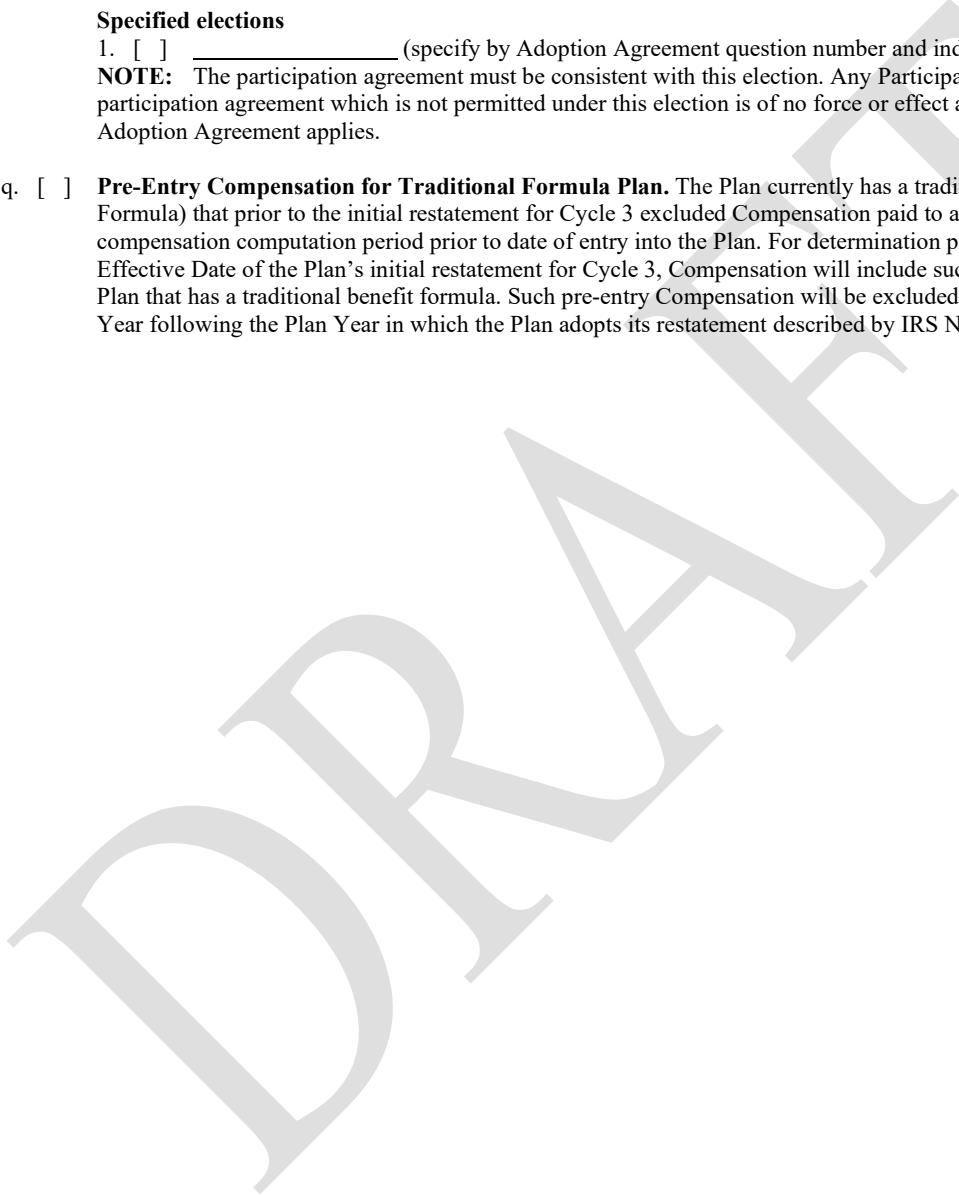
p.  **Participating Employer modifications.** A Participating Employer in the participation agreement may modify specified Adoption Agreement elections applicable to the Participating Employer (including electing to not apply Adoption Agreement elections) as follows:

**Specified elections**

1.  \_\_\_\_\_ (specify by Adoption Agreement question number and indicate any restrictions that apply)

**NOTE:** The participation agreement must be consistent with this election. Any Participating Employer election in the participation agreement which is not permitted under this election is of no force or effect and the applicable election in the Adoption Agreement applies.

q.  **Pre-Entry Compensation for Traditional Formula Plan.** The Plan currently has a traditional (i.e., not a Cash Balance Formula) that prior to the initial restatement for Cycle 3 excluded Compensation paid to a new entrant during the compensation computation period prior to date of entry into the Plan. For determination periods beginning on or after the Effective Date of the Plan's initial restatement for Cycle 3, Compensation will include such pre-entry Compensation for a Plan that has a traditional benefit formula. Such pre-entry Compensation will be excluded only through the end of the Plan Year following the Plan Year in which the Plan adopts its restatement described by IRS Notice 2020-14 (DB Cycle 3).



**APPENDIX B  
ADDITIONAL EMPLOYER INFORMATION**

Because these provisions of this Appendix of the AA do not affect the substantive content of the Plan document, an amendment to the Adoption Agreement is not needed solely to reflect any change to the structure or contents of this "Additional Employer Information" Appendix.)

1. **AFFILIATED EMPLOYERS/PARTICIPATING EMPLOYERS** (Plan Sections 1.7 and 1.63). Is the Employer an Affiliated Employer? (An Affiliated Employer is a member of a controlled group or an affiliated service group (within the meaning of Code §414(b), (c), (m) or (o))).

a.  No

b.  Yes, the Employer is a member of (select one or both of 1. – 2. AND select one of 3. – 4. below):

1.  A controlled group

2.  An affiliated service group

**AND**, will any of the Affiliated Employers adopt the Plan as Participating Employers?

3.  Yes. (Complete a participation agreement for each Participating Employer.)

4.  No. (The Plan could fail to satisfy Code §§ 401(a)(26) and 410(b).)

**MULTIPLE EMPLOYER PLAN** (Plan Article XII). Will any Employers who are not Affiliated Employers adopt this Plan as part of a Multiple Employer Plan (MEP) arrangement?

c.  No

d.  Yes. (Complete a participation agreement for each Participating Employer.) (may not be selected with option 3a on the Adoption Agreement)

3.  Open MEP

4.  Closed MEP

**DEFINED BENEFIT  
ADOPTION AGREEMENT ADDENDUM  
UNIFORM COMPLEX INTEREST CREDIT RATE ADDENDUM**  
(Question 23v is selected under Benefit Formulas)

**Secondary interest credit rate.** For all Participants, the Secondary Interest Credit Rate will be: (select one)

- a.  Fixed rate. A fixed annual rate of \_\_\_\_\_% (enter at least 1% and not more than 6%) (may not be selected with 23.l.)
- b.  Government Securities. Based on the following government securities: (select one of 1. – 5) (may not be selected with 23.m.)
  - 1.  The discount rate on \_\_\_\_\_ month (enter a whole number that is not more than 12) Treasury Bills
  - 2.  The yield on 1-year Treasury Constant Maturities
  - 3.  The yield on \_\_\_\_\_ (not more than 3) year Treasury Bonds
  - 4.  The yield on \_\_\_\_\_ (at least 4 and not more than 7) year Treasury Bonds
  - 5.  The yield on \_\_\_\_\_ (at least 8 and not more than 30) year Treasury Bonds

Optional Provisions (leave blank if not applicable):

- 6.  Basis Points. The following basis points will be added to the above rate (select one):

**Note:** The following restrictions apply to option a.6: (1) If option a.1 is selected with an entry other than 3 months, then option a.6.g. cannot be selected; (2) If option a.2. is selected then options a.6.c. g. may not be selected; (3) if option a.3. is selected then options a.6.c. – g. may not be selected; (4) if option a.4. is selected then only option a.6.a. can be selected.

- a.  25
- b.  50
- c.  75
- d.  100
- e.  125
- f.  150
- g.  175

- 7.  Guaranteed annual rate. Provide for a guaranteed annual rate of \_\_\_\_\_% (enter at least 1% and not more than 5%)

**AND** the time of determination will be as follows: (response required)

- 8.  The look-back month will be the \_\_\_\_\_ (enter first, second, third, fourth or fifth) month preceding the first day of the:
  - a.  Plan Year
  - b.  Interest Credit Period

- c.  Segment Rate. Based on the following Code §430(h)(2) segment rate: (may not be selected with 23.n.)

- 1.  1st segment rate under Code §430(h)(2)
- 2.  2nd segment rate under Code §430(h)(2)
- 3.  3rd segment rate under Code §430(h)(2)
- 4.  The rate used by the Plan for purposes of Code §417(e)(3)(D)
  - a.  Using the time of determination expressed at Q26c (i.e., for §417 purposes)
  - b.  Using the time of determination expressed below

**AND** the time of determination will be as follows: (response required) (skip if c.4. selected)

- 5.  The look-back month will be the \_\_\_\_\_ (enter first, second, third, fourth or fifth) month preceding the first day of the:
  - a.  Plan Year
  - b.  Interest Credit Period

Optional guaranteed annual rate. (leave blank if not applicable):

- 6.  Provide for a guaranteed annual rate of \_\_\_\_\_% (enter at least 1% and not more than 4%)

Optional adjustment. (leave blank if not applicable)

- 7.  The selected segment rate will reflect the adjustment for 25-year average interest rates under Code §430(h)(2)(C)(iv))

- d. Actual Rate of Return on the aggregate assets of the Plan, using the following rules of application (must complete 1. – 5.)
1. The Actual Rate of Return will be determined to the following number of decimals: (select one) (may not be selected with 23.o.)
    - a.  none (e.g., 1% or 3%)
    - b.  one decimal (e.g., 1.2% or 2.7%)
    - c.  two decimals (e.g., 1.24% or 2.75%)
  2. Employer contributions (excluding a contribution receivable) will be included based on the actual date of such contribution(s), with weighting for the period of time between the contribution date and the end of the Interest Credit Period based on number of: (select one)
    - a.  days
    - b.  whole Plan Months
    - c.  whole calendar months
    - d.  nearest Plan Months
    - e.  nearest Plan Quarters
    - f.  nearest calendar months
    - g.  nearest calendar quarters
  3. Additionally, in calculating the Actual Rate of Return, only distributions of benefits made during the Interest Credit Period will be reflected, and contributions receivable as of the last day of the Plan Year shall be treated: (select one)
    - a.  as if they were made as of the last day of the Plan Year
    - b.  as if they were made on the day each amount was actually contributed
  4. Distributions of benefits will be included in the calculation of the Actual Rate of Return with weighting for the period of time between the actual date of distribution and the end of the Interest Credit Period based on the number of: (select one)
    - a.  days
    - b.  whole Plan Months
    - c.  whole calendar months
    - d.  nearest Plan Months
    - e.  nearest Plan Quarters
    - f.  nearest calendar months
    - g.  nearest calendar quarters
  5. The following Plan expenses incurred for the Interest Credit Period will be included: (select one)
    - a.  investment expenses paid from the Plan's Trust
    - b.  administrative and investment expenses paid by the Plan's Trust
    - c.  administrative and investment expenses paid by the Plan's Trust except: \_\_\_\_\_ (insert description of excluded expenses)
    - d.  no administrative or investment expenses
  6. For purposes of the first Plan Year only of the Plan, the Interest Credit Rate shall be: (select one)
    - a.  4%
    - b.  5%
    - c.  6%
    - d.  N/A
    - e.  Other: \_\_\_\_\_% (must be between 4% and 6%)