



MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

June 13, 2024

**MainePERS Board of Trustees Meeting
June 13, 2024
139 Capitol Street, Augusta**

AGENDA

9:00 a.m. ¹	CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1. <u>CONSIDERATION OF CONSENT CALENDAR</u>	ACTION	Brian Noyes
	<ul style="list-style-type: none"> • Minutes of May 9, 2024 Meeting • Decision, K.T. Appeal • Consideration of Items Removed 		
9:05 – 9:15 a.m.	2. <u>PRIVATE MARKETS ACTION</u>	ACTION	Brian Noyes
	<ul style="list-style-type: none"> • Executive Session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) 		
	<i>Board moves out of executive session.</i>		
	<ul style="list-style-type: none"> • Voleon Composition Fund • Stonepeak Infrastructure Fund V 	ACTION ACTION	James Bennett James Bennett
9:15 – 9:25 a.m.	3. <u>INVESTMENT REVIEW</u>		James Bennett Scott Lupkas
	<ul style="list-style-type: none"> • Investment Monthly Review 		
9:25 – 9:30 a.m.	4. <u>PRIVATE MARKETS REVIEW</u>		James Bennett Scott Lupkas
	<ul style="list-style-type: none"> • Private Markets Activity 		
9:30 – 10:30 a.m.	5. <u>INVESTMENT EDUCATION</u>		James Bennett Scott Lupkas Stuart Cameron, Cambridge Assocs
	<ul style="list-style-type: none"> • Public Equity Investment Implementation 		
10:30 – 10:45 a.m.	<u><i>BREAK</i></u>		
10:45 – 11:05 a.m.	6. <u>FINANCE AND AUDIT COMMITTEE</u>	ACTION	Shirrin Blaisdell Dr. Rebecca M. Wyke Sherry Vandrell
	<ul style="list-style-type: none"> • Report from the Committee • Board of Trustees Budget Briefing • FY25 Administration and Investment Operations Budgets 		
11:05 – 11:35 a.m.	7. <u>ACTUARIAL PRACTICES EDUCATION</u>		Gene Kalwarski, Bonnie Rightnour, Greg Reardon, Cheiron
	<ul style="list-style-type: none"> • Ratesetting 		
11:35 – 11:45 a.m.	8. <u>ACTUARIAL ECONOMIC ASSUMPTION REVIEW</u>	ACTION	Gene Kalwarski, Bonnie Rightnour, Greg Reardon

¹ All times are estimated based upon the anticipated length of each presentation, hearing, discussion, and action. The presiding officer may take agenda items out of order for more efficient or effective conduct of the meeting.

				Cheiron
11:45 a.m. – 12:00 p.m.	9.	<u>GLI PREMIUM STUDY</u>		Ryan Benitez, Cheiron
12:00 – 12:30 p.m.		<i>LUNCH</i>		
12:30 – 12:55 p.m.	10.	<u>RULEMAKING</u>		Michael Colleran
		<ul style="list-style-type: none"> • Public Hearing, Proposed New Rule Chapter 513 and Amended Rule Chapter 506 • Public Hearing, Proposed Amended Rule Chapter 103 • Rule Chapter 201 (Employer Reporting and Payments) 	ACTION	
12:55 – 1:05 p.m.	11.	<u>DC PLANS</u>		Michael Colleran
		<ul style="list-style-type: none"> • Amendments to MaineSTART 401(a) and 457 Plans and 401(a) Supplemental Retirement Plan 	ACTION	
1:05 – 1:15 p.m.	12.	<u>MAINESTART QUARTERLY REVIEW</u>		Michael Colleran James Bennett Chip Gavin
1:15 – 1:25 p.m.	13.	<u>CEO REPORT</u>		Dr. Rebecca M. Wyke
		<ul style="list-style-type: none"> • Board Self-Evaluation Survey 		
1:25 – 1:30 p.m.	14.	<u>BOARD RESOLUTIONS</u>	ACTION	Sherry Vandrell
1:30 – 1:40 p.m.	15.	<u>MEMBER SERVICES/FINANCE/ OPERATIONS REPORT</u>		Chip Gavin Sherry Vandrell Michael Colleran
1:40 – 1:45 p.m.	16.	<u>LEGISLATIVE UPDATE</u>		Kathy Morin
1:45 – 1:50 p.m.	17.	<u>LITIGATION UPDATE</u>		Betsy Stivers
1:50 p.m.		<u>ADJOURNMENT</u>		Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
May 9, 2024

MainePERS
Augusta
9:00 a.m.

The Board of Trustees met at MainePERS, 139 Capitol Street, Augusta, ME 04330 at 9:00 a.m. on May 9, 2024. Dick Metivier, Vice Chair, presided. Other Trustees participating were: Henry Beck, State Treasurer; John Beliveau; Nate Burnett; Kirk Duplessis; and John Kimball. Joining the Trustees were Dr. Rebecca Wyke, Chief Executive Officer; Michael Colleran, Chief Operating Officer and General Counsel; James Bennett, Chief Investment Officer; Chip Gavin, Chief Services Officer; Sherry Vandrell, Chief Financial Officer; Monica Gorman, Secretary to the Board of Trustees; and Betsy Stivers, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by William Proom, Managing Director, Investments; Brian McDonnell, Cambridge Associates; William Greenwood and Sean Crawford, Albourne; and Tom Lynch and George Bumeder, Cliffwater.

Dick Metivier called the meeting to order at 9:00 a.m. Henry Beck, John Beliveau, and Kirk Duplessis participated through video remote access pursuant to 1 M.R.S. § 403-B, having been excused from in-person attendance.

CONSIDERATION OF THE CONSENT CALENDAR

The presiding officer called for consideration of the Consent Calendar. The action items on the Consent Calendar were:

- Minutes of April 11, 2024
- Dismissal, Nancy Bartlett Appeal
- Decision, Brian Abbott Appeal

At the request of John Kimball, the Brian Abbott appeal was removed from the Consent Calendar.

- Action. John Kimball made the motion, seconded by Nate Burnett, to approve the Consent Calendar. Unanimously voted in favor by six Trustees (Beck, Beliveau, Burnett, Duplessis, Kimball, and Metivier).

John Kimball inquired about the information provided to members regarding Qualified Domestic Relations Orders. Michael Colleran described the information available on the MainePERS web site and added that a proposed rule amendment would be discussed later in the meeting that would make more explicit what occurs when the ex-spouse predeceases the member.

- Action. John Kimball made the motion, seconded by Nate Burnett, to adopt the recommended decision on the Brian Abbott appeal. Unanimously voted in favor by six Trustees (Beck, Beliveau, Burnett, Duplessis, Kimball, and Metivier).

PRIVATE MARKETS ACTION

After introducing Bill Proom and Sean Crawford, Jim Bennett described the two proposed commitments and reported that the Investment Team believes that the commitments are unlikely to involve investments in stocks, securities, or other obligations of fossil fuel or for-profit prison companies. He then suggested that any specific questions regarding the commitments be addressed in executive session.

- Action. Henry Beck made the motion, seconded by John Kimball, to enter into executive session pursuant to 1 M.R.S. §405(6)(F); 5 M.R.S. §17057(4) to discuss private market investment information contained in non-public documents. Unanimously voted by six Trustees (Beck, Beliveau, Burnett, Duplessis, Kimball, and Metivier).

The Board moved out of executive session.

Thoma Bravo Discover Fund V

- Action. John Kimball made the motion, seconded by Nate Burnett, that MainePERS make a commitment of up to \$50 million to Thoma Bravo Discover Fund V, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted by six Trustees (Beck, Beliveau, Burnett, Duplessis, Kimball, and Metivier).

King Street Capital

- Action: Nate Burnett made the motion, seconded by John Kimball, that MainePERS make a commitment of up to \$100 million to King Street Capital, subject to final due diligence, legal review and negotiations, and authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents in connection with this commitment. Unanimously voted by six Trustees (Beck, Beliveau, Burnett, Duplessis, Kimball, and Metivier).

INVESTMENT REVIEW

Investment Monthly Review

Jim Bennett reported that as of April 30, 2024, the MainePERS fund had a preliminary market value of \$19.4 billion, the preliminary return for the month was -1.1%, and the preliminary calendar year-to-date return was 2.1%.

Quarterly Rebalancing Report

Jim Bennett reviewed the rebalancing activities within the public markets portfolio through the first quarter of 2024.

RHIT/GLI/OPEB

Jim Bennett presented the RHIT/GLI/OPEB Quarterly Review as of March 31, 2024. Jim answered questions from the Trustees.

Investment Quarterly Review

Brian McDonnell presented the first quarter of 2024 performance review and answered questions from the Trustees.

PRIVATE MARKETS REVIEW

Private Markets Activity

Bill Proom reviewed the table of private market funds and co-investments that had closed during the past 12 months. Bill shared the next manager meeting is scheduled for Tuesday, May 28, 2024, in Portland, with presentations by Voleon Group at 10:00 a.m. and Stonepeak at 11:00 a.m.

Albourne Quarterly Review

Will Greenwood and Sean Crawford presented a review of the Infrastructure, Natural Resources, and Real Estate portfolios as of December 31, 2023.

Cliffwater Quarterly Review

George Bumeder and Tom Lynch provided a review of the Private Equity and Alternative Credit Portfolios as of December 31, 2023.

RISK DIVERSIFIERS QUARTERLY REVIEW

Brian McDonnell presented the Risk Diversifiers quarterly report as of March 31, 2024 with the Trustees. Trustees discussed and asked questions about the report.

RULEMAKING

Rulemaking Update

Michael Colleran stated public hearings will be held in June for three proposals: (1) adopt a new rule governing the disability retirement annual statement of compensation process; (2) amend Rule Chapter 506 (Eligibility for Disability Retirement Benefits) to conform to the proposed new rule; and (3) amend Rule Chapter 103 (Qualified Domestic Relations Orders).

Public Hearing on Proposed Amendment of Rule Chapter 201

Michael Colleran summarized the proposed repeal and replacement of Rule Chapter 201, which governs payroll reporting by employers.

Dick Metivier reviewed the process for in-person and virtual attendees from the public to participate and comment during the public hearing on the proposed amendment. The following spoke at the public hearing: Ryan Scanlon, Superintendent of Schools, Portland Public Schools; and Sarah Pinault, Payroll Specialist, South Portland School System. No one attending remotely offered comments.

Dick Metivier stated written public comments may be submitted until 4:00 p.m on May 20, 2024.

CEO REPORT

Member and Retiree Satisfaction Survey Results

Dr. Rebecca Wyke shared the most recent Member Satisfaction Survey results with the Trustees.

PROPOSED FY2025 BUDGET

Dr. Rebecca Wyke and Sherry Vandrell presented the FY2025 Administration and Investment Operations budgets to the Board. Dr. Wyke shared the Finance and Audit Committee will be meeting later in May for consideration of those budgets. The recommendation by the Committee will be brought before the Trustees at the June meeting.

LEGISLATIVE UPDATE

Kathy Morin provided an update on the status of legislative bills.

MAINESTART UPDATE

Michael Colleran shared that at the June meeting staff expects to recommend amendments to the 401(a) and 457 plan documents following a review by our pension counsel. The 403(b) plan document is maintained by our record keeper, Newport.

MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

Chip Gavin shared the number of participants scheduling member education sessions continues to grow.

Chip stated the RFP has been posted for the Pension Administration System.

Sherry Vandrell reported account reconciliations reached 80% and continue to increase each month. She shared work continues in assisting the employer who has struggled getting payrolls submitted. Sherry stated CLA has nearly completed the member estimates and statements of account audit.

Michael Colleran stated IT is working on redesigning the call routing system. He shared that RFPs are out for pension counsel services and collective bargaining counsel.

LITIGATION UPDATE

Betsy Stivers shared a conference on the FOA matter will be held in Superior Court on May 13 with an anticipated resolution shortly thereafter. She reported the overpayment matter was not resolved through mediation continues with a discovery deadline of October 9th.

ADJOURNMENT

- Action. John Kimball made the motion, seconded by Nate Burnett, that the May meeting adjourn. Unanimously voted by six Trustees (Beck, Beliveau, Burnett, Duplessis, Kimball, and Metivier).

MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS
FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER
SUBJECT: MONTHLY INVESTMENT REVIEW
DATE: JUNE 5, 2024

Following this memo is the Monthly Investment Review for May.

POLICY REFERENCE

[Board Policy 2.1 – Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

MONTHLY INVESTMENT REVIEW: HIGHLIGHTS AND OBSERVATIONS

Preliminary Fund results for the month include:

- Month-end fund value of \$19.6 billion.
- Monthly return of 1.2%.
- Calendar year-to-date return of 3.2%.
- Fiscal year-to-date return of 6.7%.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

June 13, 2024

Investment Policy Objective

Investment Objective

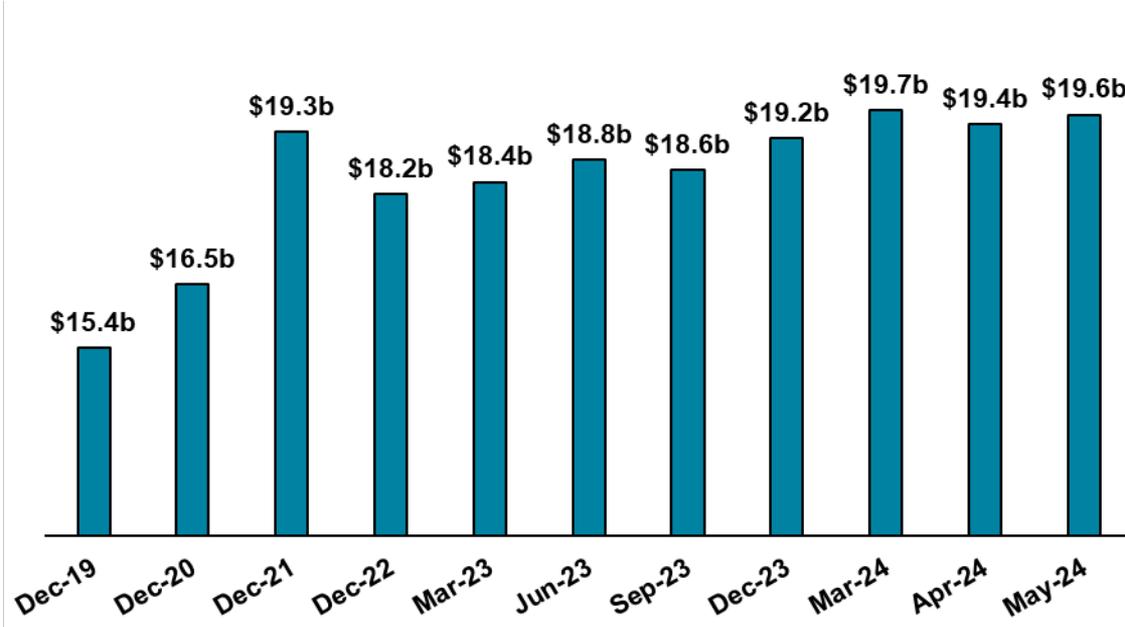
MainePERS' investment objectives balance the System's twin goals of generating investment returns (to ensure growth of the trust funds) and minimizing investment risks (loss of capital and cash flow shortfalls).

The Board recognizes and accepts that these goals are in opposition, and that a trade-off exists between expected risk and return. The Board balances these goals by seeking to optimize portfolio returns consistent with an established targeted portfolio risk level.

Additionally, by optimizing investment returns on trust assets, rather than attempting to maximize them, the Board seeks to maintain contribution rate and funding level volatility at acceptable levels that have been determined from time to time during strategic asset allocation planning and asset/liability reviews.

May 2024 Performance (Preliminary)

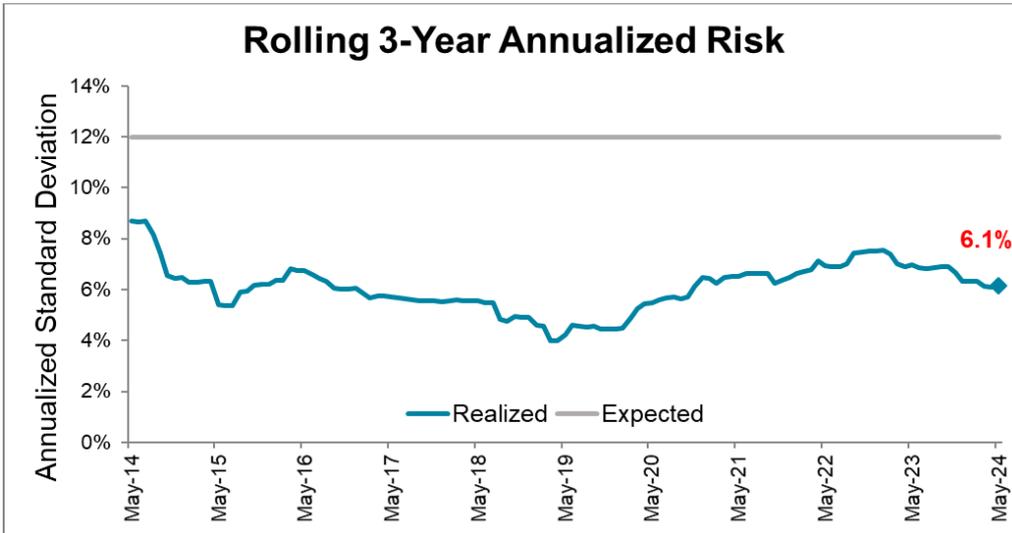
The **preliminary** fund value at the end of May is \$19.6 billion.



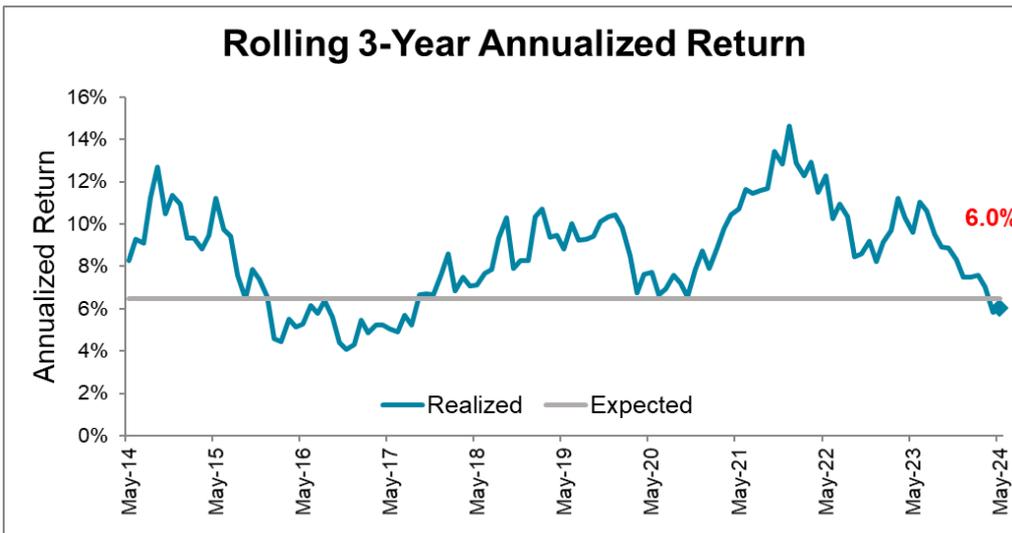
Fund and Benchmark Returns

	May-24	CYTD 2024	FYTD 2024
Total Fund	1.2%	3.2%	6.7%
Russell 3000	4.7%	10.1%	19.4%
MSCI ACWI ex-USA	2.9%	5.8%	11.7%
Bloomberg US Aggregate	1.7%	-1.6%	1.7%

Investment Objective Measurement: Risk and Return



Despite heightened volatility in 2022, observed risk at the Fund level remains below targeted risk on a rolling 3-year annualized basis.



On a rolling 3-year annualized basis, investment returns are slightly below expected values and the System's discount rate.

Note: Rolling 3-year return and standard deviation are calculated at each point in time based on returns over prior 36 months. All figures are annualized.

May 2024 Asset Allocation (Preliminary)

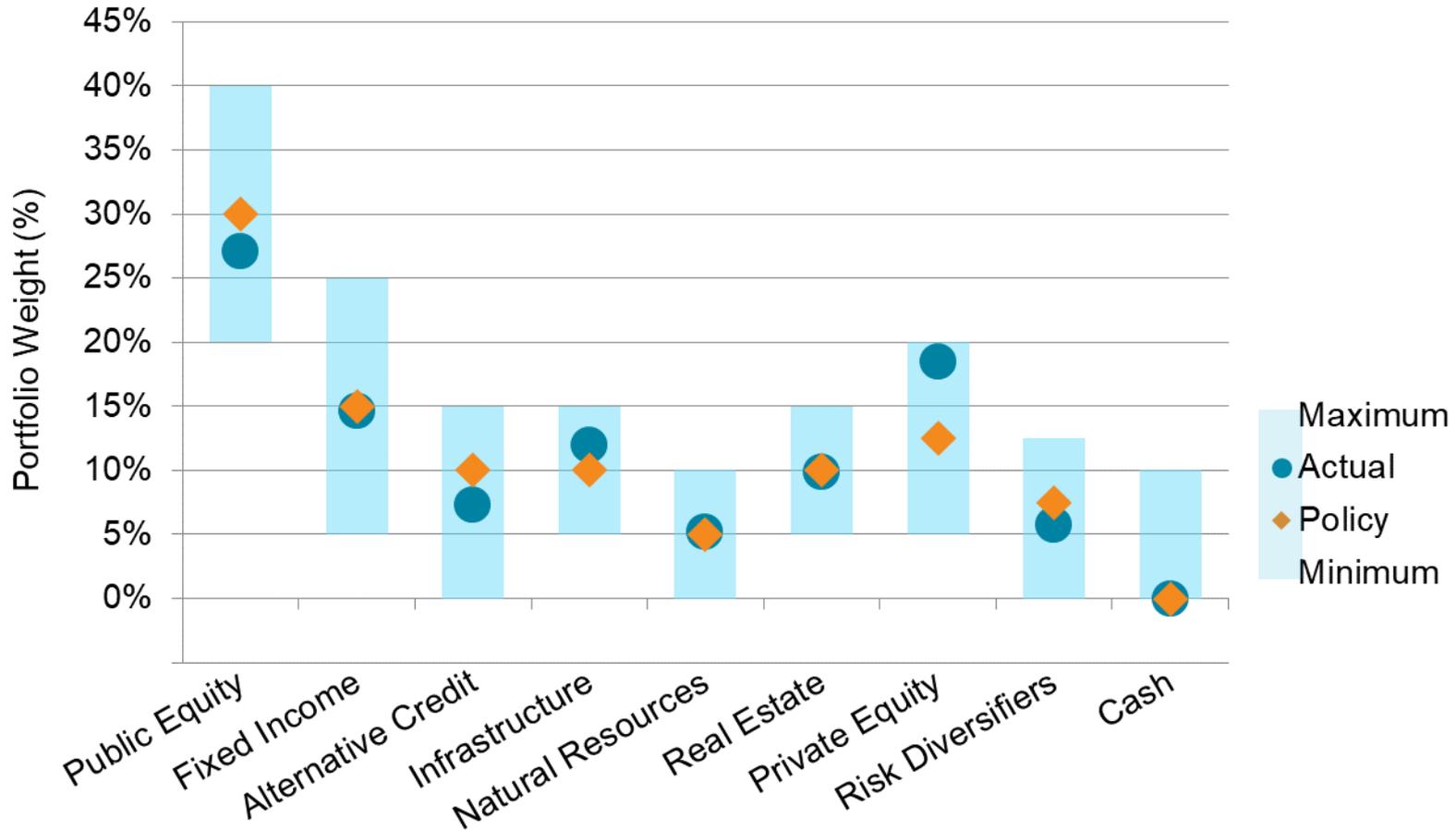
Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	\$ 19,595	100.0%	100.0%
Domestic Equity	\$ 3,396	17.3%	19.0%
International Equity	\$ 1,909	9.7%	11.0%
Fixed Income	\$ 2,855	14.6%	15.0%
Alternative Credit	\$ 1,424	7.3%	10.0%
Infrastructure	\$ 2,347	12.0%	10.0%
Natural Resources	\$ 1,011	5.2%	5.0%
Private Equity	\$ 3,609	18.4%	12.5%
Real Estate	\$ 1,924	9.8%	10.0%
Risk Diversifiers	\$ 1,130	5.8%	7.5%
Cash	\$ (12)	-0.1%	0.0%

Portfolio weights for most asset classes remain near MainePERS Investment Policy asset allocation weights.

Private equity remains overweight at ~18.4% of Fund value, and private markets assets in aggregate comprise 53% of the overall portfolio, above the 47.5% policy weight.

The preliminary performance report showed a cash balance of -\$12m. This was not accurate - the actual cash balance was \$24m.

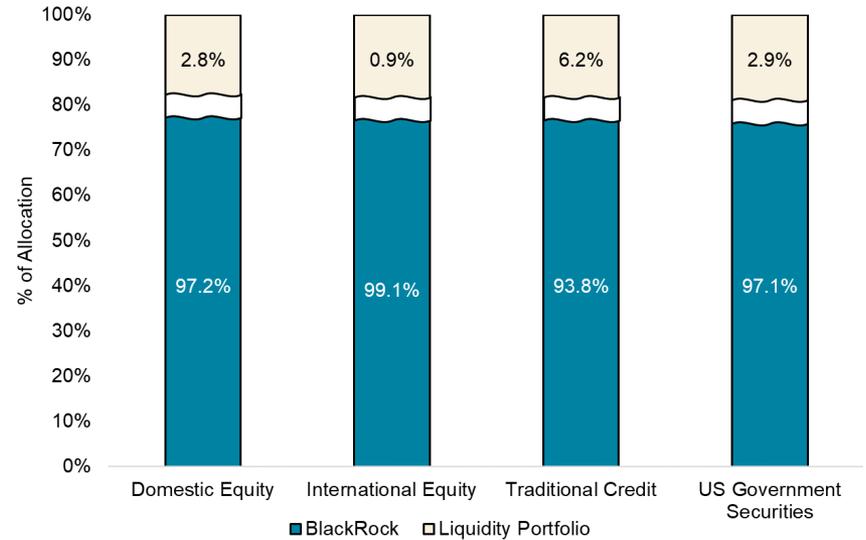
May 2024 Asset Allocation (Preliminary)



Public Securities: Liquidity Portfolio

At the end of May, 1.2% of Fund assets were invested via ETFs and futures contracts in an account managed by Parametric Associates.

The Liquidity Portfolio accounts for 2.8% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	\$94.5	Futures
Parametric International Equity	\$16.3	Futures
Parametric Traditional Credit	\$59.9	ETFs
Parametric US Government Securities	\$55.3	Futures
Total Liquidity Portfolio	\$226.1	

Derivatives and Leverage

MainePERS has **exposure to derivatives** in the following areas:

- Public Equities, Public Fixed Income, and Risk Diversifiers

MainePERS has **financial leverage** (borrowing and investing) in the following areas:

- BlackRock – Financial leverage in securities lending
- JP Morgan – Financial leverage in securities lending
- Alternative Credit
- Infrastructure
- Natural Resources
- Private Equity
- Real Estate

Investment Related Fees: May 2024

Description	FYTD 24	FY 23	FY 22	FY 21	FY 20
Investment Mgmt. Fees	\$122,930,379	\$133,285,971	\$130,884,088	\$120,429,567	\$122,567,451
Securities Lending Fees ¹	1,144,041	1,303,543	1,744,317	1,653,172	2,239,396
Consulting Fees	1,113,750	1,193,543	1,120,000	1,120,000	1,120,000
Broker Commissions ²	67,470	136,039	77,558	52,364	37,461
Placement Agent Fees	0	0	0	0	0
Total	\$125,255,640	\$135,919,096	\$133,825,963	\$123,255,103	\$125,964,308
Percentage of Fund ³	0.70%	0.72%	0.73%	0.68%	0.86%

1. Securities Lending Fees are through 4/30/2024
2. Actual paid commissions reported by JP Morgan
3. For FY24: Total fees projected for the full fiscal year (\$136,642,516) divided by current Fund value.
For prior FY: Total fees divided by FYE Fund value.

Securities Lending: April 2024

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	\$2,250,182,671	\$1,510,462,662	\$179,411	60%/40%	\$107,646	\$1,212,837
Total Equity	\$1,647,323,409	\$190,168,564	\$88,645	60%/40%	\$59,003	\$571,763
Total Blackrock	\$3,897,506,080	\$1,700,631,226	\$268,056		\$166,649	\$1,784,600
JP Morgan						
Domestic Equities	\$3,032,526,662	\$112,946,320	\$21,185	85%/15%	\$18,010	\$278,621
Total JP Morgan	\$3,032,526,662	\$112,946,320	\$21,185		\$18,010	\$278,621
Total	\$6,930,032,742	\$1,813,577,546	\$289,241		\$184,659	\$2,063,221
Total Annualized Securities Lending Income, FY 2024:				\$2,475,864 (0.01%, or 1.3 bps)		
Total Actual Securities Lending Income, FY 2023:				\$2,557,153 (0.01%, or 1.4 bps)		

Liquidity Schedule: May 2024

Term	Market Value	Percent of Portfolio
Liquid ¹	\$8,149m	41.6%
Semi-Liquid ²	\$2,230m	11.4%
Illiquid ³	\$9,216m	47.0%
Total	\$19,595m	100.0%

<u>Sources and Uses of Liquidity</u>		
	Last 12 Months Actual	Next 12 Months Projection
Private Markets Activity		
Capital Contributions	-\$804m	-\$780m
Distributions	\$1,185m	\$1,820m
Net Private Markets Activity	\$382m	\$1,040m
Benefit Payments	-\$445m	-\$460m
Net Cash Flows	-\$63m	\$580m

¹Liquid assets includes public equities and public fixed income

²Semi-liquid assets includes risk diversifiers, open-end real estate investments, and listed alternative credit funds

³Illiquid assets includes closed-end alternative credit, infrastructure, natural resources, private equity, and real estate funds

MainePERS Alternative Investments Summary

<i>as of 05/31/2024</i>	# of Funds	# of GP Relationships
Alternative Credit	25	13
Infrastructure	35	11
Natural Resources	16	10
Private Equity	130	34
Real Estate	35	18
Risk Diversifiers	11	10
Total*	252	87

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 252 funds,
and has 87 distinct manager relationships.

MainePERS Alternative Investments Summary

<i>(in \$millions)</i> as of 05/31/2024	<u>Current Market Value</u>			<u>Unfunded Commitment</u>	
	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	\$ 1,424	7.3%	10.0%	\$ 784	4.0%
Infrastructure	\$ 2,347	12.1%	10.0%	\$ 482	2.5%
Natural Resources	\$ 1,011	5.2%	5.0%	\$ 217	1.1%
Private Equity	\$ 3,609	18.6%	12.5%	\$ 1,137	5.9%
Real Estate	\$ 1,924	9.9%	10.0%	\$ 341	1.8%
Risk Diversifiers	\$ 1,130	5.8%	7.5%	\$ 85	0.4%
Total Alternatives	\$ 11,445	58.9%	55.0%	\$ 3,045	15.7%

For more details please see Private Markets Investment Summary at <http://www.maineper.org/Investments/>

*Investment Policy weights approved by the Board of Trustees effective May 2022

Note: Market values shown above are preliminary estimates. Private market asset values are based on 12/31/2023 values, adjusted for subsequent cash flows.

<i>(in \$millions)</i> as of 05/31/2024	<u>Private Market Commitments by Vintage Year</u>				<u>3-Year</u>
	2021	2022	2023	2024	Average ¹
Alternative Credit	\$ 410	\$ 550	\$ 80	\$ 175	\$ 347
Infrastructure	\$ 180	\$ 200	\$ 50	\$ -	\$ 143
Natural Resources	\$ -	\$ 30	\$ 40	\$ -	\$ 23
Private Equity	\$ 438	\$ 218	\$ 71	\$ 174	\$ 242
Real Estate	\$ 285	\$ 180	\$ 50	\$ 35	\$ 172
Total Commitments	\$ 1,313	\$ 1,178	\$ 291	\$ 384	\$ 927

¹13-Year Average: 2021-2023

MainePERS Private Market Investments Summary: 12/31/2023

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	\$ 2,494,132	\$ 2,026,997	\$ 901,373	\$ 1,529,563	\$ 2,430,936	7.7%
Infrastructure	\$ 3,450,052	\$ 3,622,222	\$ 2,898,371	\$ 2,388,145	\$ 5,286,515	11.2%
Natural Resources	\$ 1,060,500	\$ 1,116,397	\$ 458,425	\$ 1,017,996	\$ 1,476,421	6.4%
Private Equity	\$ 4,962,015	\$ 4,916,835	\$ 4,316,122	\$ 3,697,435	\$ 8,013,557	15.5%
Real Estate	\$ 2,778,633	\$ 2,806,815	\$ 1,955,115	\$ 1,874,133	\$ 3,829,248	6.2%
Total	\$ 14,745,332	\$ 14,489,266	\$ 10,529,406	\$ 10,507,272	\$ 21,036,678	10.2%

Note: This Asset Class Summary table includes all private market investments: both fund investments and co-investments.

Co-Investment Summary	Commitment (A)	# of Co- Investments	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit Co-Investments	\$ 265,353	36	\$ 262,443	\$ 105,764	\$ 207,585	\$ 313,349	10.0%
Infrastructure Co-Investments	\$ 219,529	11	\$ 215,476	\$ 255,275	\$ 131,376	\$ 386,651	14.4%
Natural Resources Co-Investments	\$ 32,500	2	\$ 32,662	\$ 37	\$ 52,729	\$ 52,767	11.8%
Private Equity Co-Investments	\$ 380,112	33	\$ 378,133	\$ 316,759	\$ 262,469	\$ 579,229	12.8%
Real Estate Co-Investments	\$ 67,151	5	\$ 58,791	\$ 7,813	\$ 37,856	\$ 45,670	-7.9%
Total	\$ 964,645	87	\$ 947,505	\$ 685,650	\$ 692,016	\$ 1,377,665	12.2%

Note: This table contains values for the co-investment portion of the private market portfolio.

MainePERS Private Market Investments Summary: 12/31/2023

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Direct Lending Fund II	\$ 25,000	3/31/2020	\$ 23,749	\$ 22,351	\$ 11,443	\$ 33,794	18.1%
Angelo Gordon Direct Lending Fund III	\$ 100,000	7/20/2018	\$ 102,822	\$ 82,023	\$ 60,549	\$ 142,571	10.5%
Participation Agreement #1	\$ 7,500	10/11/2019	\$ 7,479	\$ 2,760	\$ 7,092	\$ 9,852	9.3%
Participation Agreement #2	\$ 5,000	10/11/2019	\$ 4,994	\$ 5,422	\$ -	\$ 5,422	8.8%
Participation Agreement #3	\$ 5,000	10/11/2019	\$ 5,000	\$ 5,700	\$ -	\$ 5,700	7.3%
Participation Agreement #4	\$ 10,000	10/18/2019	\$ 9,915	\$ 3,026	\$ 9,571	\$ 12,597	9.4%
Participation Agreement #5	\$ 5,000	12/6/2019	\$ 5,000	\$ 2,755	\$ 4,048	\$ 6,803	10.1%
Participation Agreement #6	\$ 10,000	12/6/2019	\$ 9,991	\$ 3,076	\$ 9,554	\$ 12,629	9.8%
Participation Agreement #7	\$ 5,000	12/11/2019	\$ 5,000	\$ 2,180	\$ 4,571	\$ 6,750	9.1%
Participation Agreement #8	\$ 5,000	8/13/2020	\$ 4,866	\$ 1,879	\$ 4,548	\$ 6,428	9.6%
Participation Agreement #9	\$ 7,500	4/9/2021	\$ 7,425	\$ 2,183	\$ 7,080	\$ 9,263	10.6%
Participation Agreement #10	\$ 5,000	4/20/2021	\$ 4,996	\$ 1,680	\$ 4,534	\$ 6,214	9.9%
Participation Agreement #11	\$ 5,000	5/5/2021	\$ 5,000	\$ 1,283	\$ 4,589	\$ 5,872	7.0%
Angelo Gordon Direct Lending Fund IV	\$ 100,000	1/24/2020	\$ 92,500	\$ 19,007	\$ 101,329	\$ 120,336	12.0%
Participation Agreement #1	\$ 5,000	10/23/2020	\$ 4,913	\$ 2,554	\$ 3,850	\$ 6,404	10.5%
Participation Agreement #2	\$ 12,500	8/17/2021	\$ 12,295	\$ 2,611	\$ 12,044	\$ 14,655	9.8%
Participation Agreement #3	\$ 7,500	10/5/2021	\$ 7,500	\$ 7,913	\$ -	\$ 7,913	7.9%
Participation Agreement #4	\$ 5,000	12/21/2021	\$ 4,925	\$ 1,055	\$ 4,867	\$ 5,922	10.4%
Participation Agreement #5	\$ 5,000	12/21/2021	\$ 4,925	\$ 1,454	\$ 4,471	\$ 5,925	10.6%
Participation Agreement #6	\$ 5,000	1/12/2022	\$ 4,913	\$ 1,048	\$ 4,852	\$ 5,900	NM
Participation Agreement #7	\$ 7,500	1/12/2022	\$ 7,378	\$ 1,578	\$ 7,260	\$ 8,838	NM
Participation Agreement #8	\$ 12,500	6/16/2022	\$ 12,391	\$ 2,213	\$ 12,227	\$ 14,440	NM
Angelo Gordon Direct Lending Fund IV Annex	\$ 50,000	11/18/2021	\$ 47,500	\$ 6,309	\$ 49,670	\$ 55,979	11.1%
Angelo Gordon Direct Lending Fund V	\$ 125,000	8/3/2022	\$ 53,125	\$ -	\$ 59,718	\$ 59,718	NM
Participation Agreement #1	\$ 7,500	9/1/2022	\$ 7,388	\$ 1,119	\$ 7,318	\$ 8,437	NM
Participation Agreement #2	\$ 12,500	10/7/2022	\$ 12,263	\$ 1,777	\$ 12,254	\$ 14,031	NM
Participation Agreement #3	\$ 10,000	10/19/2022	\$ 9,850	\$ 1,428	\$ 9,755	\$ 11,183	NM
Participation Agreement #4	\$ 10,000	10/27/2022	\$ 9,800	\$ 1,829	\$ 9,300	\$ 11,129	NM
Participation Agreement #5	\$ 10,000	2/27/2023	\$ 9,811	\$ 1,091	\$ 9,766	\$ 10,857	NM
Participation Agreement #6	\$ 5,000	10/20/2023	\$ 4,875	\$ 110	\$ 4,877	\$ 4,986	NM
Ares Capital Europe IV	\$ 122,000	4/30/2018	\$ 96,890	\$ 30,005	\$ 85,984	\$ 115,989	5.0%
Ares Capital Europe V	\$ 122,000	9/4/2020	\$ 88,877	\$ 8,908	\$ 93,133	\$ 102,041	8.4%
Ares Capital Europe VI	\$ 82,500	3/17/2023	\$ 8,152	\$ -	\$ 9,054	\$ 9,054	NM
Ares Senior Direct Lending Fund II	\$ 100,000	12/10/2021	\$ 59,430	\$ 9,891	\$ 60,757	\$ 70,648	15.0%

MainePERS Private Market Investments Summary: 12/31/2023

Alternative Credit

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Ares Senior Direct Lending Fund III	\$ 100,000	7/28/2023	\$ 0	\$ -	\$ (3)	\$ (3)	NM
Audax Senior Debt (MP), LLC	\$ 100,000	6/30/2017	\$ 100,000	\$ 88,900	\$ 43,936	\$ 132,836	5.1%
Brookfield Infrastructure Debt Fund III	\$ 100,000	7/15/2022	\$ 60,779	\$ 19,376	\$ 43,961	\$ 63,337	NM
Comvest Credit Partners VI	\$ 125,000	5/20/2022	\$ 78,370	\$ 20,866	\$ 64,675	\$ 85,541	NM
Deerpath Capital VI	\$ 75,000	9/30/2021	\$ 54,590	\$ 8,356	\$ 55,490	\$ 63,846	8.5%
Global Infrastructure Partners Spectrum	\$ 100,000	2/20/2019	\$ 110,363	\$ 35,631	\$ 83,517	\$ 119,148	7.2%
Mesa West Core Lending Fund	\$ 100,000	6/18/2013	\$ 127,612	\$ 65,524	\$ 108,162	\$ 173,686	4.9%
Blue Owl Capital Corporation	\$ 100,000	3/10/2017	\$ 116,571	\$ 65,223	\$ 104,964	\$ 170,187	9.1%
Participation Agreement #1	\$ 5,000	5/7/2018	\$ 4,851	\$ 5,499	\$ -	\$ 5,499	12.7%
Participation Agreement #2	\$ 6,185	7/31/2018	\$ 6,196	\$ 7,745	\$ -	\$ 7,745	9.9%
Participation Agreement #3	\$ 5,000	8/7/2018	\$ 4,938	\$ 5,634	\$ -	\$ 5,634	7.9%
Participation Agreement #4	\$ 5,000	8/20/2018	\$ 4,566	\$ 5,835	\$ -	\$ 5,835	8.1%
Participation Agreement #5	\$ 5,000	12/21/2018	\$ 4,988	\$ 2,275	\$ 4,441	\$ 6,716	7.6%
Participation Agreement #6	\$ 11,653	8/7/2020	\$ 12,494	\$ 4,230	\$ 10,936	\$ 15,166	10.3%
Participation Agreement #7	\$ 7,500	7/26/2021	\$ 6,557	\$ 7,970	\$ -	\$ 7,970	9.8%
Participation Agreement #8	\$ 12,500	6/17/2022	\$ 12,778	\$ 2,435	\$ 12,290	\$ 14,725	NM
Participation Agreement #9	\$ 7,500	9/26/2022	\$ 7,388	\$ 1,143	\$ 7,202	\$ 8,345	NM
Blue Owl Capital Corporation III	\$ 100,000	6/19/2020	\$ 118,400	\$ 26,110	\$ 124,207	\$ 150,317	11.5%
Pathlight Capital Fund II	\$ 75,000	4/22/2021	\$ 118,860	\$ 67,926	\$ 65,258	\$ 133,184	10.7%
Participation Agreement #1	\$ 7,500	4/1/2022	\$ 7,368	\$ 1,795	\$ 7,023	\$ 8,818	NM
Participation Agreement #2	\$ 7,500	4/1/2022	\$ 7,429	\$ 1,482	\$ 7,268	\$ 8,750	NM
Pathlight Capital Fund III	\$ 75,000	6/24/2022	\$ 87,488	\$ 40,368	\$ 54,338	\$ 94,705	NM
Solar Capital Private Corporate Lending Fund	\$ 50,000	6/26/2019	\$ 40,188	\$ 9,752	\$ 41,562	\$ 51,314	11.8%
Solar Capital Debt Fund	\$ 50,000	6/26/2019	\$ 25,000	\$ 3,785	\$ 26,393	\$ 30,178	12.5%
SLR Private Corporate Lending Fund II	\$ 125,000	12/23/2022	\$ 6,202	\$ -	\$ 6,937	\$ 6,937	NM
Silver Point Specialty Credit II	\$ 50,000	1/31/2020	\$ 62,775	\$ 29,684	\$ 43,036	\$ 72,719	10.0%
Tennenbaum Direct Lending VIII*	\$ 100,000	11/30/2017	\$ 100,883	\$ 95,288	\$ 37,799	\$ 133,087	6.3%

MainePERS Private Market Investments Summary: 12/31/2023

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value (C+D)	Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Market Value (D)		
Alinda Infrastructure Fund II	\$ 50,000	9/17/2009	\$ 68,297	\$ 74,099	\$ 304	\$ 74,403	1.9%
ArcLight Energy V	\$ 75,000	10/28/2011	\$ 76,031	\$ 103,624	\$ -	\$ 103,624	8.0%
Shore Co-Investment Holdings II	\$ 20,000	1/30/2014	\$ 17,709	\$ 19,737	\$ -	\$ 19,737	8.4%
ArcLight Energy VI	\$ 150,000	11/25/2014	\$ 159,687	\$ 134,744	\$ 50,223	\$ 184,967	3.4%
Great River Hydro Partners	\$ 12,000	6/17/2017	\$ 10,718	\$ 45,094	\$ -	\$ 45,094	39.5%
Brookfield Infrastructure Fund II	\$ 100,000	6/28/2013	\$ 117,714	\$ 115,583	\$ 89,187	\$ 204,771	10.0%
Brookfield Infrastructure Fund III	\$ 100,000	4/15/2016	\$ 111,339	\$ 62,715	\$ 109,432	\$ 172,147	12.2%
Co-Investment #1	\$ 20,000	3/31/2017	\$ 15,952	\$ 21,551	\$ 15,856	\$ 37,406	26.2%
Carlyle Global Infrastructure Opportunity Fund	\$ 100,000	5/1/2019	\$ 93,946	\$ 23,574	\$ 96,339	\$ 119,913	12.8%
Carlyle Infrastructure Partners	\$ 50,000	11/2/2007	\$ 57,366	\$ 64,289	\$ 355	\$ 64,644	2.5%
Carlyle Power Partners II	\$ 50,000	11/19/2015	\$ 64,349	\$ 44,475	\$ 48,514	\$ 92,989	10.2%
Cube Infrastructure	\$ 45,000	4/16/2010	\$ 60,063	\$ 96,665	\$ 422	\$ 97,087	8.0%
Cube Infrastructure II	\$ 90,000	9/11/2018	\$ 78,539	\$ 5,744	\$ 78,334	\$ 84,078	1.9%
Cube Infrastructure III	\$ 90,000	8/16/2021	\$ 57,514	\$ -	\$ 60,528	\$ 60,528	4.5%
EQT Infrastructure III	\$ 68,000	12/3/2016	\$ 104,899	\$ 156,706	\$ 23,825	\$ 180,531	20.4%
EQT Infrastructure IV	\$ 100,000	12/17/2018	\$ 97,706	\$ 17,180	\$ 114,707	\$ 131,887	10.9%
EQT Infrastructure V	\$ 75,000	12/8/2020	\$ 62,693	\$ 8,532	\$ 65,400	\$ 73,932	12.0%
First Reserve Energy Infrastructure Fund	\$ 50,000	6/30/2010	\$ 59,778	\$ 53,144	\$ 2,552	\$ 55,696	-2.0%
First Reserve Energy Infrastructure Fund II	\$ 100,000	10/21/2013	\$ 128,434	\$ 129,302	\$ 24,930	\$ 154,232	11.1%
Global Infrastructure Partners Sonic	\$ 35,000	7/31/2020	\$ 32,909	\$ -	\$ 20,011	\$ 20,011	-14.3%
Global Infrastructure Partners	\$ 75,000	3/31/2008	\$ 101,173	\$ 205,062	\$ 230	\$ 205,292	17.2%
Global Infrastructure Partners II	\$ 75,000	12/3/2011	\$ 106,369	\$ 150,432	\$ 34,562	\$ 184,994	15.6%
Global Infrastructure Partners III	\$ 150,000	4/15/2016	\$ 185,496	\$ 109,978	\$ 156,569	\$ 266,547	10.0%
Co-Investment #1	\$ 29,000	2/28/2017	\$ 27,950	\$ 17,727	\$ 35,743	\$ 53,470	13.7%
Co-Investment #2	\$ 25,000	8/16/2018	\$ 27,071	\$ 3,392	\$ 21,457	\$ 24,849	-1.8%
Global Infrastructure Partners IV	\$ 150,000	12/21/2018	\$ 143,018	\$ 17,568	\$ 137,500	\$ 155,068	5.1%
IFM Global Infrastructure (US), L.P.	\$ 100,000	12/20/2012	\$ 144,550	\$ 208,040	\$ -	\$ 208,040	9.8%
KKR Diversified Core Infrastructure Fund	\$ 100,000	4/29/2022	\$ 102,051	\$ 2,051	\$ 104,278	\$ 106,329	NM
KKR Global Infrastructure Investors	\$ 75,000	9/29/2010	\$ 87,917	\$ 154,328	\$ 92	\$ 154,420	13.1%
KKR Global Infrastructure Investors II	\$ 150,000	10/24/2014	\$ 186,845	\$ 271,895	\$ 54,966	\$ 326,861	16.9%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2023

Infrastructure

Fund Name	Commitment		Amount	Total	Current	Total Value (C+D)	Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Market Value (D)		
KKR Atlanta Co-Invest	\$ 24,000	9/26/2014	\$ 21,428	\$ 28,551	\$ -	\$ 28,551	5.7%
KKR Taurus Co-Invest II	\$ 25,000	8/15/2017	\$ 25,000	\$ 56,779	\$ 838	\$ 57,617	21.3%
KKR Byzantium Infrastructure Aggregator	\$ 15,000	10/17/2017	\$ 15,000	\$ 7,013	\$ 11,208	\$ 18,221	4.6%
KKR Global Infrastructure Investors III	\$ 100,000	3/29/2018	\$ 91,871	\$ 26,895	\$ 99,398	\$ 126,293	12.5%
Meridiam Infrastructure (SCA)	\$ 11,000	9/23/2015	\$ 21,938	\$ 12,319	\$ 28,136	\$ 40,455	9.3%
Meridiam Infrastructure (SCA) B Shares	\$ 1,000	9/23/2015	\$ 305	\$ 55	\$ 25,815	\$ 25,869	77.0%
Meridiam Infrastructure Europe II (SCA)	\$ 22,500	9/23/2015	\$ 36,936	\$ 17,547	\$ 38,581	\$ 56,128	8.7%
Meridiam Infrastructure Europe III SLP	\$ 95,000	4/27/2016	\$ 72,877	\$ 17,697	\$ 71,209	\$ 88,907	6.3%
Meridiam Sustainable Infrastructure Europe IV	\$ 90,000	4/16/2021	\$ 21,748	\$ 1,175	\$ 19,920	\$ 21,095	NM
Meridiam Infrastructure N.A. II	\$ 75,000	9/28/2012	\$ 88,232	\$ 39,091	\$ 180,412	\$ 219,503	16.6%
MINA II CIP	\$ 175	6/30/2015	\$ 169	\$ 938	\$ 20,328	\$ 21,266	105.6%
Meridiam Infrastructure N.A. II	\$ 20,000	6/30/2015	\$ 18,870	\$ 6,394	\$ 46,220	\$ 52,614	22.1%
Meridiam Infrastructure N.A. III	\$ 50,000	7/12/2017	\$ 32,309	\$ 1	\$ 42,594	\$ 42,594	15.0%
Stonepeak Infrastructure Partners II	\$ 140,000	11/12/2015	\$ 189,470	\$ 233,055	\$ 40,779	\$ 273,834	13.2%
Stonepeak Claremont Co-Invest	\$ 25,000	5/30/2017	\$ 25,000	\$ 51,959	\$ -	\$ 51,959	17.8%
Stonepeak Spear (Co-Invest) Holdings	\$ 25,000	1/8/2018	\$ 19,648	\$ 3,472	\$ 35,353	\$ 38,826	12.8%
Stonepeak Infrastructure Partners III	\$ 150,000	10/13/2017	\$ 165,797	\$ 57,763	\$ 187,970	\$ 245,733	13.7%
Stonepeak Guardian (Co-Invest) Holdings	\$ 10,000	4/27/2023	\$ 10,000	\$ 0	\$ 10,921	\$ 10,921	NM
Stonepeak Infrastructure Partners IV	\$ 125,000	5/8/2020	\$ 69,657	\$ 10,745	\$ 67,305	\$ 78,051	8.1%
Stonepeak Core Infrastructure Fund	\$ 100,000	8/5/2022	\$ 100,336	\$ 336	\$ 108,248	\$ 108,584	NM
Stonepeak Opportunities Fund	\$ 50,000	6/12/2023	\$ 7,370	\$ -	\$ 6,575	\$ 6,575	NM

MainePERS Private Market Investments Summary: 12/31/2023

Natural Resources

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ACM Permanent Crops	\$ 35,000	10/24/2014	\$ 39,100	\$ 12,107	\$ 56,558	\$ 68,665	8.4%
ACM Permanent Crops II	\$ 35,000	5/12/2016	\$ 42,906	\$ 8,885	\$ 19,491	\$ 28,376	-11.0%
AMERRA Agri Fund III	\$ 50,000	2/11/2016	\$ 99,737	\$ 86,230	\$ 18,892	\$ 105,123	2.0%
Denham Mining Fund	\$ 35,000	6/29/2018	\$ 33,511	\$ 659	\$ 42,081	\$ 42,740	8.0%
Homestead Capital Farmland II	\$ 50,000	8/8/2016	\$ 56,136	\$ 11,440	\$ 57,369	\$ 68,809	4.9%
Homestead Capital Farmland III	\$ 30,000	10/26/2018	\$ 32,067	\$ 3,534	\$ 32,306	\$ 35,839	6.4%
Orion Mine Finance Fund II	\$ 50,000	5/25/2016	\$ 102,075	\$ 78,365	\$ 46,469	\$ 124,834	8.3%
Orion Mine Finance Co-Fund II	\$ 20,000	8/13/2018	\$ 20,125	\$ -	\$ 32,823	\$ 32,823	9.9%
Silver Creek Aggregate Reserves Fund*	\$ 100,000	11/6/2018	\$ 15,430	\$ 3,000	\$ 17,399	\$ 20,400	NM
Sprott Private Resource Lending Fund III	\$ 30,000	8/31/2022	\$ 6,614	\$ 539	\$ 5,840	\$ 6,380	NM
Sprott Private Resource Streaming and Royalty Annex	\$ 40,000	5/17/2023	\$ 20,147	\$ 477	\$ 21,130	\$ 21,607	NM
Taurus Mining Fund	\$ 50,000	3/27/2015	\$ 41,459	\$ 46,658	\$ 3,580	\$ 50,237	7.5%
Taurus Mining Fund Annex	\$ 23,000	12/1/2016	\$ 18,384	\$ 23,486	\$ 855	\$ 24,341	17.7%
Taurus Mining Fund No. 2	\$ 75,000	4/18/2019	\$ 64,374	\$ 46,211	\$ 32,157	\$ 78,368	16.9%
Teays River Integrated Agriculture	\$ 200,000	7/1/2015	\$ 198,974	\$ 28,770	\$ 343,332	\$ 372,102	8.2%
Twin Creeks Timber	\$ 200,000	1/7/2016	\$ 202,804	\$ 96,461	\$ 136,402	\$ 232,863	3.4%
U.S. Farming Realty Trust III	\$ 100,000	7/7/2015	\$ 110,017	\$ 11,565	\$ 131,642	\$ 143,207	4.9%
Canally Coinvest Holdings	\$ 12,500	12/9/2019	\$ 12,537	\$ 37	\$ 19,906	\$ 19,944	19.0%

MainePERS Private Market Investments Summary: 12/31/2023

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
ABRY Advanced Securities Fund II	\$ 20,000	5/4/2011	\$ 20,541	\$ 29,705	\$ 234	\$ 29,939	13.0%
ABRY Advanced Securities Fund III	\$ 30,000	4/30/2014	\$ 45,253	\$ 30,354	\$ 15,945	\$ 46,299	0.6%
ABRY Heritage Partners	\$ 10,000	5/31/2016	\$ 11,034	\$ 12,303	\$ 8,305	\$ 20,608	26.9%
ABRY Partners VII	\$ 10,000	4/29/2011	\$ 12,969	\$ 17,340	\$ 2,203	\$ 19,543	12.1%
ABRY Partners VIII	\$ 20,000	8/8/2014	\$ 23,934	\$ 29,732	\$ 3,907	\$ 33,639	10.0%
ABRY Senior Equity IV	\$ 10,000	12/7/2012	\$ 10,845	\$ 16,881	\$ 1,115	\$ 17,996	14.5%
ABRY Senior Equity V	\$ 12,050	1/19/2017	\$ 13,064	\$ 6,413	\$ 12,971	\$ 19,384	13.9%
Advent International GPE VII	\$ 30,000	6/29/2012	\$ 34,811	\$ 53,835	\$ 4,563	\$ 58,398	13.4%
Advent International GPE VIII	\$ 50,000	2/5/2016	\$ 57,446	\$ 57,750	\$ 53,765	\$ 111,515	17.6%
Advent International GPE IX	\$ 50,000	5/9/2019	\$ 46,753	\$ 4,998	\$ 65,306	\$ 70,304	18.2%
GPE IX TKE Co-Investment	\$ 24,000	3/30/2020	\$ 21,243	\$ -	\$ 32,331	\$ 32,331	13.0%
Advent International GPE X	\$ 45,000	4/28/2022	\$ 16,206	\$ -	\$ 16,232	\$ 16,232	NM
AI Co-Investment I-A	\$ 7,500	3/2/2023	\$ 7,443	\$ -	\$ 8,113	\$ 8,113	NM
Advent Latin America PE Fund VI	\$ 20,000	10/17/2014	\$ 19,516	\$ 12,350	\$ 22,144	\$ 34,494	14.7%
Affinity Asia Pacific Fund IV	\$ 60,000	2/28/2013	\$ 65,153	\$ 74,885	\$ 36,041	\$ 110,926	15.5%
Affinity Asia Pacific Fund V	\$ 40,000	12/11/2017	\$ 23,158	\$ 4,966	\$ 24,021	\$ 28,987	9.4%
Bain Capital Ventures 2021	\$ 25,000	10/28/2020	\$ 19,438	\$ 1	\$ 20,973	\$ 20,974	3.9%
Bain Capital Ventures 2022	\$ 25,000	6/10/2022	\$ 3,625	\$ 0	\$ 3,017	\$ 3,018	NM
Bain Capital Venture Coinvestment Fund III	\$ 15,000	4/1/2021	\$ 15,263	\$ 825	\$ 14,863	\$ 15,688	1.6%
Bain Capital Venture Coinvestment Fund IV	\$ 15,000	6/10/2022	\$ 1,500	\$ -	\$ 1,751	\$ 1,751	NM
Berkshire Fund VIII	\$ 15,000	7/20/2011	\$ 16,846	\$ 27,586	\$ 9,611	\$ 37,197	16.7%
Berkshire Fund IX	\$ 50,000	3/18/2016	\$ 57,832	\$ 36,889	\$ 57,654	\$ 94,543	15.6%
Blackstone Capital Partners VI	\$ 30,000	6/30/2010	\$ 38,259	\$ 55,427	\$ 8,866	\$ 64,292	12.3%
Blackstone Capital Partners VII	\$ 54,000	3/27/2015	\$ 62,092	\$ 44,965	\$ 51,157	\$ 96,122	13.0%
Carlyle Asia Partners III	\$ 15,000	12/31/2009	\$ 20,694	\$ 31,227	\$ 17	\$ 31,244	12.6%
Carlyle Asia Partners IV	\$ 60,000	6/3/2014	\$ 83,102	\$ 101,962	\$ 32,586	\$ 134,549	13.1%
Carlyle Asia Partners V	\$ 45,000	10/30/2017	\$ 42,589	\$ 11,316	\$ 37,760	\$ 49,076	8.2%
Centerbridge Capital Partners III	\$ 30,000	10/24/2014	\$ 48,316	\$ 46,453	\$ 28,906	\$ 75,359	17.1%
CB Blizzard Co-Invest	\$ 15,684	9/11/2019	\$ 15,684	\$ 10,053	\$ 2,465	\$ 12,518	-17.1%
Charterhouse Capital Partners VIII	\$ 13,500	1/6/2011	\$ 11,188	\$ 14,160	\$ -	\$ 14,160	7.9%
Charterhouse Capital Partners IX	\$ 4,500	1/6/2011	\$ 5,410	\$ 7,275	\$ 34	\$ 7,309	12.0%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2023

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
Charterhouse Capital Partners X	\$ 67,000	5/13/2015	\$ 59,406	\$ 76,351	\$ 32,367	\$ 108,718	20.2%
Charterhouse Acrostone	\$ 12,000	8/24/2018	\$ 13,254	\$ 21,268	\$ -	\$ 21,268	16.9%
Charterhouse Capital Partners XI	\$ 45,000	4/23/2021	\$ 18,245	\$ 1,329	\$ 19,700	\$ 21,028	NM
CVC Capital Partners VI	\$ 67,000	7/12/2013	\$ 102,109	\$ 123,632	\$ 58,087	\$ 181,719	16.5%
CVC Capital Partners VII	\$ 48,000	5/9/2017	\$ 77,456	\$ 53,768	\$ 64,624	\$ 118,392	21.9%
CVC Capital Partners VIII	\$ 44,000	6/11/2020	\$ 58,841	\$ 27,352	\$ 34,699	\$ 62,051	8.1%
CVC Capital Partners IX	\$ 44,000	6/29/2023	\$ -	\$ -	\$ -	\$ -	NM
EnCap Energy Capital VIII	\$ 30,000	1/31/2011	\$ 34,190	\$ 23,766	\$ 11,057	\$ 34,823	0.4%
EnCap Energy Capital Fund VIII Co-Investors	\$ 16,238	12/8/2011	\$ 16,513	\$ 6,278	\$ 5,980	\$ 12,258	-4.0%
EnCap Energy Capital Fund IX	\$ 30,000	12/19/2012	\$ 34,541	\$ 41,770	\$ 9,162	\$ 50,932	10.5%
EnCap Energy Capital Fund X	\$ 40,000	3/5/2015	\$ 43,084	\$ 57,770	\$ 23,276	\$ 81,046	15.5%
EnCap Energy Capital Fund XI	\$ 40,000	5/31/2017	\$ 41,754	\$ 23,744	\$ 41,517	\$ 65,261	19.4%
EnCap Flatrock Midstream Fund III	\$ 20,000	4/9/2014	\$ 25,255	\$ 23,797	\$ 10,822	\$ 34,619	10.0%
EnCap Flatrock Midstream Fund IV	\$ 22,000	11/17/2017	\$ 19,996	\$ 10,873	\$ 12,857	\$ 23,731	7.6%
General Catalyst X - Early Venture	\$ 19,565	3/26/2020	\$ 19,174	\$ -	\$ 30,902	\$ 30,902	18.8%
General Catalyst X - Endurance	\$ 22,826	3/26/2020	\$ 22,859	\$ 1,113	\$ 21,809	\$ 22,922	0.1%
General Catalyst X - Growth Venture	\$ 32,609	3/26/2020	\$ 32,120	\$ -	\$ 35,016	\$ 35,016	3.1%
General Catalyst XI - Creation	\$ 8,823	10/29/2021	\$ 5,227	\$ -	\$ 5,340	\$ 5,340	2.5%
General Catalyst XI - Endurance	\$ 29,412	10/29/2021	\$ 23,367	\$ -	\$ 22,682	\$ 22,682	-2.0%
General Catalyst XI - Ignition	\$ 11,765	10/29/2021	\$ 8,579	\$ -	\$ 8,273	\$ 8,273	-2.6%
GTCR Fund X	\$ 30,000	1/28/2011	\$ 31,766	\$ 64,646	\$ -	\$ 64,646	21.4%
GTCR Fund XI	\$ 35,000	11/15/2013	\$ 34,961	\$ 76,701	\$ 35,435	\$ 112,136	32.4%
GTCR Fund XII	\$ 50,000	9/29/2017	\$ 51,713	\$ 31,746	\$ 57,701	\$ 89,446	22.9%
Co-Investment #1	\$ 5,238	4/26/2019	\$ 4,556	\$ -	\$ 9,771	\$ 9,771	17.8%
Co-Investment #2	\$ 5,997	11/1/2019	\$ 5,911	\$ 10,962	\$ 2,382	\$ 13,344	43.9%
GTCR XIII	\$ 50,000	10/27/2020	\$ 26,393	\$ 5,556	\$ 27,403	\$ 32,959	17.7%
GTCR XIV	\$ 50,000	12/16/2022	\$ -	\$ -	\$ -	\$ -	NM
H.I.G. Bayside Loan Fund II	\$ 25,000	5/28/2010	\$ 24,020	\$ 32,189	\$ 297	\$ 32,486	7.1%
H.I.G. Bayside Loan Ops Fund III (Europe)	\$ 30,000	7/27/2012	\$ 26,707	\$ 31,070	\$ 3,481	\$ 34,551	7.2%
H.I.G. Brazil & Latin America Partners	\$ 60,000	7/1/2015	\$ 69,040	\$ 26,649	\$ 79,052	\$ 105,702	13.1%
H.I.G. Capital Partners V	\$ 15,000	2/28/2013	\$ 21,152	\$ 32,213	\$ 9,070	\$ 41,283	23.1%

MainePERS Private Market Investments Summary: 12/31/2023

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
H.I.G. Europe Capital Partners II	\$ 22,500	7/1/2013	\$ 25,240	\$ 20,667	\$ 15,629	\$ 36,296	11.3%
H.I.G. Growth Buyouts & Equity Fund II	\$ 17,500	6/30/2011	\$ 23,713	\$ 28,136	\$ 12,708	\$ 40,844	13.7%
H.I.G. Growth Buyouts & Equity Fund III	\$ 35,000	9/13/2018	\$ 16,492	\$ 2,134	\$ 16,833	\$ 18,967	NM
H.I.G Middle Market LBO Fund II	\$ 40,000	2/7/2014	\$ 48,874	\$ 68,526	\$ 23,295	\$ 91,820	26.5%
Co-Investment #1	\$ 9,000	10/12/2017	\$ 9,000	\$ -	\$ 0	\$ 0	-85.6%
Co-Investment #2	\$ 686	6/19/2020	\$ 686	\$ -	\$ 981	\$ 981	10.6%
Co-Investment #3	\$ 1,000	6/1/2021	\$ 1,079	\$ -	\$ 0	\$ 0	-97.5%
H.I.G. Middle Market LBO Fund III	\$ 40,000	7/23/2019	\$ 34,970	\$ 2,021	\$ 40,649	\$ 42,671	12.6%
Hellman & Friedman Capital Partners VII	\$ 30,000	6/19/2009	\$ 44,355	\$ 105,844	\$ 7,108	\$ 112,953	24.7%
Hellman & Friedman Capital Partners VIII	\$ 45,000	9/24/2014	\$ 48,803	\$ 26,913	\$ 57,434	\$ 84,347	13.1%
Hellman & Friedman Capital Partners IX	\$ 45,000	9/28/2018	\$ 46,049	\$ 3,769	\$ 63,240	\$ 67,009	14.1%
Hellman & Friedman Capital Partners X	\$ 45,000	5/10/2021	\$ 32,546	\$ 84	\$ 37,618	\$ 37,702	8.9%
Inflexion Buyout Fund IV	\$ 27,000	9/30/2014	\$ 37,086	\$ 46,850	\$ 18,307	\$ 65,157	15.6%
Inflexion Partnership Capital Fund I	\$ 17,000	9/30/2014	\$ 26,034	\$ 40,815	\$ 6,778	\$ 47,593	22.1%
Inflexion Supplemental Fund IV	\$ 10,000	5/31/2016	\$ 15,355	\$ 23,068	\$ 6,992	\$ 30,060	23.8%
Kelso Investment Associates VIII	\$ 3,000	1/6/2011	\$ 3,044	\$ 4,358	\$ 11	\$ 4,369	7.9%
Kelso Investment Associates IX	\$ 60,000	11/5/2014	\$ 70,004	\$ 87,745	\$ 33,469	\$ 121,214	19.3%
KIA IX (Hammer) Investor	\$ 25,000	8/12/2016	\$ 25,492	\$ 69,544	\$ -	\$ 69,544	21.4%
Kelso Investment Associates X	\$ 45,000	3/16/2018	\$ 48,500	\$ 19,943	\$ 68,447	\$ 88,390	28.2%
Kelso Investment Associates XI	\$ 45,000	12/22/2021	\$ 13,806	\$ 1,829	\$ 15,244	\$ 17,073	NM
Kelso XI Heights Co-Investment	\$ 12,000	8/19/2022	\$ 10,025	\$ -	\$ 10,146	\$ 10,146	NM
KKR North American Fund XI	\$ 60,000	2/7/2012	\$ 100,582	\$ 166,162	\$ 21,346	\$ 187,508	19.1%
KKR North America Fund XI (Platinum)	\$ 8,003	2/26/2016	\$ 8,040	\$ 2,313	\$ 4,712	\$ 7,025	-2.5%
KKR Element Co-Invest	\$ 10,000	8/29/2016	\$ 10,050	\$ 24,030	\$ -	\$ 24,030	23.5%
KKR Americas XII	\$ 60,000	3/3/2016	\$ 63,628	\$ 39,476	\$ 75,063	\$ 114,539	19.6%
KKR Sigma Aggregator	\$ 15,000	6/22/2018	\$ 15,000	\$ -	\$ 23,801	\$ 23,801	8.7%
KKR Enterprise Co-Invest	\$ 15,000	10/11/2018	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
KKR Enterprise Co-Invest AIV A	\$ 8,936	11/8/2019	\$ 8,936	\$ 7,908	\$ 198	\$ 8,106	-10.8%
KKR North America XIII	\$ 40,000	6/25/2021	\$ 18,171	\$ -	\$ 19,238	\$ 19,238	NM
KKR Special Situations Fund	\$ 60,000	12/19/2012	\$ 118,957	\$ 100,114	\$ 10,510	\$ 110,624	-2.5%
KKR Special Situations Fund II	\$ 60,000	12/19/2014	\$ 98,284	\$ 78,456	\$ 22,712	\$ 101,167	1.1%

MainePERS Private Market Investments Summary: 12/31/2023

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
Long Ridge Equity Partners IV	\$ 15,000	6/26/2023	\$ -	\$ -	\$ -	\$ -	NM
Metwest Enhanced TALF Strategy Fund L. P.	\$ 75,000	7/31/2009	\$ 53,350	\$ 67,405	\$ -	\$ 67,405	10.2%
Oaktree Opportunities VIII	\$ 30,000	12/9/2009	\$ 30,000	\$ 43,920	\$ 68	\$ 43,988	9.1%
ONCAP IV	\$ 15,000	11/8/2016	\$ 16,145	\$ 5,321	\$ 20,008	\$ 25,328	14.1%
Onex Partners III	\$ 10,000	1/6/2011	\$ 11,211	\$ 17,065	\$ 1,966	\$ 19,031	13.2%
Onex Partners IV	\$ 60,000	11/22/2013	\$ 64,494	\$ 55,093	\$ 38,093	\$ 93,186	8.1%
Co-Investment #1	\$ 10,000	2/27/2017	\$ 10,471	\$ 1,235	\$ 4,027	\$ 5,262	-11.5%
Onex Partners V	\$ 45,000	7/11/2017	\$ 42,659	\$ 6,549	\$ 50,892	\$ 57,441	14.4%
Paine & Partners Capital Fund IV	\$ 60,000	12/18/2014	\$ 56,849	\$ 29,070	\$ 49,266	\$ 78,336	7.3%
Wawona Co-Investment Fund I	\$ 15,000	3/31/2017	\$ 15,023	\$ -	\$ 1	\$ 1	-88.7%
Lyons Magnus Co-Investment Fund I	\$ 15,000	11/8/2017	\$ 15,016	\$ -	\$ 27,388	\$ 27,388	10.3%
PSP Maverick Co-Invest	\$ 7,238	9/12/2019	\$ 7,264	\$ -	\$ 514	\$ 514	-46.2%
PSP AH&N Co-Investment Fund	\$ 19,724	11/27/2019	\$ 17,539	\$ -	\$ 31,959	\$ 31,959	16.7%
Paine Schwartz Food Chain Fund V	\$ 45,000	8/3/2018	\$ 46,857	\$ 23,888	\$ 39,796	\$ 63,683	19.5%
SNFL Co-Investment Fund	\$ 5,000	10/11/2019	\$ 5,024	\$ 5,524	\$ 4,459	\$ 9,982	18.9%
Rhone Partners V	\$ 56,000	3/12/2015	\$ 75,954	\$ 65,200	\$ 65,597	\$ 130,797	16.3%
Riverside Capital Appreciation Fund VI	\$ 60,000	7/3/2013	\$ 63,787	\$ 79,867	\$ 20,389	\$ 100,256	11.9%
RCAF VI CIV XXXII	\$ 12,399	10/21/2015	\$ 12,687	\$ 35,268	\$ -	\$ 35,268	19.9%
Riverside Micro-Cap Fund III	\$ 35,000	6/30/2014	\$ 51,608	\$ 194,767	\$ 40,614	\$ 235,381	35.9%
Riverside Micro-Cap Fund IV	\$ 60,000	10/23/2015	\$ 55,659	\$ 5,112	\$ 83,119	\$ 88,231	8.0%
Riverside Micro-Cap Fund IV-B	\$ 20,000	8/9/2019	\$ 24,292	\$ 5,583	\$ 37,921	\$ 43,504	22.1%
Riverside Micro-Cap Fund V	\$ 40,000	8/21/2018	\$ 37,363	\$ 2,513	\$ 53,191	\$ 55,703	15.9%
Riverside Micro-Cap Fund VI	\$ 45,000	8/26/2021	\$ 13,878	\$ 263	\$ 13,442	\$ 13,706	NM
Shoreview Capital Partners III	\$ 24,000	7/24/2013	\$ 25,922	\$ 32,738	\$ 23,255	\$ 55,993	18.4%
Shoreview Capital Partners IV	\$ 30,000	6/3/2019	\$ 18,567	\$ 6,023	\$ 23,903	\$ 29,926	46.2%
Sovereign Capital IV	\$ 46,500	7/7/2014	\$ 40,344	\$ 26,905	\$ 34,250	\$ 61,155	10.3%
Summit Partners Credit II	\$ 60,000	10/25/2013	\$ 90,831	\$ 87,991	\$ 12,624	\$ 100,616	4.0%
Summit Europe Growth Equity III	\$ 22,000	3/18/2020	\$ 18,905	\$ -	\$ 21,507	\$ 21,507	8.5%
Summit Europe Growth Equity IV	\$ 22,000	2/10/2023	\$ -	\$ -	\$ -	\$ -	NM
Summit Growth Equity VIII	\$ 25,000	5/27/2011	\$ 33,445	\$ 63,535	\$ 11,738	\$ 75,272	26.0%
Co-Investment #1	\$ 16,000	6/3/2015	\$ 16,000	\$ 38,735	\$ 19,639	\$ 58,375	31.3%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2023

Private Equity

Fund Name	Commitment		Amount	Total	Current Market	Total Value	Interim Net
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	(C+D)	IRR
Summit Growth Equity IX	\$ 60,000	8/26/2015	\$ 84,846	\$ 92,283	\$ 77,845	\$ 170,127	27.6%
Co-Investment #1	\$ 15,000	11/29/2016	\$ 14,895	\$ 41,743	\$ -	\$ 41,743	159.6%
Summit Partners Co-Invest (Ironman)	\$ 15,530	4/20/2018	\$ 15,534	\$ -	\$ 15,508	\$ 15,508	0.0%
Summit Partners Co-Invest (Giants-B)	\$ 15,000	10/22/2019	\$ 15,000	\$ 41,780	\$ 5,385	\$ 47,165	80.3%
Summit Growth Equity X	\$ 60,000	2/26/2019	\$ 61,832	\$ 18,176	\$ 68,101	\$ 86,277	18.1%
Summit Partners Co-Invest (Lions)	\$ 7,534	10/14/2020	\$ 7,534	\$ 119	\$ 14,417	\$ 14,536	23.6%
Summit Partners Co-Invest (Indigo)	\$ 10,000	12/11/2020	\$ 11,436	\$ -	\$ 11,423	\$ 11,423	0.0%
Summit Growth Equity XI	\$ 45,000	10/1/2021	\$ 11,553	\$ -	\$ 13,005	\$ 13,005	NM
Summit Venture Capital III	\$ 13,150	5/27/2011	\$ 18,044	\$ 32,899	\$ 2,762	\$ 35,662	17.4%
Summit Venture Capital IV	\$ 40,000	8/26/2015	\$ 51,043	\$ 48,377	\$ 66,532	\$ 114,909	36.9%
Summit Venture Capital V	\$ 45,000	6/16/2020	\$ 26,273	\$ 2,771	\$ 25,198	\$ 27,969	3.8%
Summit Partners Co-Invest (CS)	\$ 13,753	10/22/2021	\$ 13,798	\$ -	\$ 12,979	\$ 12,979	-3.1%
Technology Crossover Ventures VIII	\$ 60,000	5/8/2013	\$ 55,596	\$ 53,376	\$ 62,748	\$ 116,124	11.5%
Technology Crossover Ventures IX	\$ 60,000	2/19/2016	\$ 48,427	\$ 49,773	\$ 51,583	\$ 101,356	19.5%
TCV Sports	\$ 8,000	9/25/2018	\$ 8,000	\$ -	\$ 9,601	\$ 9,601	3.5%
Technology Crossover Ventures X	\$ 45,000	8/31/2018	\$ 36,448	\$ 10,890	\$ 61,115	\$ 72,005	21.7%
Technology Crossover Ventures XI	\$ 45,000	10/2/2020	\$ 32,150	\$ -	\$ 29,017	\$ 29,017	-6.3%
Technology Impact Fund*	\$ 40,000	12/18/2017	\$ 37,608	\$ 24,652	\$ 89,536	\$ 114,188	45.0%
Technology Impact Fund II*	\$ 40,000	4/13/2021	\$ 13,139	\$ 325	\$ 12,708	\$ 13,033	NM
Technology Impact Growth Fund*	\$ 40,000	11/26/2018	\$ 50,425	\$ 26,676	\$ 29,786	\$ 56,462	6.3%
Technology Impact Growth Fund II	\$ 40,000	8/6/2021	\$ 16,218	\$ 0	\$ 14,206	\$ 14,206	NM
TIGF II Direct Strategies LLC - Series 3*	\$ 5,000	7/14/2023	\$ 5,000	\$ -	\$ 4,992	\$ 4,992	NM
Thoma Bravo Fund XI	\$ 50,000	5/1/2014	\$ 76,680	\$ 159,143	\$ 49,607	\$ 208,751	26.7%
Thoma Bravo Fund XII	\$ 60,000	4/27/2016	\$ 78,447	\$ 80,943	\$ 73,297	\$ 154,241	16.8%
Thoma Bravo Fund XIII	\$ 45,000	12/7/2018	\$ 60,680	\$ 43,681	\$ 66,469	\$ 110,150	27.8%
Thoma Bravo Special Opportunities Fund II	\$ 15,000	3/27/2015	\$ 18,113	\$ 21,091	\$ 17,406	\$ 38,497	16.3%
Thoma Bravo Discover Fund IV	\$ 45,000	7/1/2022	\$ 25,731	\$ -	\$ 28,025	\$ 28,025	NM
Tillridge Global Agribusiness Partners II	\$ 50,000	10/21/2016	\$ 31,539	\$ 4,406	\$ 24,765	\$ 29,171	-2.5%
Water Street Healthcare Partners III	\$ 25,000	7/25/2012	\$ 30,474	\$ 78,671	\$ 10,537	\$ 89,208	35.4%
Water Street Healthcare Partners IV	\$ 33,000	9/15/2017	\$ 36,745	\$ 10,624	\$ 52,108	\$ 62,731	19.8%
Water Street Healthcare Partners V	\$ 43,000	4/15/2022	\$ 9,863	\$ -	\$ 8,047	\$ 8,047	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 12/31/2023

Private Equity

Fund Name	Commitment		Amount	Total	Current Market		Interim Net IRR
	(A)	Date of Commitment	Contributed (B)	Distributions (C)	Value (D)	Total Value (C+D)	
Wayzata Opportunities Fund III	\$ 30,000	9/11/2012	\$ 14,718	\$ 11,860	\$ 3,680	\$ 15,540	1.2%
Wynnchurch Capital Partners IV	\$ 40,000	10/23/2014	\$ 38,474	\$ 46,859	\$ 58,578	\$ 105,438	26.8%
Wynnchurch Capital Partners V	\$ 40,000	1/15/2020	\$ 28,231	\$ 538	\$ 35,296	\$ 35,833	13.7%

MainePERS Private Market Investments Summary: 12/31/2023

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Angelo Gordon Net Lease IV	\$ 50,000	2/17/2020	\$ 45,938	\$ 5,599	\$ 46,048	\$ 51,647	5.8%
Angelo Gordon Realty Fund XI	\$ 50,000	3/31/2022	\$ 10,000	\$ -	\$ 9,798	\$ 9,798	NM
Bain Capital Real Estate II	\$ 50,000	3/5/2021	\$ 29,607	\$ 2,365	\$ 29,093	\$ 31,458	4.8%
Bain Capital Real Estate III	\$ 35,000	12/18/2023	\$ 3,264	\$ -	\$ 2,317	\$ 2,317	NM
Blackrock Granite Property Fund	\$ 63,791	9/30/2006	\$ 68,771	\$ 53,312	\$ -	\$ 53,312	-4.9%
Blackstone Property Partners	\$ 350,000	6/29/2017	\$ 350,000	\$ 44,727	\$ 380,617	\$ 425,344	4.0%
Blackstone Real Estate Partners VII	\$ 75,000	2/26/2012	\$ 105,412	\$ 156,313	\$ 11,415	\$ 167,728	14.6%
Blackstone Real Estate Partners VIII	\$ 50,000	3/27/2015	\$ 64,289	\$ 65,357	\$ 35,318	\$ 100,676	14.3%
Blackstone Real Estate Partners IX	\$ 40,000	12/21/2018	\$ 45,360	\$ 16,339	\$ 44,657	\$ 60,997	16.5%
Barings Asia Real Estate II	\$ 50,000	7/31/2018	\$ 38,239	\$ 2,506	\$ 31,847	\$ 34,353	-6.1%
EQT Real Estate II	\$ 55,000	4/26/2019	\$ 33,553	\$ 5,679	\$ 33,734	\$ 39,414	8.4%
EQT Real Estate Rock Co-Investment	\$ 11,000	8/10/2020	\$ 9,281	\$ -	\$ 11,270	\$ 11,270	7.5%
H/2 Credit Partners, L.P.	\$ 75,000	6/21/2011	\$ 75,000	\$ 112,177	\$ -	\$ 112,177	5.9%
Harrison Street Core Property Fund, L.P.	\$ 75,000	4/30/2012	\$ 96,240	\$ 55,308	\$ 123,505	\$ 178,813	7.7%
HSRE-Coyote Maine PERS Core Co-Investment	\$ 20,000	12/4/2020	\$ 14,217	\$ 1,869	\$ 11,511	\$ 13,380	-2.1%
High Street Real Estate Fund IV, L.P.	\$ 25,000	8/23/2013	\$ 24,717	\$ 34,157	\$ -	\$ 34,157	14.7%
High Street Real Estate Fund V	\$ 25,000	7/24/2015	\$ 24,925	\$ 36,176	\$ -	\$ 36,176	13.2%
High Street Real Estate Fund VI	\$ 25,000	3/22/2019	\$ 25,000	\$ 6,270	\$ 38,144	\$ 44,414	21.2%
HSREF VI Elgin Co-Invest	\$ 10,000	4/9/2021	\$ 10,000	\$ 1,784	\$ 15,076	\$ 16,860	22.9%
High Street Real Estate Fund VII	\$ 35,000	8/16/2021	\$ 35,000	\$ 210	\$ 39,966	\$ 40,176	10.6%
High Street Real Estate VII Venture	\$ 15,000	3/17/2023	\$ 15,000	\$ -	\$ 14,785	\$ 14,785	NM
Hines US Property Partners	\$ 200,000	9/9/2021	\$ 136,960	\$ 13,408	\$ 117,644	\$ 131,052	-3.7%
Invesco Real Estate Asia IV	\$ 30,000	3/25/2020	\$ 23,831	\$ 18,251	\$ 7,741	\$ 25,992	10.2%
Invesco US Income Fund	\$ 195,000	7/17/2014	\$ 234,006	\$ 75,283	\$ 298,780	\$ 374,064	8.9%
IPI Data Center Partners I	\$ 30,000	12/15/2017	\$ 36,325	\$ 23,552	\$ 30,307	\$ 53,859	14.0%
IPI Data Center Partners II	\$ 25,000	12/20/2019	\$ 23,346	\$ 1,619	\$ 27,247	\$ 28,866	16.4%
JPMCB Strategic Property Fund	\$ 130,000	11/15/2005	\$ 186,941	\$ 297,519	\$ -	\$ 297,519	5.8%
KKR Real Estate Partners Europe I	\$ 50,000	12/2/2015	\$ 53,822	\$ 55,069	\$ 14,897	\$ 69,966	9.5%
KKR Real Estate Partners Europe II	\$ 25,000	12/23/2019	\$ 21,451	\$ 6,411	\$ 15,492	\$ 21,903	1.5%
KKR Real Estate Partners Americas I	\$ 50,000	12/20/2013	\$ 50,066	\$ 59,735	\$ 1,487	\$ 61,222	10.6%
KKR Real Estate Partners Americas II	\$ 50,000	6/2/2016	\$ 61,319	\$ 72,846	\$ 10,505	\$ 83,351	19.2%
Northbridge-Strategic Fund II	\$ 30,000	2/8/2019	\$ 30,000	\$ 5,012	\$ 48,322	\$ 53,334	13.2%
Prima Mortgage Investment Trust, LLC	\$ 75,000	7/29/2011	\$ 97,490	\$ 131,918	\$ -	\$ 131,918	3.8%

MainePERS Private Market Investments Summary: 12/31/2023

Real Estate

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Principal Life Insurance Company U.S. Property	\$ 60,000	5/20/2005	\$ 60,000	\$ 125,410	\$ -	\$ 125,410	6.2%
PRISA	\$ 90,000	6/30/2005	\$ 139,622	\$ 222,450	\$ -	\$ 222,450	5.3%
Rubenstein Properties Fund III	\$ 30,000	10/23/2015	\$ 30,606	\$ 627	\$ 11,636	\$ 12,264	-17.4%
LCC Co-Investor B	\$ 15,000	10/18/2019	\$ 15,000	\$ -	\$ -	\$ -	-100.0%
Rubenstein Properties Fund IV	\$ 25,000	4/16/2019	\$ 8,286	\$ 56	\$ 2,182	\$ 2,238	NM
Prudential Senior Housing Fund V	\$ 50,000	3/17/2015	\$ 41,333	\$ 5,453	\$ 42,061	\$ 47,514	2.4%
Smart Markets Fund, L.P.	\$ 195,000	6/17/2013	\$ 227,741	\$ 74,882	\$ 291,872	\$ 366,754	8.0%
Stonelake Opportunity Partners VII	\$ 40,000	6/30/2022	\$ 4,000	\$ -	\$ 2,259	\$ 2,259	NM
Walton Street Real Estate Fund VII	\$ 50,000	5/9/2012	\$ 44,043	\$ 51,891	\$ 8,354	\$ 60,245	8.8%
Walton Street Real Estate Fund VIII	\$ 50,000	10/23/2015	\$ 42,895	\$ 36,465	\$ 22,123	\$ 58,588	9.3%
Co-Investment #1	\$ 10,000	9/27/2017	\$ 10,293	\$ 4,160	\$ -	\$ 4,160	-60.0%
Westbrook Real Estate Fund IX	\$ 15,000	6/30/2014	\$ 17,437	\$ 17,500	\$ 2,057	\$ 19,558	4.3%
Westbrook Real Estate Fund X	\$ 50,000	1/15/2015	\$ 48,803	\$ 42,649	\$ 11,420	\$ 54,069	4.6%
Westbrook Real Estate Fund XI	\$ 40,000	1/31/2019	\$ 37,385	\$ 12,799	\$ 28,774	\$ 41,573	13.0%

MainePERS Private Market Investments Summary: 12/31/2023

Notes: *As of 9/30/2023. NM = Not Meaningful. MainePERS only reports IRRs for funds with more than 24 months of history and for which Amount Contributed is greater than 50% of Commitments. "Date of Commitment" is not the date of first capital draw. The "IRR" presented uses interim estimates and may not be indicative of ultimate performance of partnership investments due to a number of factors including lags in valuation, maturity of fund, and differences in investment pace and strategy of various funds. Performance figures should not be used to compare returns among multiple funds or different limited partners. Private market investments are long-term investments which are expected to generate returns over the course of their entire life cycle of 10 or more years. Common industry practice dictates that any performance analysis on these funds while they are still in the early years of their investment cycle would not generate meaningful results. The Interim Net IRR figures presented in this table are based on cash flow information provided by the general partner. The above information was not prepared, reviewed, or approved by any of the partnerships, general partners, or their affiliates and may differ from those generated by the general partner or other limited partners due to differences in timing of investments, disposal of in-kind distributions, and accounting and valuation policies.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Quarterly Education: Public Equity Implementation

June 13, 2024

Executive Summary

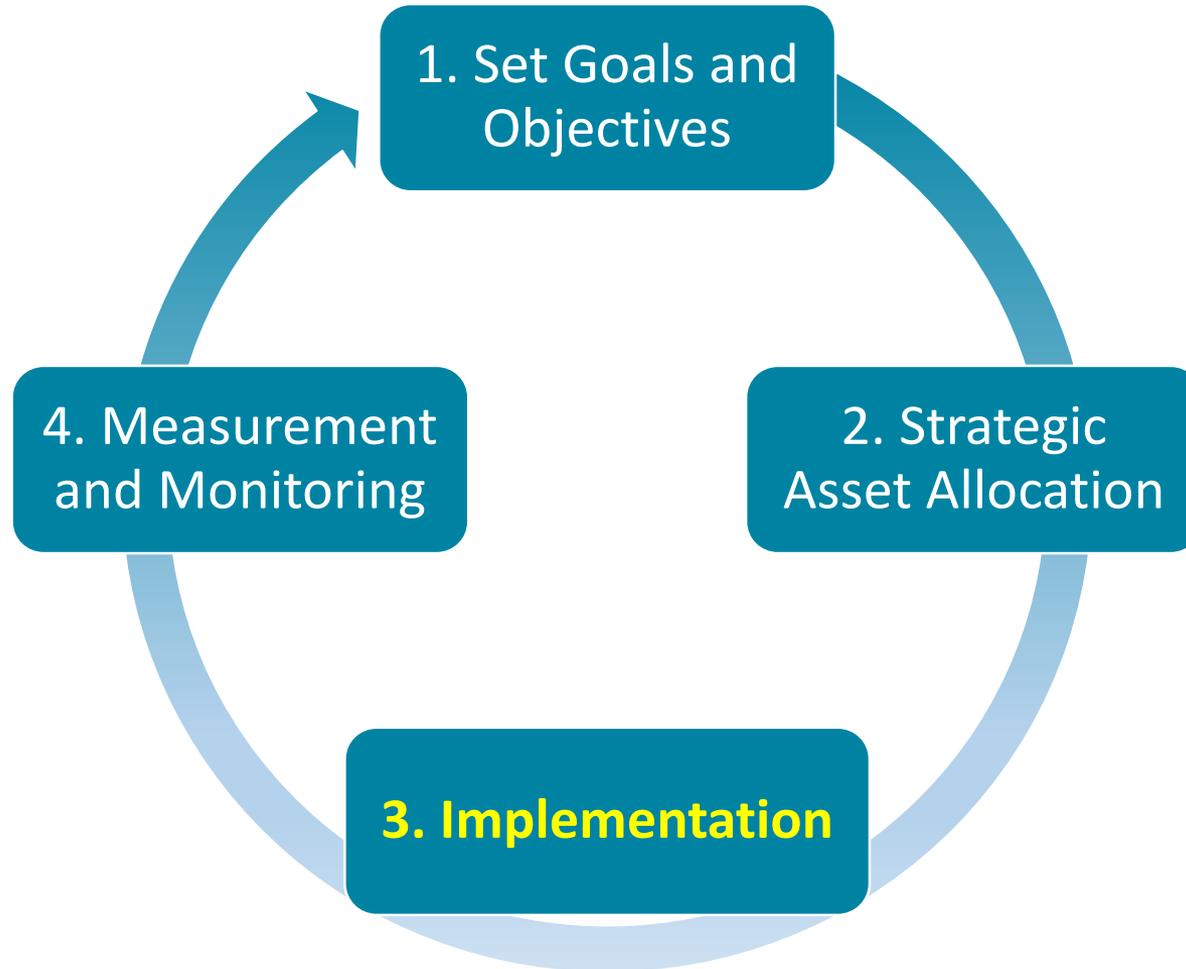
Public Equity is the System's largest single allocation, representing 30% of the total Fund.

Public Equity (along with Private Equity) plays a critical role in generating portfolio growth.

Since 2010, MainePERS has taken a passive approach to investing its allocation to Public Equity, designed to ensure effective exposure to the full spectrum of global growth opportunities at very low cost.

This passive approach has served the System well, and we continue to believe it is the right approach going forward.

Institutional Investing Process



Today's focus is on the third step in the process – Implementation, with a particular focus on Public Equity.

Review: Goals and Objectives

Setting Investment Goals and Objectives:

- Generating investment returns (to ensure growth of the trust funds), and
- Minimizing investment risks (loss of capital and cash flow shortfalls)

while seeking to maintain contribution rate and funding level volatilities at acceptable levels.

Review: Strategic Asset Allocation

Growth (42.5%)

- Drive portfolio growth to meet benefit obligations and reduce funding needs
- Higher risk/return profile

Risk Diversifiers (7.5%)

- Dampen volatility and improve overall fund's risk/return tradeoff
- Lower correlation to public markets
- More reliance on manager skill

Hard Assets (25%)

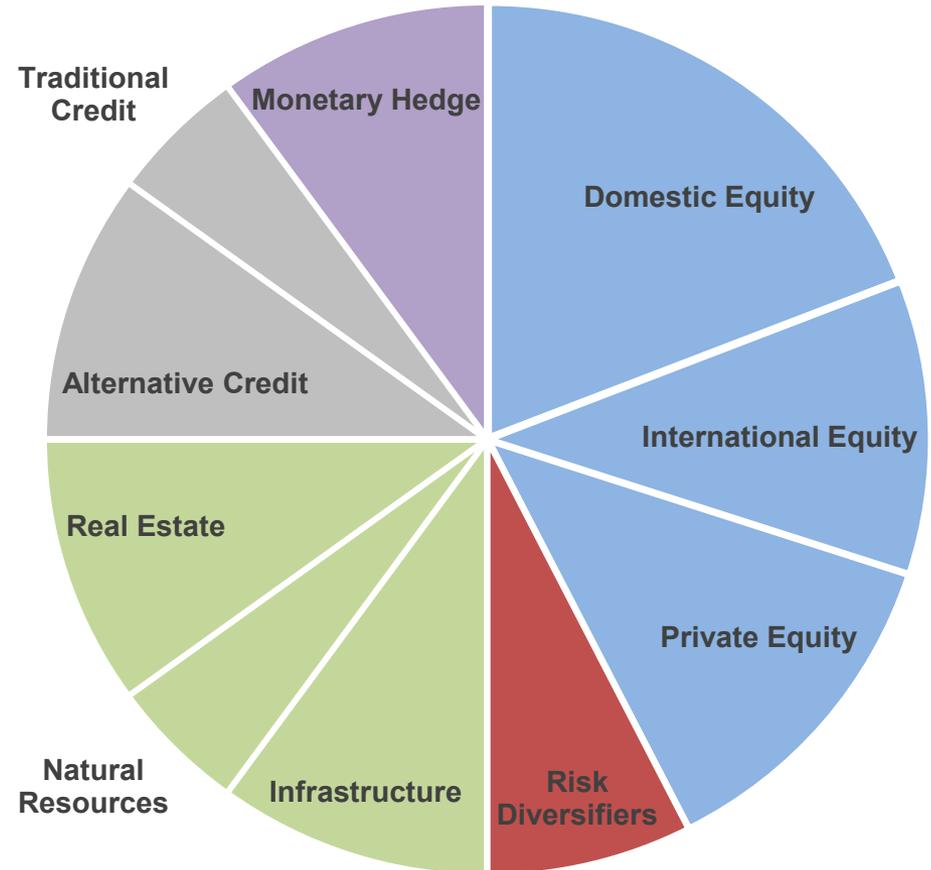
- Income generation and inflation protection

Credit (15%)

- Income generation and potential diversification from equities

Monetary Hedge (10%)

- Stable value or appreciation during economic stresses



Implementation

Broadly speaking, goals when implementing an asset allocation are:

- Obtain asset class exposures – investments should be consistent with benchmark characteristics (risk / return / correlations)
- Cost effectiveness
- Mindful of any overarching constraints and considerations
 - ESG
 - Liquidity
 - Legislation

Implementation Risk:

- Making investments that are inconsistent with asset class attributes

Today's focus is on **Public Equity**.

Public Equity at MainePERS

MainePERS takes a “big picture” passive approach:

- Setting benchmarks that reflect the entire market, to ensure exposure to the full spectrum of global growth opportunities
- Buying and holding the benchmark indices, to ensure the portfolio generates returns corresponding to the benchmarks

This approach was adopted over the 2007-2010 period, during which the System reduced active equity strategies from nearly 70% of Public Equity to under 10%.

The shift to a passive approach was part of the move to allocate resources to alternative assets.

We believe this approach remains optimal for meeting the System’s investment goals and objectives.

The next few slides review active and passive approaches and investment outcomes.

Background: Active vs. Passive

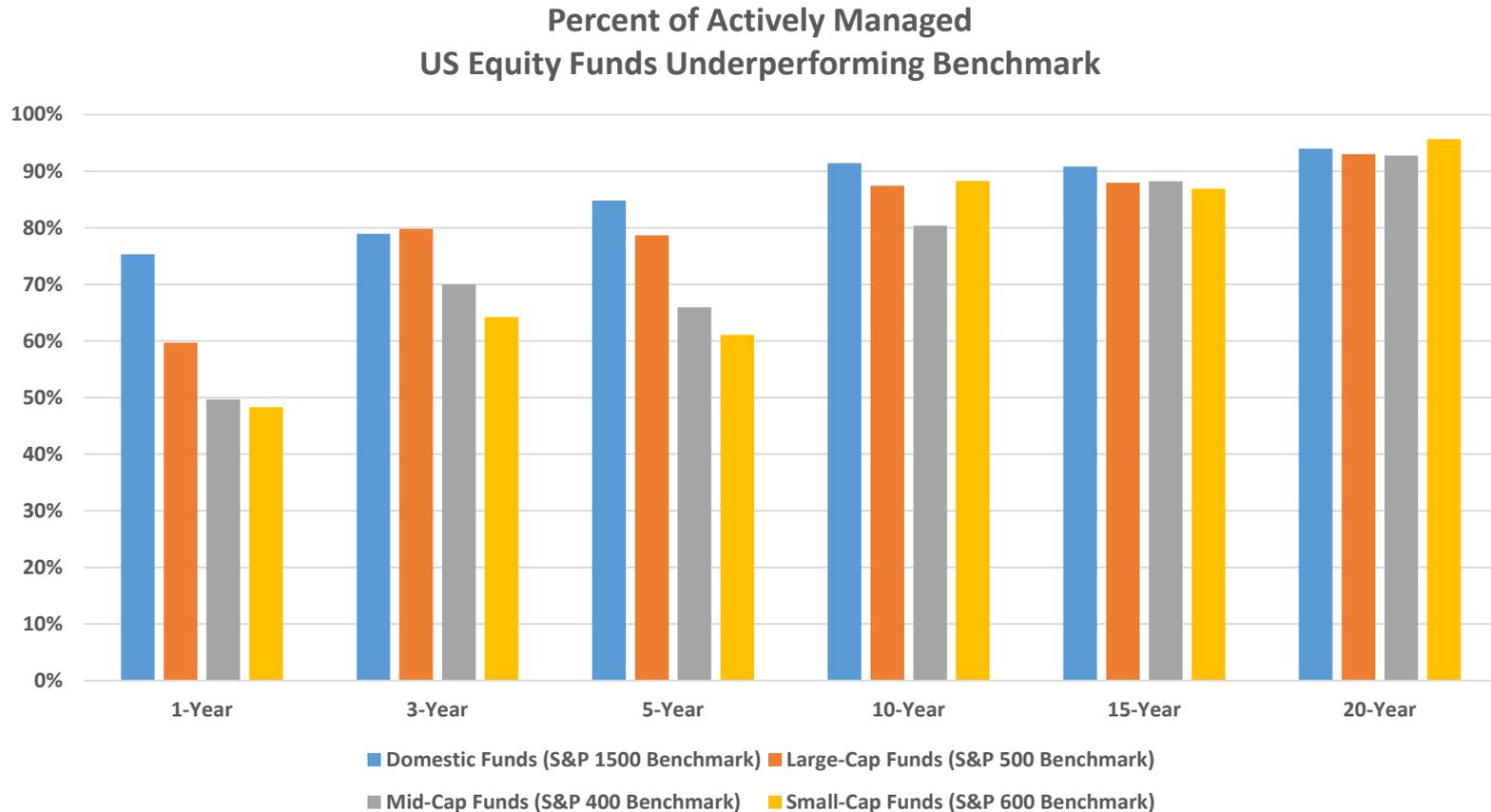
The below table contains key features of active and passive approaches to investing in public equity markets.

	Passive	Active
Goal	Match benchmark risk & return	Outperform benchmark (generate "alpha") by picking securities or sectors
Costs	Low management fees, low trading costs	Higher management fees and trading costs
Capacity	Very high	More limited, especially for successful strategies
Requirements	Minimal	Research teams, data, traders, manager edge
Results	Match benchmark on consistent basis	Consistent alpha generation very difficult

S&P Indices Versus Active (SPIVA)

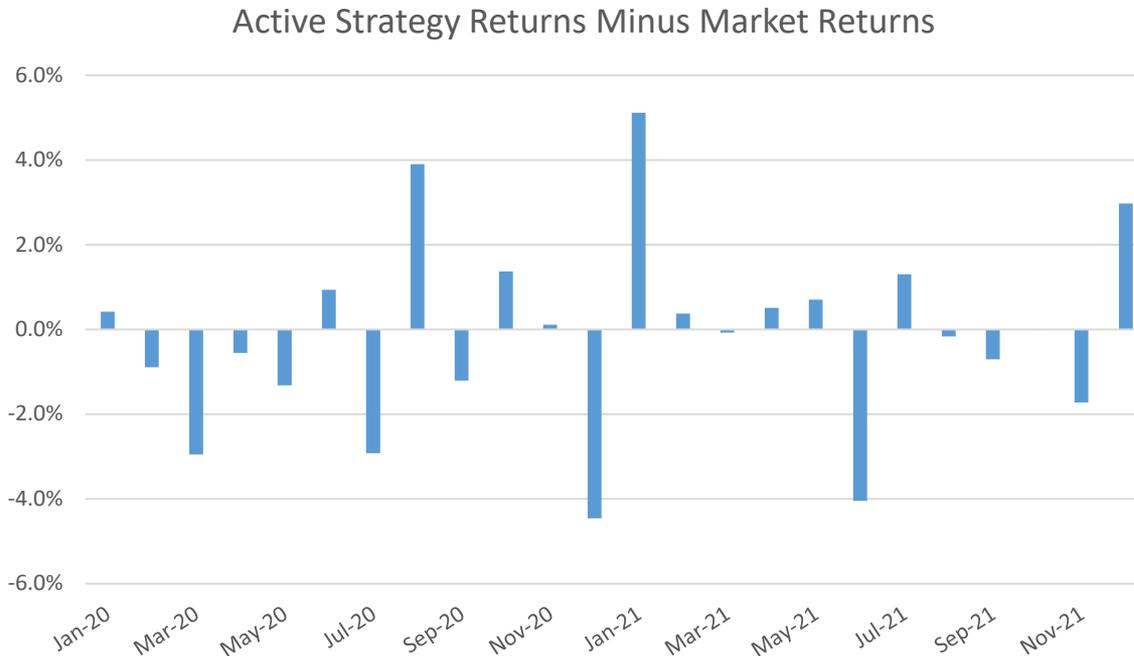
S&P has published SPIVA results since 2002, comparing performance of active managers relative to various S&P indices.

Results from year-end 2023 report are shown below.



Tracking Error

Chart shows differences in monthly returns between a hypothetical active strategy and the market benchmark.

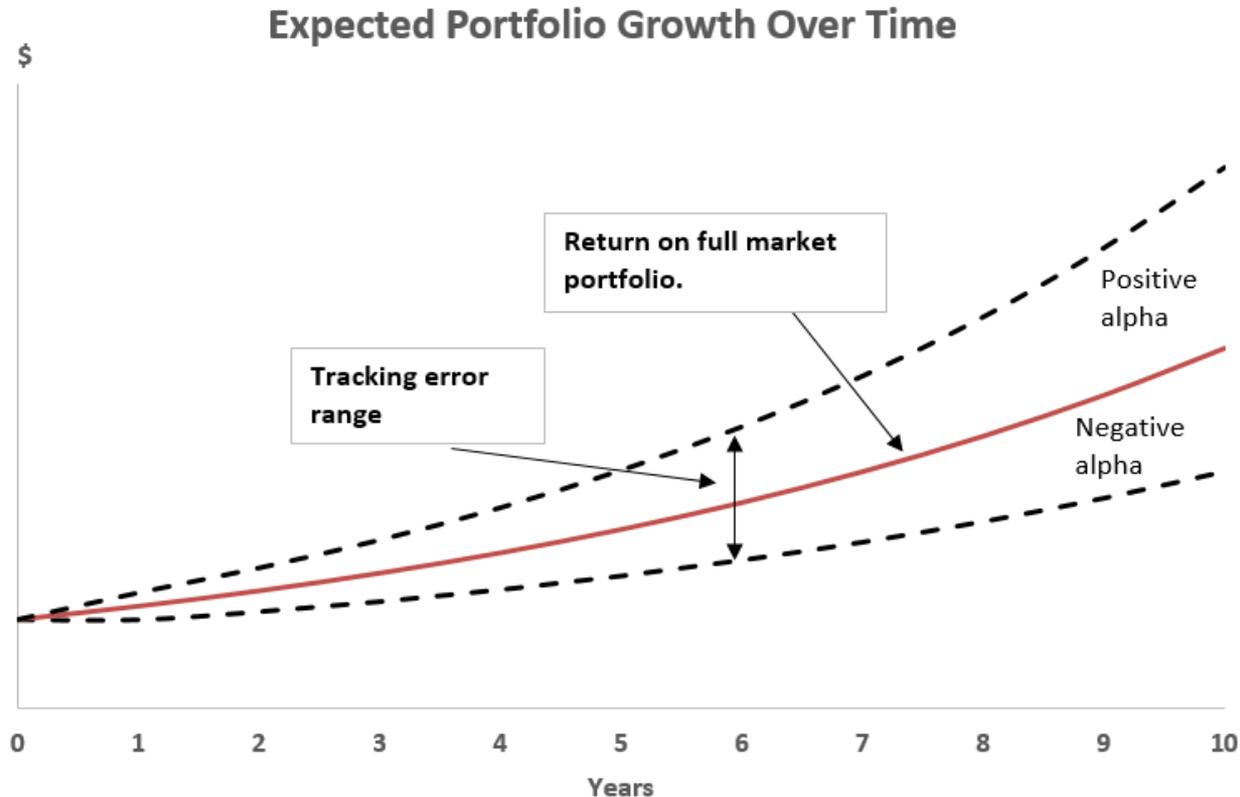


The standard deviation of these return differences is known as Tracking Error (TE).

TE of 1% => 68% likelihood returns are within 1% of benchmark.

Tracking Error Impact

Active strategies will generate either positive or negative alpha, relative to the overall market.



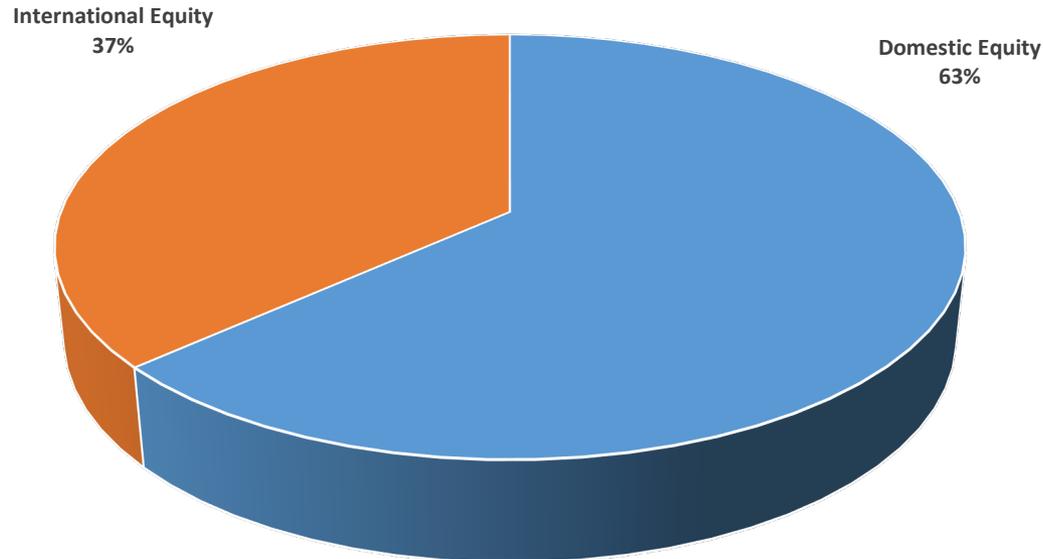
Investors should employ active strategies when they have conviction it will generate positive alpha.

Public Equity

Within Public Equity, MainePERS seeks to drive portfolio growth by fully participating in economic growth opportunities across geographies and industries.

The System's 30% to Public Equity is invested globally, based on MSCI All Country World Index (ACWI) market capitalization weights.

Public Equity Allocation



Public Equity Benchmarks

The System's benchmarks are chosen to ensure broad exposure to global economic growth opportunities.

Domestic Equity

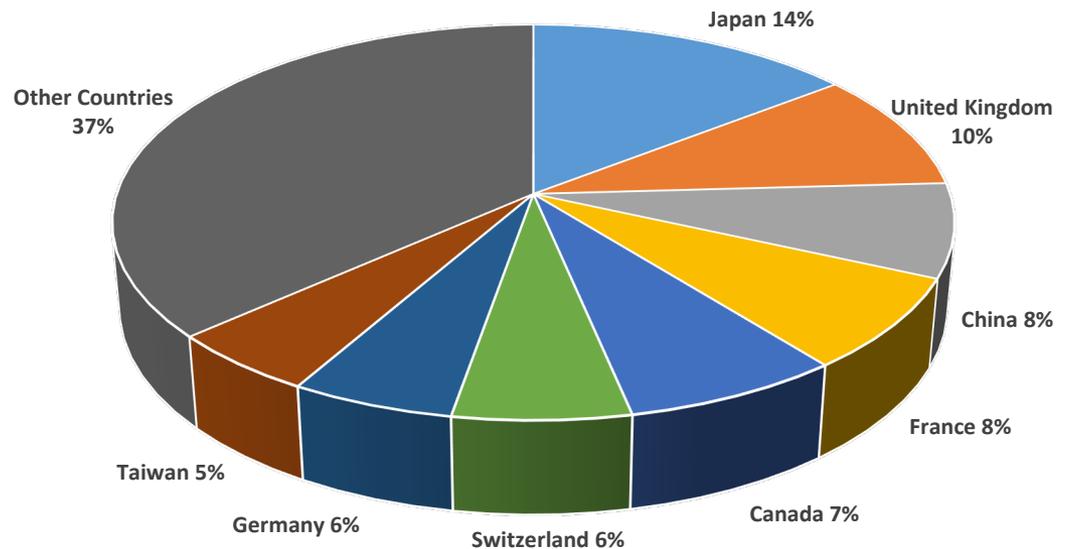
Russell 3000 Index

Russell 3000® Index 3,000 largest US stocks ~97% of the US equity market cap LARGEST \$2,684.7 B	Russell 1000® Index 94% of the Russell 3000® Index
SMALLEST \$159.5 M	Russell 2000® Index 6% of the Russell 3000® Index

International Equity

MSCI ACWI ex-USA

- 23 Developed Markets (70%)
- 24 Emerging Markets (30%)
- 2,228 companies



Other Implementation Considerations

Structures – the System employs a variety of structures

- Separate accounts (Russell 1000)
- Commingled funds (International equities)
- ETFs (Russell 2000)

Types of holdings

- Individual shares ($\approx 95\%$ of exposure)
- Synthetic exposures via derivatives ($\approx 5\%$, liquidity account holdings)

Proxy voting: MainePERS directly votes its Russell 1000 holdings

Securities lending (managed by custodian and asset manager)

Leverage – not used

Summary

Investments in public equities can be made on an active or passive basis.

MainePERS has taken a passive approach to its Public Equity allocation for nearly 15 years.

This approach ensures exposure to the full spectrum of global growth opportunities, and has allowed resources to be devoted to alternative assets, where alpha is more likely to exist.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

FY2025 Budget Briefing
Board of Trustees
June 13, 2024

Dr. Rebecca M. Wyke, Chief Executive Officer

Administrative Operations Budget FY2025

- ▶ Proposed budget is \$22 million, a \$2.6 million increase over FY2024, or 13.4%
- ▶ Supports the 5-Year Strategic Plan, in particular Goals:
 - ▶ III. Security and Integrity of our information systems
 - ▶ IV. Cultivation of a Member-centric Organization
 - ▶ V. Development of Stakeholder Relations (*employers*)
 - ▶ VI. Foster an Engaged Workforce that Advances the Organization's Mission
- ▶ Each of these Goals are embodied in the new Pension Administration System, which accounts for almost all of the increase over the FY2024 budget, or \$2.14 million

Recap of PAS System Costs

Estimated Cost of New PAS

Linea Estimate	Low	Medium	High
Capital cost	\$14.5m	\$24.5m	\$34.6m
10 year amortization	\$1.45m	\$2.45m	\$3.46m
Annual infrastructure & licensing	\$0.7m	\$0.7m	\$0.7m
Annual maintenance & support	\$0.7m	\$0.7m	\$0.7m
Year 1 - Total Cost*	\$2.85m	\$3.85m	\$4.86m
Increase over V3 Annual Cost	5.9%	43.3%	80.6%

* *these costs estimated to begin in FY2027.*

Staffing & Change Management Plans

Goals:

- ▶ Improve our ability to meet current member and employer needs
 - ▶ Continue to address backlog of member requests
 - ▶ Continue to reconcile employer accounts
- ▶ Enhance organizational capacity for successful PAS system development and deployment
- ▶ Retain knowledgeable and experienced staff for the duration of the project

Staffing

Considerations:

- ▶ Current staffing levels not sufficient to meet member and employer needs (member request backlogs, employer account reconciliations)
- ▶ Current staff of 128 is below 2009 level of 138
- ▶ Membership has grown over the past decade by 14k
 - ▶ Active Members have grown by 9.25%
 - ▶ Retired Members & Beneficiaries have grown by 22%

Plan:

- ▶ 12 new positions
 - ▶ 7 Member Services
 - ▶ 5 Employer Reporting

Total Cost: \$1,291,605 ~ costs begin in FY2025

Change Management

Considerations:

- ▶ Budgeting for change management is a best practice
- ▶ Rule of thumb, budget 10-15% of project cost for change management, \$2.45m to \$3.68m at “medium” estimated cost
- ▶ Project duration 3 years, plus 1 year after “go live” for a total of 4 years

Plan:

- ▶ 4 project staff, \$467,766 *annual, duration of project - estimate 4 years, costs begin in FY2025*
 - ▶ 1 Project Manager, 1 Technical Writer, & 2 Business Analysts
- ▶ Data Conversion, \$300,000 *estimated total for project, spread over 2 years*
- ▶ Consulting, \$575,000 *estimated total for project, spread over 4 years*
 - ▶ Linea support, \$200,000
 - ▶ Other consulting, \$375,000

Total Cost: \$2.75m *estimated cost of change management over 4 years*

Budget Capacity

- ▶ Size of trust fund sufficient to support increased budget
 - ▶ Average fund administrative expenses = 16 BP* all plans
 - ▶ FY23 FNP is \$18.9b; 16 BP = \$30.2m
 - ▶ FY24 Administrative Expenses = \$19.4m

**NCPERS 2024 Public Retirement Systems Study:
Trends in Fiscal, Operational, and Business Practices*

Comparators

FY 2023	Comparators		
	MainePERS	Ohio SERS	Michigan MERS
Fund Size - FNP FY23	\$18.9b	\$18.3b	\$14.1b
Members & Annuitants	113,600	236,214	101,109
Admin staff/member ratio	1 to 988	1 to 1,312	1 to 772
Administrative Staff	115	180	73
Administrative Expense	\$16.5m	\$33.2m	\$21.3m
- Personal Services	\$9.9m	\$20.4m	\$16.5m
16 BP - Admin Expense	\$30.2m	\$29.3m	\$22.6m
% of budget capacity	55%	113%	94%
Investment staff	9	12	5
Investment Expense	\$145.8m	\$115.9m	\$10.5m*
- Personal Services	\$5.9m	\$4.4m	\$2.8m

**Does not include management fees for alternative & comingled funds.*

- *Comparators provided by Hudepohl & Associates*
- *Data from 2023 NASRA Roll Call and 2023 ACFR for each respective plan*
- *Note: MainePERS FY24 Administrative Operations Budget is \$19.4m*

Estimated Costs

Costs:

New Staff	\$1.29m	<i>annual, ongoing</i>
New PAS - capital cost	\$2.45m	<i>annual, 10-year depreciation at “medium” estimated cost</i>
New PAS - annual cost	\$1.40m	<i>annual, ongoing</i>
Change Management	\$2.75m	<i>estimated total cost over 4 years</i>

Costs by Fiscal Year:

FY25**	FY26*	FY27*	FY28	FY29*
\$2.14m	\$2.02m	\$5.75m	\$5.89m	\$5.36m

**reflects costs for new staff and project staff*

**reflects one-time costs for data conversion*

**reflects ongoing annual cost of depreciation and support for new PAS system*

**reflects end of project staff and change management costs*

FY2025 Administrative Operations Budget cont.

- ▶ Total increase in budget over FY2024, \$2.6 million
- ▶ FY2025 Costs for new PAS System, including the staffing and change management plans, \$2.14 million
- ▶ Removing the PAS Costs, the budget increase is \$451,900, or 2.3%

Administrative Operations Budget FY2025 cont.

- ▶ Also reflected in the budget is a new finance position to support the Chief Financial Officer as she focuses on employer reporting to address both systemic issues and development of the employer reporting module of the new PAS System
- ▶ The budget provides funding for collective bargaining and the full cost of personal services, removing the attrition factor that was included in last year's budget (\$294,422)
- ▶ Please note there is some uncertainty about the cost of collective bargaining, as well as the cost and timing of some key efforts in the development of the PAS

Investment Operations Budget FY2025

- ▶ Proposed budget is \$6.9 million, a half a million dollar increase over FY2024, or 7.7%
- ▶ Supports the 5-Year Strategic Plan, in particular Goals:
 - ▶ I. Preservation of the Trust Fund
 - ▶ II. Stability of the Contribution Rates

Investment Operations Budget FY2025

- ▶ The budget includes one new position to address the increase in private market investment activity, as well as increased activities related to divestment and other stakeholder issues
- ▶ Almost half the increase over FY2024 is associated with adding back the \$232,000 transfer to the Administration Operations Budget that occurred earlier this year to cover attrition savings that did not materialize due to recruitment and retention efforts
- ▶ Removing the transfer, the increase is \$260,775, or 4%

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: FY25 RECOMMENDED OPERATING BUDGET – ADMINISTRATION AND INVESTMENT OPERATIONS
DATE: JUNE 5, 2024

I have included recommended administrative and investment operations budgets for the fiscal year ending June 30, 2025 for your review and consideration. These recommended budgets were developed over the course of the last several months in collaboration with the senior management team and staff, and are unchanged since you saw them in May.

POLICY REFERENCE

[Board Policy 1.6 – Finance and Audit Committee of the Board](#)

[Board Policy 5.4 – Budgeting, Spending, and Reporting](#)

ADMINISTRATIVE OPERATIONS BUDGET

The administrative operations budget as proposed is a 13.4%, or \$2,591,900 increase over the budget approved for FY24 and a 14.4% increase over expected expenses for this year, however the FY 24 expected expenses do not include anticipated overtime for the remainder of the current fiscal year. Personnel services are proposed to increase by 23.3%, or \$2,740,351. More than half of this increase, \$1,480,000, is to support the continued efforts to address backlogs and to prepare for and support the new pension administration system (PAS) project. In addition to the new positions to support the backlog and the new PAS project, one new finance position is proposed along with funding to support redundancy in two key positions which are expected to be vacated in the second half of the fiscal year. These funds will allow us to hire successors for these positions and allow for several months of overlap to provide training and a successful transition. The total cost for these initiatives is \$343,000.

The remaining increase includes the removal of the vacancy allowance (\$294,422) and projected increases in health and dental premium costs (6.4% and 2.2%), a general cost of living increase, step increases for bargaining unit staff, and performance pay for confidential staff, as well as the impact of FY24 mid-year compensation adjustments. The budget also includes a new

cost related to the Family Medical Leave law that takes effect January 1, 2025 and requires employers to contribute 1% of payroll in the first year to a state-wide fund to support Maine employees who otherwise might not have access to paid family medical leave.

The administrative operating expenses other than personnel are expected to decrease this coming year by 1.9%, or \$148,451. Adjustments to ongoing costs include reductions for IT supports, actuarial services, depreciation, and buildings and operations. Actuarial services in FY24 included the cost for a life insurance premium study that is nearing completion. Depreciation is reduced as capital projects become fully depreciated throughout FY24 and FY25 with fewer new capital projects to take their place. Buildings and operations are impacted as the costs for electricity are expected to be lower based on a newly negotiated price with a new supplier, offset by modest increases in cleaning and other building related costs.

Expenses that are increasing include audit services, legal services, and hearings officer services. Audit services includes the anticipated cost of four internal audits this fiscal year Last year also included four audits, however one was charged directly to the investment budget. Legal services includes the cost of collective bargaining in FY25 and hearing officer services are being adjusted to reflect current experience. In addition to these services, postage is increasing to reflect actual and planned activity and telephone expenses are increasing to account for expanded internet capacity added in FY24 to support improved connectivity and performance across the network.

INVESTMENT OPERATIONS BUDGET

The investment operations budget reflects a 7.7% increase over last year. Personnel services are expected to increase by \$421,866, or 16.7%. Of that amount, \$232,000 is directly related to the one-time adjustment made to the FY24 budget, transferring surplus funds out of the personnel budget for investments to the personnel budget for administration. This remaining increase of \$189,866 includes \$112,000 to add one new position to the investment team in anticipation of future needs. The position is budgeted for half the year to allow the Chief

Investment Officer to assess the team's need now that a new Deputy Chief Investment Officer has been hired.

The budget also includes projected increases in health and dental premium costs (6.4% and 2.2%), a general cost of living increase, performance pay, and the impact of FY24 mid-year compensation adjustments.

Operating expenses are expected to increase 1.8%, or \$70,909. The primary driver for this increase is an anticipated increase in costs for custodial services and professional investment consulting services.

RECOMMENDATION

Approve the FY25 Recommended Operating Budget in the amount of \$21,994,206 and the Recommended Investment Operations Budget in the amount of \$6,929,814 as presented.

**Maine Public Employees Retirement System
Proposed Administrative Expenses Budget
For the Fiscal Year Ended June 30, 2025**

	FY 24 Budgeted	FY24 Expected	FY 25 Budgeted	FY 25 Budget vs. FY24 Expected	FY 25 Budget vs. FY 24 Budget	FY 25 Budget vs. FY 24 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 8,684,202	\$ 8,679,280	\$ 10,651,839	\$ 1,972,559	\$ 1,967,637	22.7%
Overtime Wages	-	110,025	-	(110,025)	-	
Total Salaries & Wages	8,684,202	8,789,305	10,651,839	1,862,534	1,967,637	22.7%
Benefits						
Health Insurance	\$ 1,922,264	1,910,665	\$ 2,500,137	589,472	577,873	30.1%
MainePERS Retirement Contributions	1,112,911	1,105,261	1,307,416	202,155	194,505	17.5%
Retiree Health Insurance Reserve	9,143	9,280	9,480	200	337	3.7%
Other Insurance and Benefits	28,000	26,177	28,000	1,823	-	0.0%
Total Benefits	3,072,318	3,051,383	3,845,032	793,649	772,714	25.2%
Total Personnel Services	11,756,520	11,840,688	14,496,871	2,656,183	2,740,351	23.3%
Operating Expenses						
Computer Equipment, Supplies and Supports	3,013,431	2,885,917	2,844,935	(40,982)	(168,496)	-5.6%
Medical Consultation Services	244,500	238,456	244,500	6,044	-	0.0%
Training, Continuing Education and Tuition	89,760	89,760	122,764	33,004	33,004	36.8%
Travel	61,505	61,505	57,435	(4,070)	(4,070)	-6.6%
Depreciation	578,836	556,262	450,963	(105,299)	(127,873)	-22.1%
Professional Services						
Actuarial Services	423,720	386,591	397,140	10,549	(26,580)	-6.3%
Audit Services	120,500	126,193	142,000	15,807	21,500	17.8%
Legal Services	197,000	163,368	211,500	48,132	14,500	7.4%
Hearing Officers Services	35,500	68,802	50,500	(18,302)	15,000	42.3%
Miscellaneous Professional Services	678,178	533,579	839,053	305,474	160,875	23.7%
Total Professional Services	1,454,898	1,278,533	1,640,193	361,660	185,295	12.7%
Other Operating Expenses						
Buildings and Operations	579,227	516,652	496,127	(20,525)	(83,100)	-14.3%
Capital Lease Expense	552,714	540,882	549,397	8,515	(3,317)	-0.6%
Insurance	109,807	110,713	109,100	(1,613)	(707)	-0.6%
Printing and Publications	205,766	276,264	198,121	(78,143)	(7,645)	-3.7%
Postage	359,100	427,996	370,705	(57,291)	11,605	3.2%
Telephone	147,978	164,826	166,992	2,166	19,014	12.8%
Other	248,265	236,831	246,103	9,272	(2,162)	-0.9%
Total Other Operating Expenses	2,202,856	2,274,164	2,136,545	(137,619)	(66,312)	-3.0%
Total Operating Expenses	7,645,786	7,384,597	7,497,335	112,738	(148,451)	-1.9%
Total Administrative Expenses	\$ 19,402,306	\$ 19,225,285	\$ 21,994,206	\$ 2,768,921	\$ 2,591,900	13.4%

Maine Public Employees Retirement System
Proposed Investment Operations Expenses Budget
For the Fiscal Year Ended June 30, 2025

	FY 24 Budgeted	FY24 Expected	FY 25 Budgeted	FY 25 Budget vs. FY24 Expected	FY 25 Budget vs. FY 24 Budget	FY 25 Budget vs. FY 24 Budget
Personnel Services						
Salaries & Wages						
Salaries and Wages	\$ 1,922,516	\$ 1,900,836	\$ 2,258,055	\$ 357,219	\$ 335,539	17.5%
Overtime Wages	-	-	-	-	-	
Total Salaries & Wages	1,922,516	1,900,836	2,258,055	357,219	335,539	17.5%
Benefits						
Health Insurance	284,765	249,425	317,028	67,603	32,263	11.3%
MainePERS Retirement Contributions	314,760	310,980	368,740	57,760	53,980	17.1%
Retiree Health Insurance Reserve	2,286	2,280	2,370	90	84	3.7%
Total Benefits	601,811	562,685	688,138	125,453	86,327	14.3%
Total Personnel Services	2,524,327	2,463,521	2,946,193	482,672	421,866	16.7%
Operating Expenses						
Computer Equipment, Supplies and Supports	167,870	166,371	158,781	(7,590)	(9,089)	-5.4%
Training, Continuing Education and Tuition	26,200	26,200	29,500	3,300	3,300	12.6%
Travel	78,300	78,300	79,300	1,000	1,000	1.3%
Depreciation	1,920	5,835	4,271	(1,564)	2,351	122.4%
Professional Services						
Audit Services	65,500	70,870	57,000	(13,870)	(8,500)	-13.0%
Legal Services	1,140,000	692,099	1,140,000	447,901	-	0.0%
Investment Consulting	1,215,000	1,215,000	1,245,000	30,000	30,000	2.5%
Proxy Voting Services	24,037	24,037	24,037	-	-	0.0%
Custody Services	720,000	720,000	750,000	30,000	30,000	4.2%
Other Professional Services	107,000	175,235	118,500	(56,735)	11,500	10.7%
Total Professional Services	3,271,537	2,897,241	3,334,537	437,296	63,000	1.9%
Other Operating Expenses						
Buildings and Operations	132,110	132,129	136,196	4,067	4,086	3.1%
Capital Lease Expense	150,782	159,050	151,679	(7,371)	897	0.6%
Insurance	9,205	8,966	8,683	(283)	(522)	-5.7%
Postage	540	354	540	186	-	0.0%
Telephone	42,210	49,162	49,608	446	7,398	17.5%
Other	32,038	33,664	30,526	(3,138)	(1,512)	-4.7%
Total Other Operating Expenses	366,885	383,325	377,232	(6,093)	10,347	2.8%
Transfers to Reserves - MePERS	-	-	-	-	-	
Total Operating Expenses	3,912,713	3,557,272	3,983,621	426,349	70,909	1.8%
Total Investment Operations Expenses	\$ 6,437,040	\$ 6,020,793	\$ 6,929,814	\$ 909,021	\$ 492,775	7.7%

Maine Public Employees Retirement System



Ratesetting

June 13, 2024

Gene Kalwarski, FSA, FCA, MAAA, EA
Bonnie Rightnour, FSA, MAAA, EA
Greg Reardon, FSA, MAAA, EA

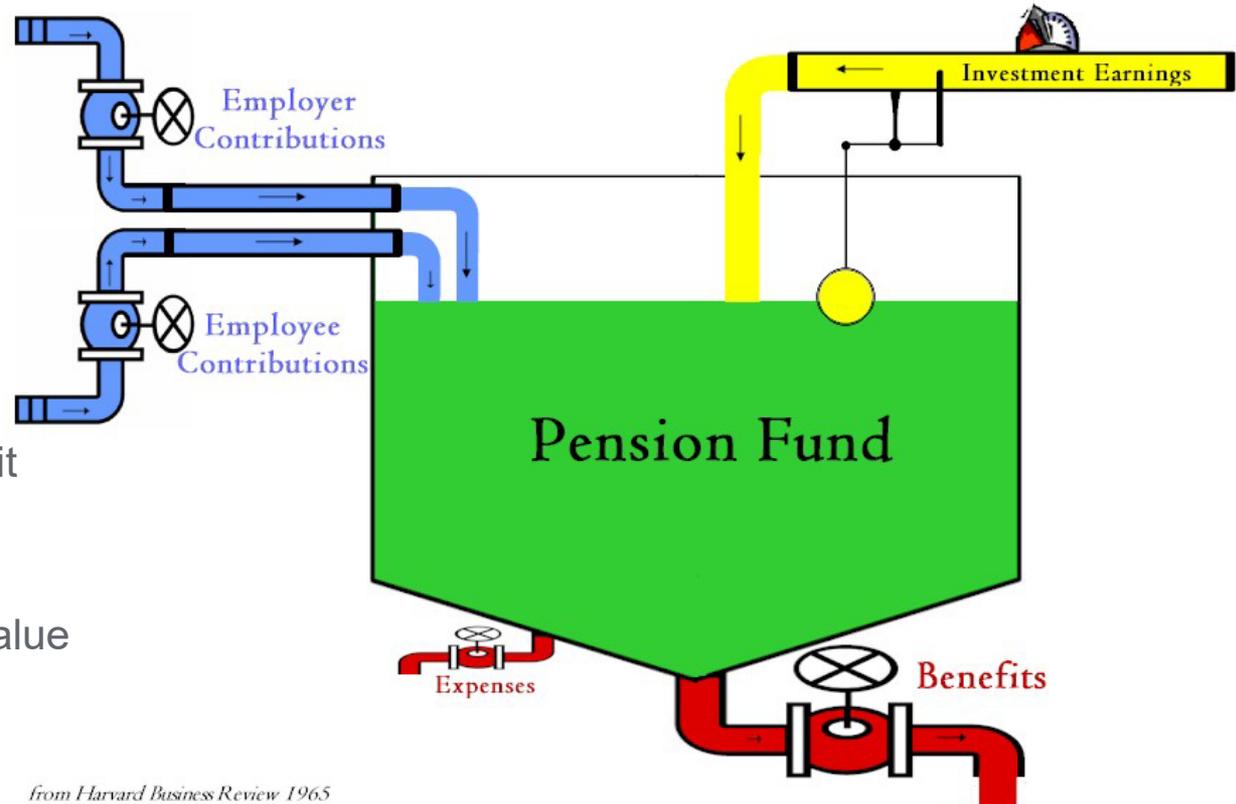


- The Actuarial Valuation Process In General
- June 30, 2024 “Roll Forward” Valuation
 - Maine Budget Process
 - What is a “Roll Forward” Valuation?
 - Projected State Biennium Contributions

The Actuarial Valuation Process



1. Collect data
 - Participants
 - Plan Provisions
 - Financial
2. Make assumptions
 - Demographic
 - Economic
3. Project all future benefit payments
4. Determine a present value = tank
5. Compare to assets
6. Calculate employer contribution

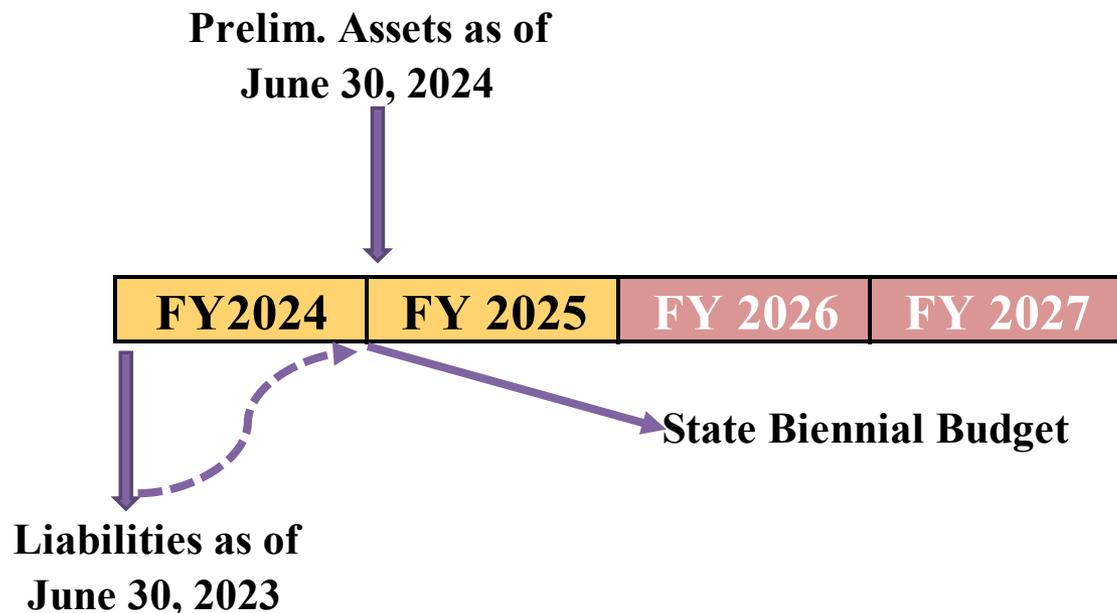


from Harvard Business Review 1965

FY 26/27 Ratesetting Timeline



- State Employee and Teacher Programs and Judicial and Legislative Programs



- Participating Local Districts (PLDs) - June 30, 2024 valuation used for FY 2026 PLD and member contributions

Actuarially Determined Contribution



- Employer Contribution Rates are determined as:
 - Normal Cost (annual accruals)
 - + Unfunded Actuarial Liability Contribution
 - Employee Contributions
- Rates are determined as a % of Payroll
 - Payroll is projected at 2.75% resulting in an expected increased contribution
- Rates are “locked in” for 2 years for budgeting

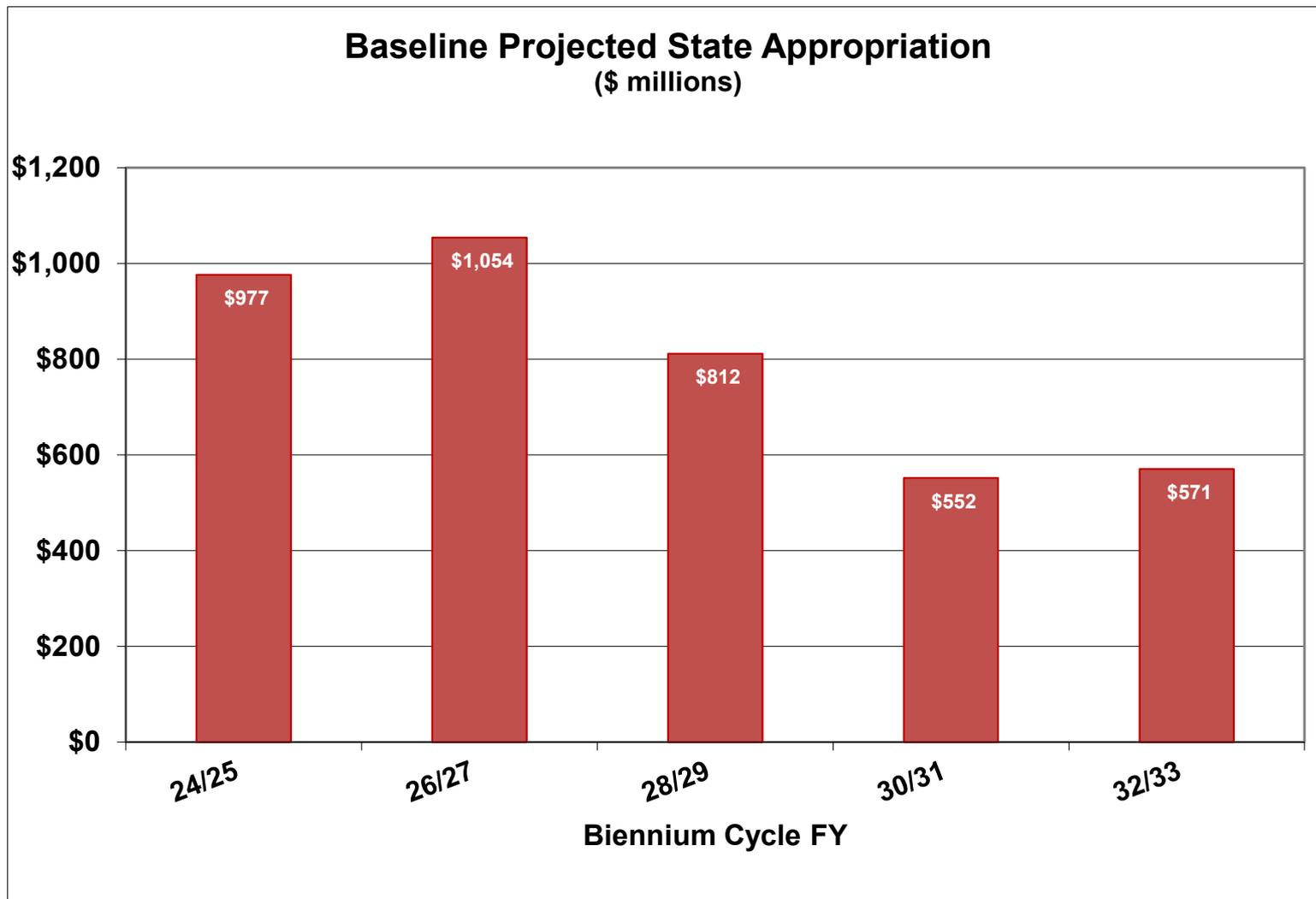
Roll Forward Valuation Example*



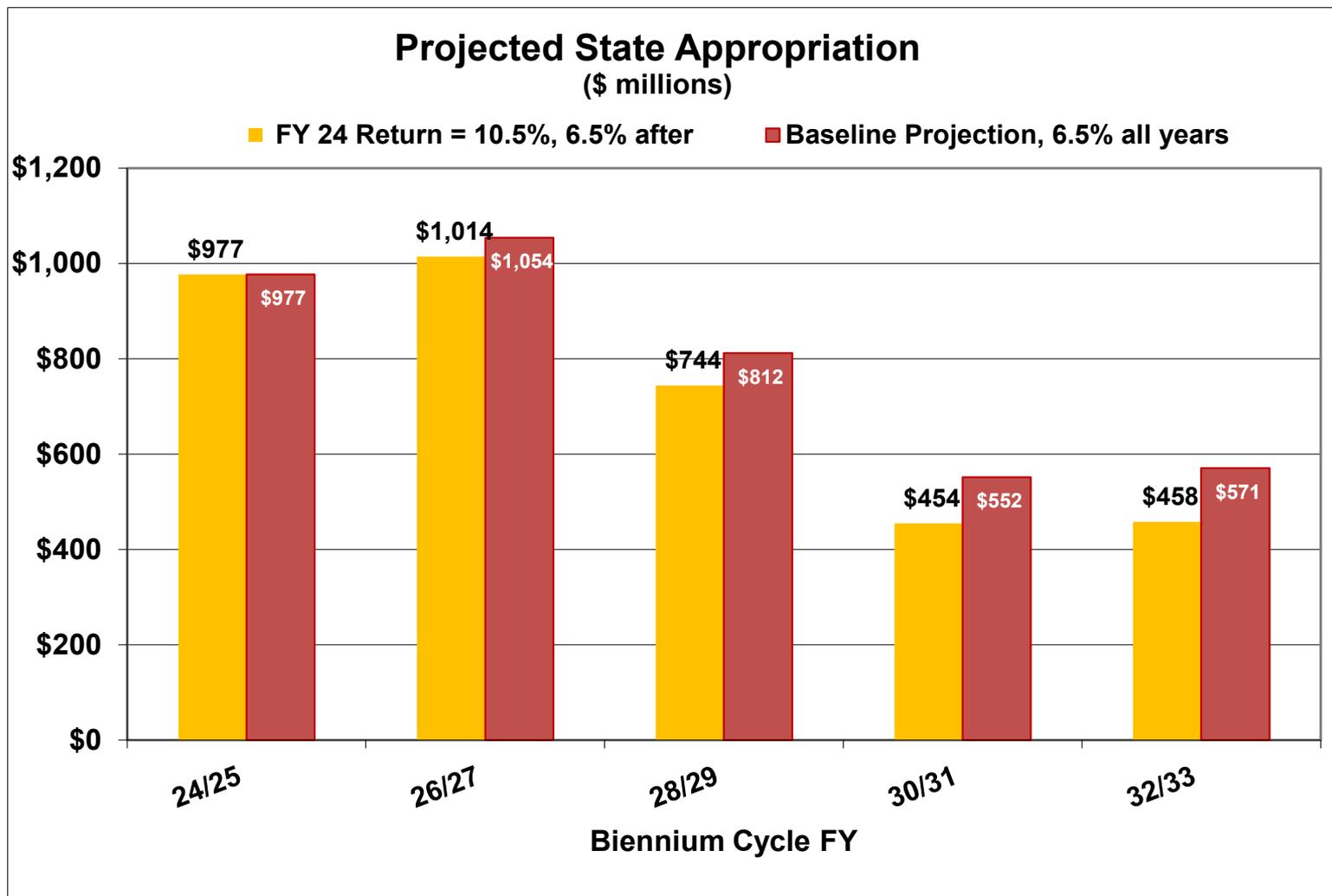
1 Actuarial Liability June 30, 2023	\$ 17,520.5	
2 Normal Cost FY 2024	\$ 296.6	
3 Benefit Payments FY 2024	\$ 1,135.2	
4 Investment Assumption	6.50%	
5 Roll Forward Liability to June 30, 2024	\$ 17,793.9	(1)+(2)-(3), all interest adjusted
6 Estimated AV Assets June 30, 2024	\$ 15,373.4	MVA supplied in July by MainePERS
7 Estimated UAL June 30, 2024	\$ 2,420.5	(5)-(6)
8 Estimated UAL Amortization	\$ 403.6	(7)/Cheiron amortization factors
9 Estimated FY26 State Payroll	\$ 2,556.3	supplied by MainePERS
10 Estimated FY27 State Payroll	\$ 2,626.6	supplied by MainePERS
11 UAL Amortization %	15.79%	(8)/FY2024 Estimated Payroll
12 June 30, 2023 Employer Normal Cost %	4.54%	
13 FY26-27 Employer Contribution %	20.33%	(11)+(12)
14 FY26-27 State Contribution	\$ 1,053.8	(9+10) x (13)

*** Amounts are approximate**

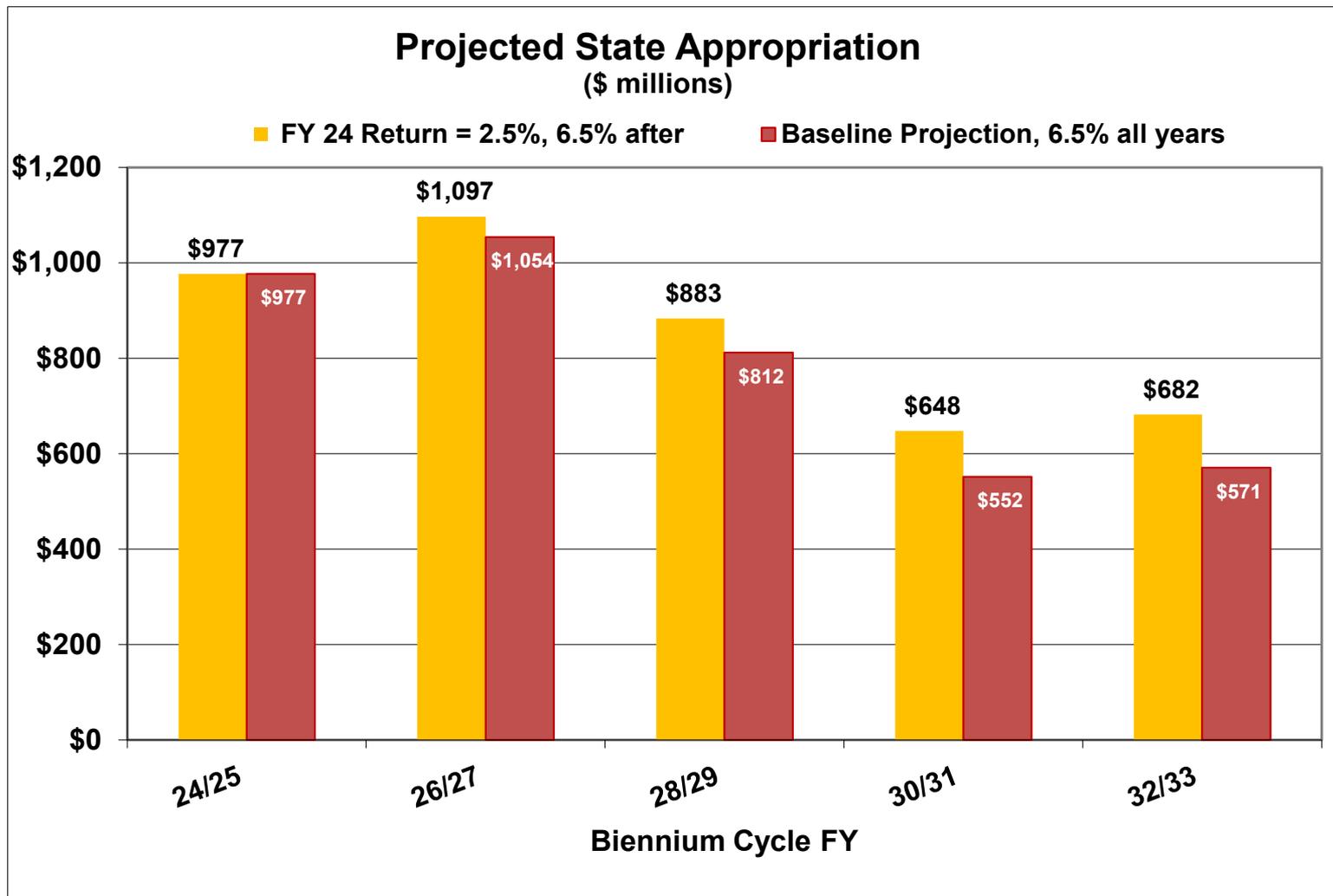
Baseline = FY24 Return = 6.5%



FY24 Return = 10.5%



FY24 Return = 2.5%





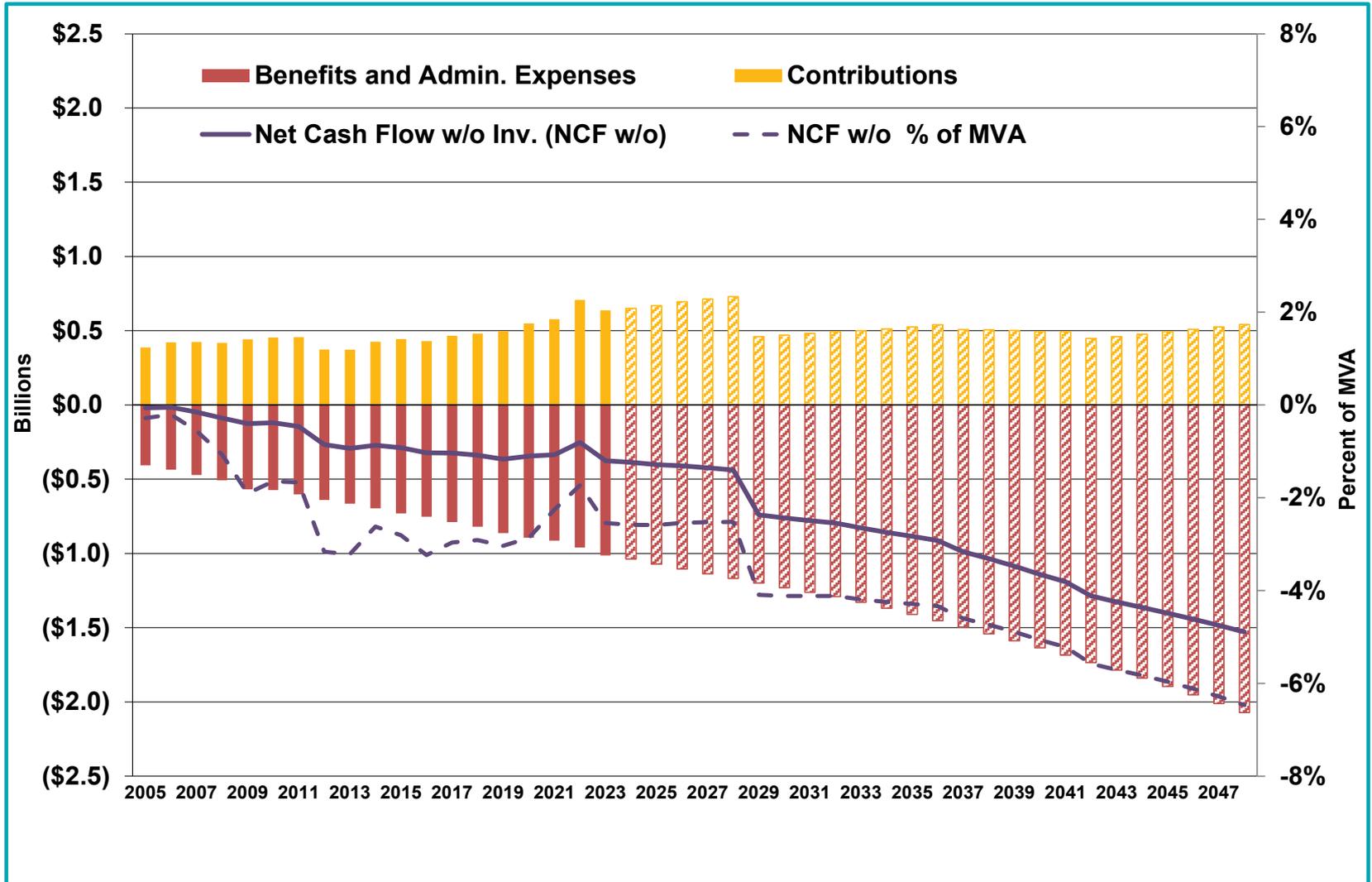
Actual FY 26/27 Ratesetting Results will be reviewed in the July Board meeting. Some preliminary observations are:

- Assets
 - Market value return of 7% (as estimated by MainePERS)
- Liabilities
 - COLA rate higher than assumed

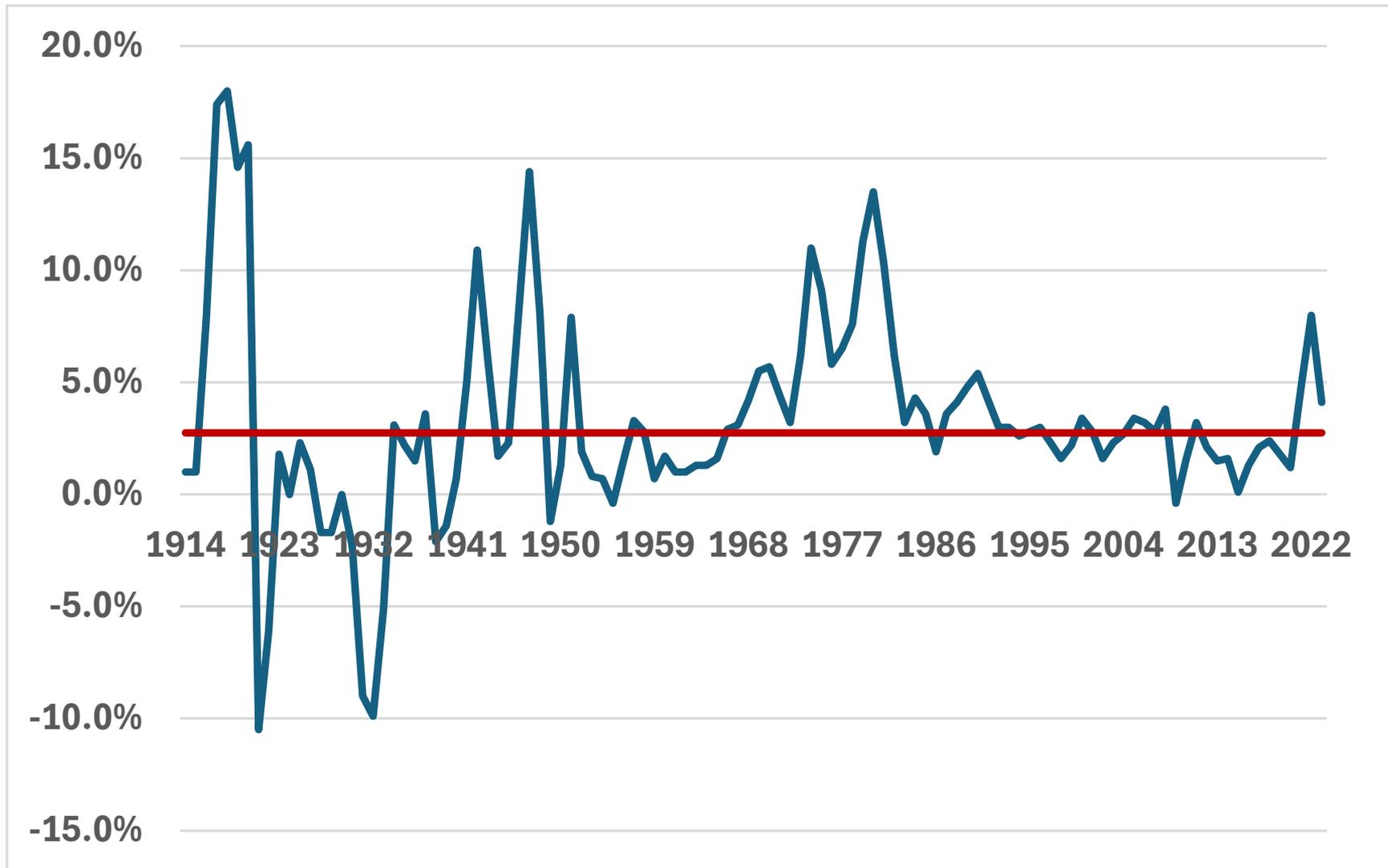


- Net Cash Flow = Contributions minus Benefit Payments and Expenses
- Due to the payoff of the 1996 UAL in FY2028, contributions are expected to decline, which creates more negative net cash flow
- Large negative net cash flow indicates plan maturity, which also increases the System's sensitivity to investment risk

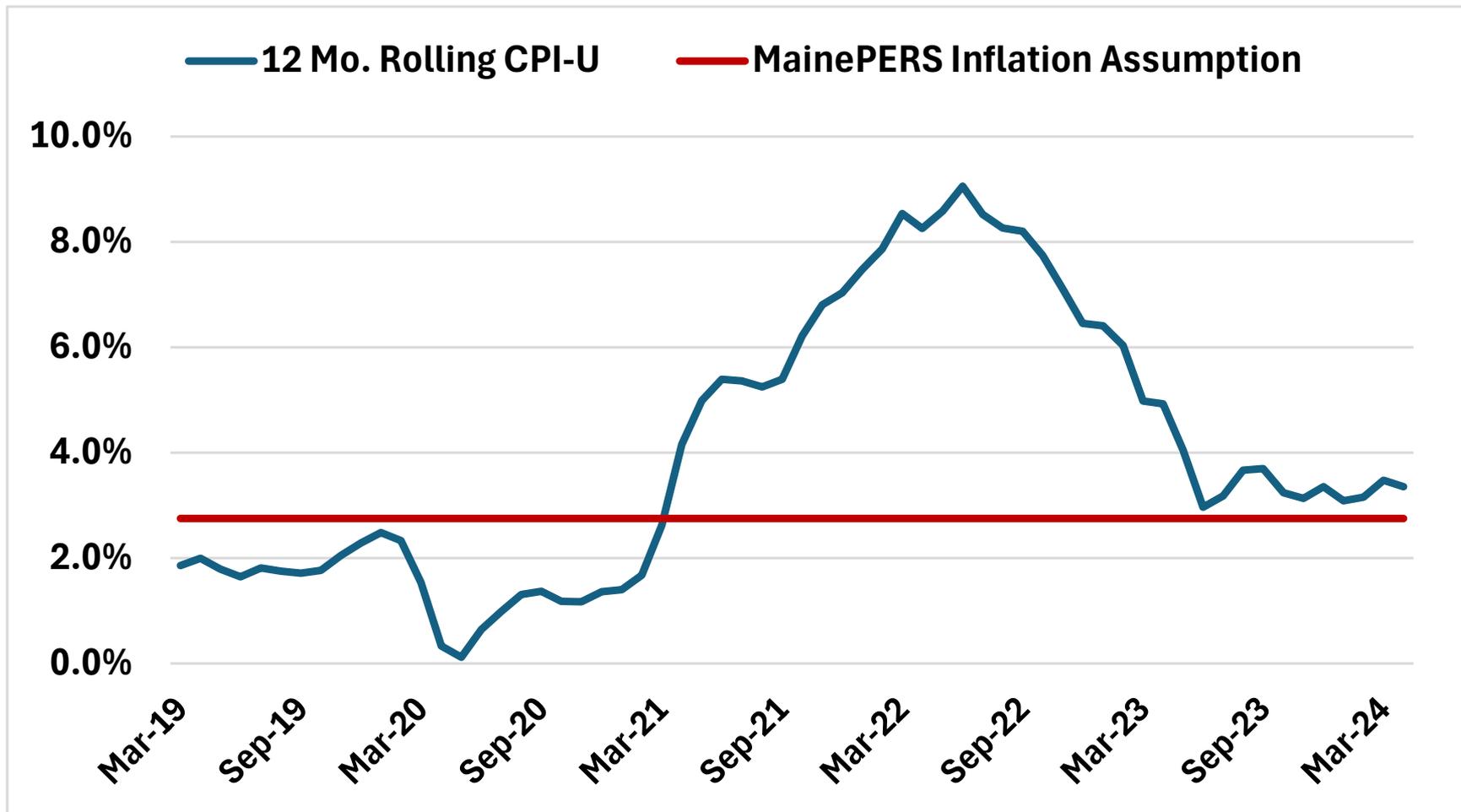
Increasing Negative Net Cash Flows



Inflation – Historical Data 1914-2023



Inflation – Recent Historical Data





- Higher Salaries
 - Increases liabilities and costs
 - Slightly lower contribution rate for existing UAL
- Higher COLAs
 - Increases liabilities and costs
 - *Generally capped at 3%*
 - COLAs assumed to be 2.20% recognizing long-term effect of the 3% cap
- Liability losses due to higher salaries and COLAs are amortized over 20 years

Required Disclosures



In preparing this presentation, we relied on information supplied by the Maine Public Employees Retirement System.

The actuarial assumptions, data, and methods are those used in the preparation of the latest actuarial valuation report prepared for these plans as of June 30, 2023.

The results of this presentation rely on future Plan experience conforming to the underlying assumptions and methods outlined in the reports. Future results may differ significantly from the current results presented in this presentation due to such factors as the following: Plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in Plan provisions or applicable law.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Cheiron's presentation was prepared solely for the Maine Public Employees Retirement System for the purposes described therein, except that the Plan auditor may rely on the report solely for the purpose of completing an audit related to the matters herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Gene Kalwarski, FSA
Principal Consulting Actuary

Greg Reardon, FSA
Principal Consulting Actuary

Bonnie Rightnour, FSA
Principal Consulting Actuary

June 13, 2024



Maine Public Employees Retirement System



Economic Assumptions Review

June 13, 2024

Gene Kalwarski, FSA, EA, MAAA, FCA

Greg Reardon, FSA, EA, MAAA

Bonnie Rightnour, FSA, EA, MAAA



- Economic assumptions are reviewed annually
 - Investment Return (discount rate) and inflation
 - Not dependent on accumulation of data
- Maine PERS reviews demographic assumptions every five years – next review will follow the June 30, 2025 actuarial valuation



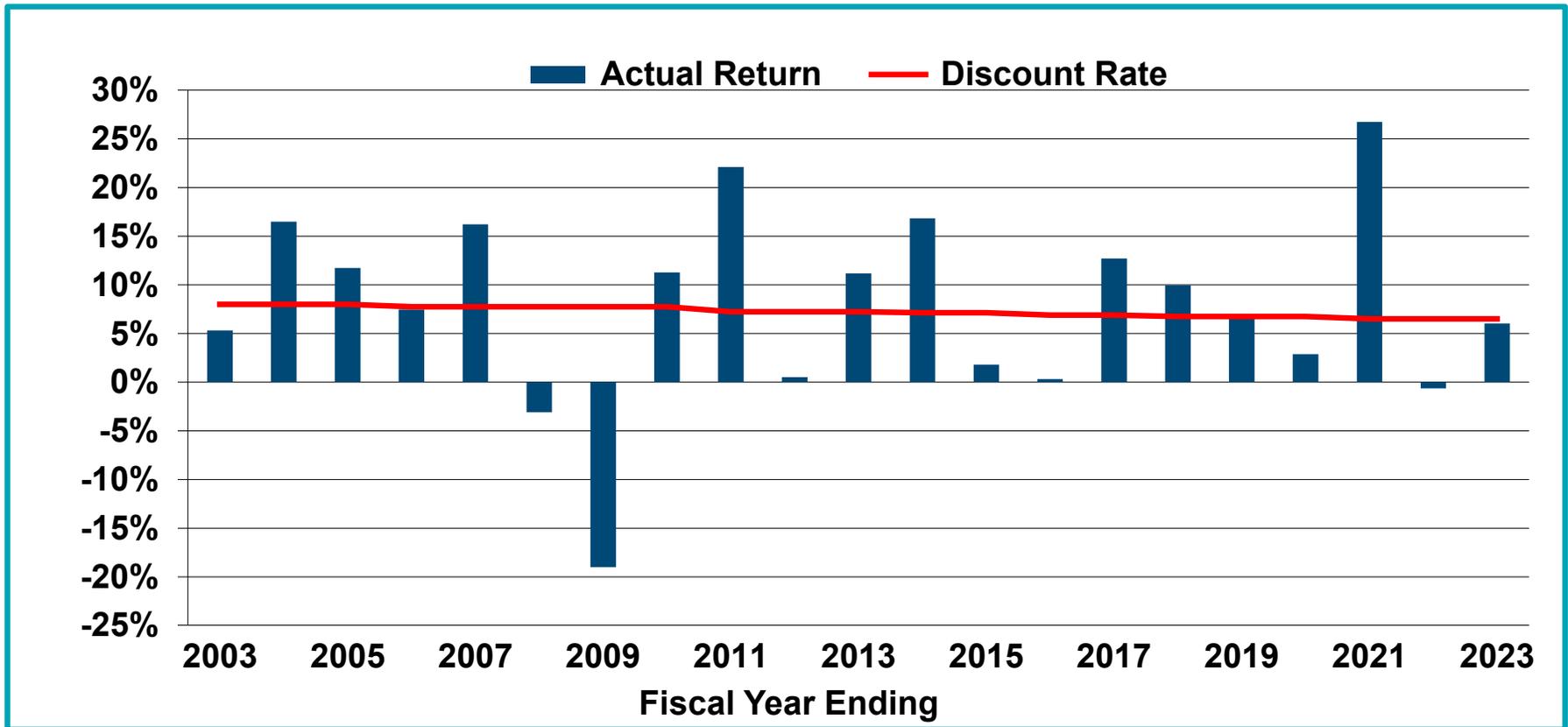
1. Historical Experience
2. Industry Trends
3. Regulatory Standards/Board Policies
4. Board's Risk Tolerance/Preference
5. Plan Dynamics
6. Future Expectations



Investment Return Assumption



1. Historical Maine PERS Experience



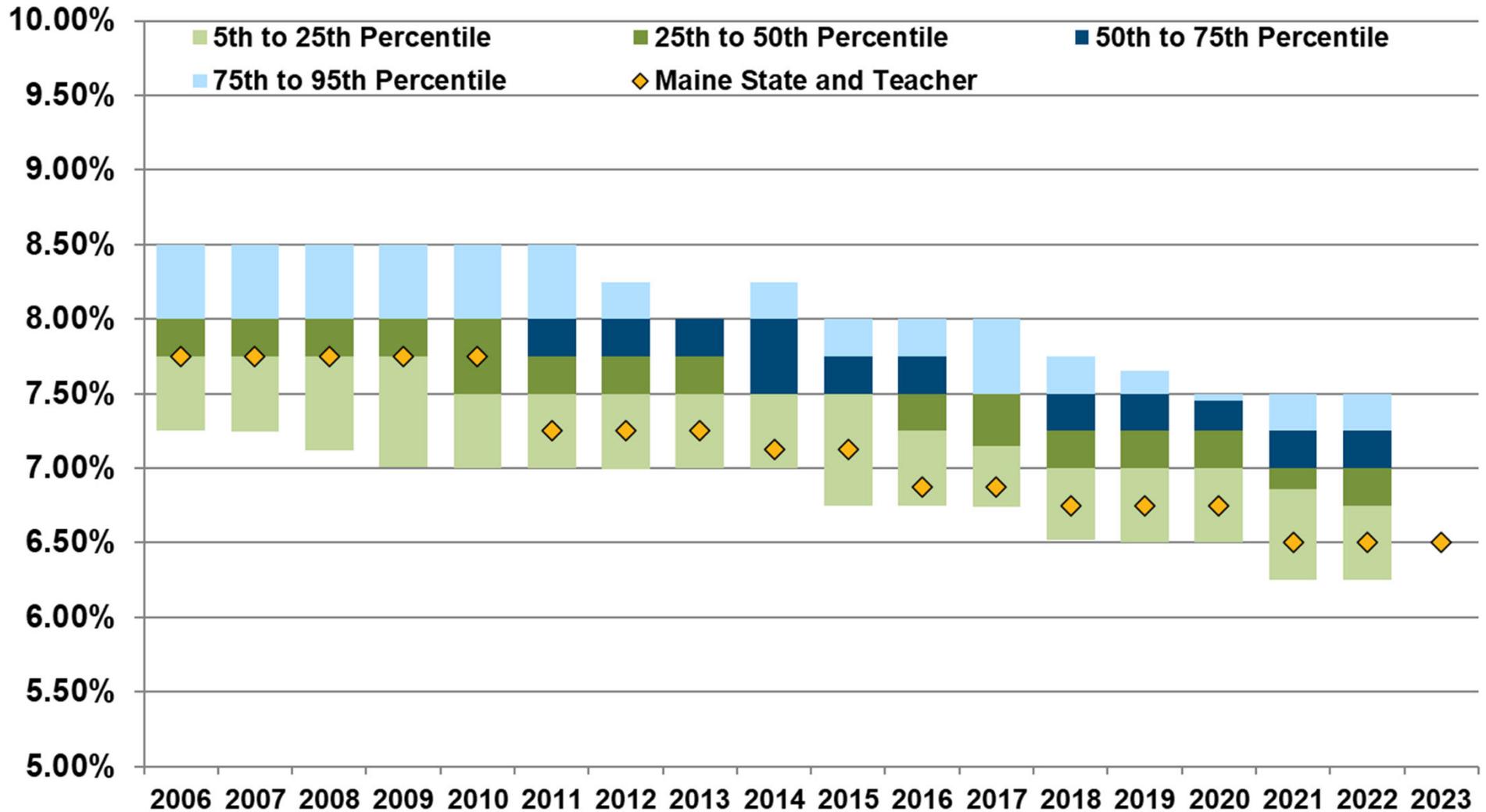
* 7.44% is the time-weighted annual net return over the 20-year period, through FYE 2023

	July 1						
	1995	2006	2011	2014	2016	2018	2021
Discount Rate	8.00%	7.75%	7.25%	7.125%	6.875%	6.75%	6.50%

2. Industry Trends



Discount Rate

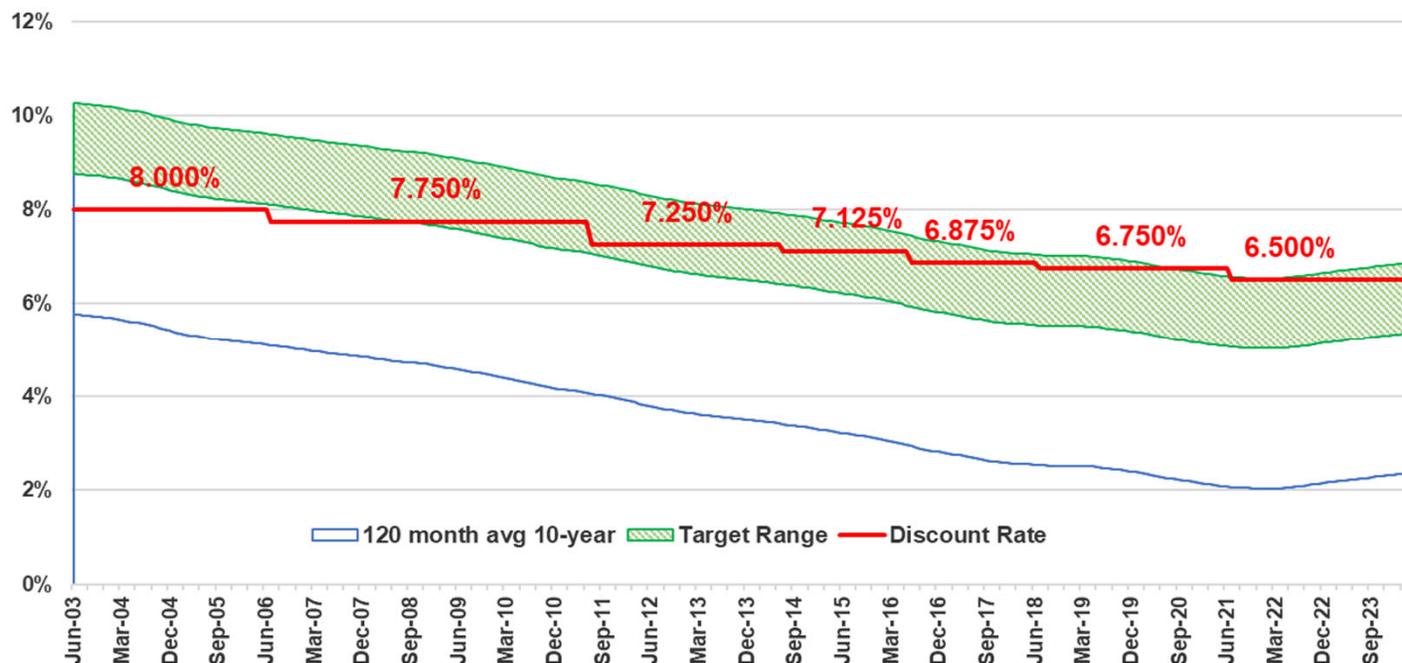


Survey Data from Public Plans Data as of 1/25/2024

3. Regulatory Standards / Board Policy



- Regulatory Standards – Currently none apply
- Board Policy
 - *“The discount rate on liabilities shall be compared to a guideline range of a combination of the 120-month average of the 10-year constant maturity treasury rate published by the Federal Reserve Bank of St. Louis plus 3% to 4.5%.”*



4. Board's Risk Tolerance/Preference

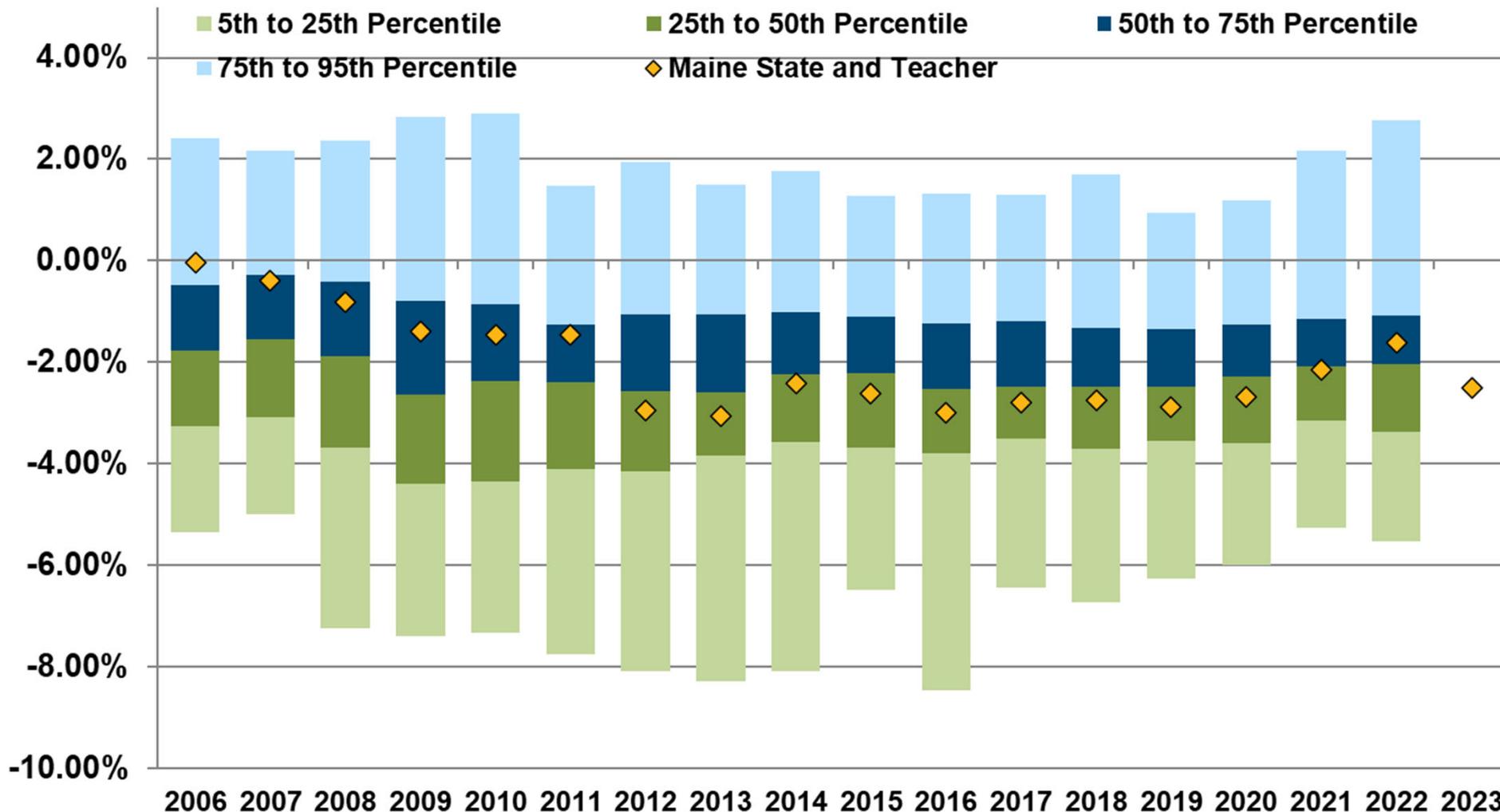


The Board's risk preference is a factor to consider when deciding on a discount rate. The lower the discount rate the lower the investment return needed to achieve it.

5. Plan Dynamics: Net Cash Flow Rate



Net Cash Flow Rate



Survey Data from Public Plans Data as of 1/25/2024

6. Future Expectations



- Future expectations is the most important factor to consider
- Review Cambridge Associates' expectations
- Review industry's expectations

Cambridge Associates vs. Industry



Consultant	Nominal	Inflation	Real	Standard Deviation
Cambridge Associates (RTN+EQ*), 2024 Assumptions	8.10%	2.50%	5.60%	10.90%
Cambridge Associates (RTN+EQ*), 2023 Assumptions	8.10%	2.75%	5.35%	10.90%
Horizon (10-year), 2023 Assumptions	7.50%	2.50%	5.00%	12.00%
Horizon (20-year), 2023 Assumptions	7.77%	2.40%	5.37%	12.00%

* Cambridge Associates assumptions are based off of a 10-year Return To Normal assumption set followed by a 15-year equilibrium assumption set.



Inflation Assumptions





- The inflation assumption impacts:
 - Cost-of-Living Adjustment (COLA) assumption for applicable pension benefits
 - Salary increase (besides merit increases)

Inflation – Historical Data



- The Consumer Price Index for All Urban Consumers U.S. City Average* (All Items) for the past 30 years

Year Ending June	Increase in CPI-U	Year Ending June	Increase in CPI-U
1995	3.04%	2010	1.05%
1996	2.75%	2011	3.56%
1997	2.30%	2012	1.66%
1998	1.68%	2013	1.75%
1999	1.96%	2014	2.07%
2000	3.73%	2015	0.12%
2001	3.25%	2016	1.00%
2002	1.07%	2017	1.63%
2003	2.11%	2018	2.87%
2004	3.27%	2019	1.65%
2005	2.53%	2020	0.65%
2006	4.32%	2021	5.39%
2007	2.69%	2022	9.06%
2008	5.02%	2023	2.97%
2009	-1.43%	2024	3.36%

Even when considering the recent spike, long-term averages are still under 2.75%

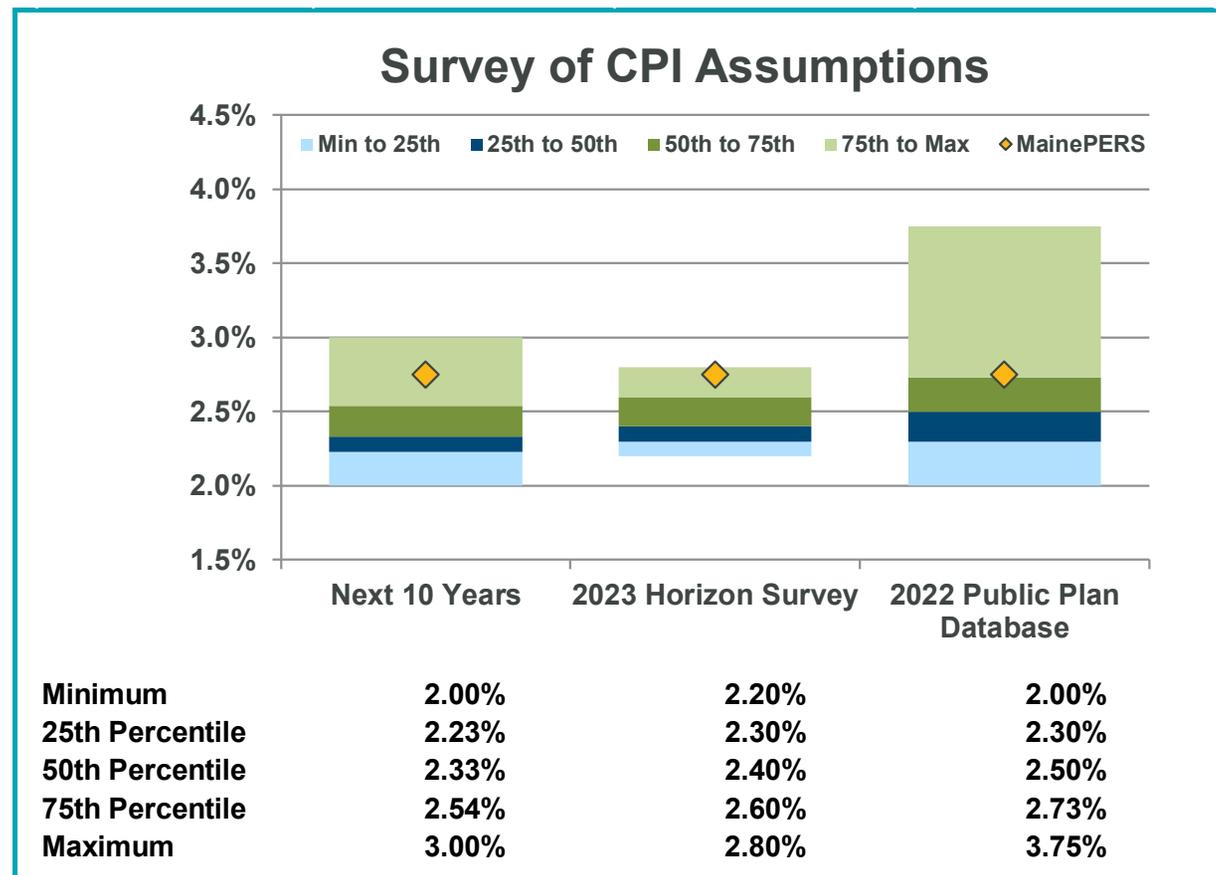
CPI averages through June 2024		
Time Period	Number of Years	Compound Average
2020 - 2024	5	4.25%
2015 - 2024	10	2.84%
2010 - 2024	15	2.56%
2005 - 2024	20	2.57%
2000 - 2024	25	2.60%
1995 - 2024	30	2.55%

* June 2024 not yet available, rate shown is April 2024 over April 2023.

Inflation – CPI Surveys



Survey of economic forecasters* published
May 10, 2024



* Research Department of Federal Reserve Bank of Philadelphia

Cheiron Recommendations



- No Changes to Economic Assumptions at This Time
- Maintain
 - Discount Rate: at 6.5%
 - Inflation: at 2.75%
 - Results in COLA assumption of 2.20%
 - Payroll growth
 - Base for salary increases
- Rationale
 - Significant economic uncertainties
 - Long-term trends have not been established
 - Economic assumptions should not chase annual expectation movements

Required Disclosures



The purpose of this presentation is to discuss economic actuarial assumptions for the Maine Public Employees Retirement System. This presentation is for the use of the Board and System staff.

In preparing this presentation, we relied on information, some oral and some written, supplied by the Maine Public Employees Retirement System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23, *Data Quality*.

Unless otherwise specified, the actuarial assumptions, data, and methods are those used in the preparation of the Actuarial Valuation Report as of June 30, 2023.

The assumptions reflect our understanding of the likely future experience of the System, and the assumptions as a whole represent our best estimate for the future experience of the System. The results of this presentation are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the System could vary from our results.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

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Gene Kalwarski, FSA, EA, MAAA, FCA
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Principal Consulting Actuary

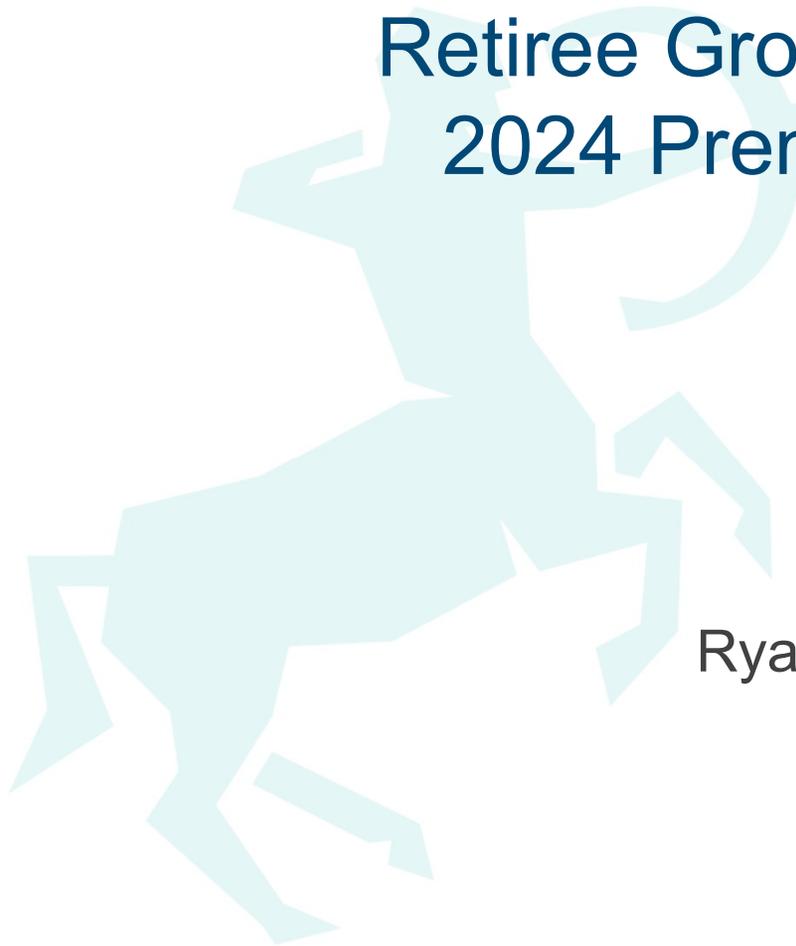
Maine Public Employees Retirement System



Retiree Group Life Insurance (GLI) 2024 Premium Study - Preview

June 13, 2024

Ryan Benitez, ASA, MAAA





- MainePERS conducts a premium study every 4 years
- Today's presentation provides an overview of the process and a preview of findings to date
- In July, the Board will receive the full study and will be asked to vote on premium rates for State and Teachers for Fiscal Years starting in FY26
- Additionally, the PLD Advisory Committee will receive a similar presentation this fall and will recommend to the Board premium rates for fiscal years starting in FY27

Group Life Insurance Benefits



Active Life Insurance Benefits

Basic Life 100% Salary

AD&D 100% Salary
(Additional depending on cause of death)

Supplemental Life (100 to 300% Salary)

Dependent Life Plan A - \$5,000 (Spouse)
\$5,000 (Child), \$1,000 (Child Under 6 Months)

Dependent Life Plan B - \$10,000 (Spouse)
\$5,000 (Child), \$2,500 (Child Under 6 Months)

Retirement Basic Life Benefits

Year 1	100% Salary
Year 2	85% Salary
Year 3	70% Salary
Year 4	55% Salary
Year 5+	40% Salary

Retiree Basic Life Benefits



- Annual GLI Report reviews the Basic Life benefits that are available after retirement
- Responsibility to pay retiree benefits creates an Unfunded Actuarial Liability (UAL), similar to the pension plan

	June 30, 2022	June 30, 2023			2022 to 2023 % Change	
	Total	State ¹	Teachers	PLD		Total
<u>Assets and Liabilities</u>						
Discount Rate	6.50%	6.50%	6.50%	6.50%		
Actuarial Liability	\$ 267.9	\$ 124.4	\$ 121.0	\$ 33.8	\$ 279.2	4.2%
Market Value of Assets (MVA)	\$ 141.4	\$ 53.3	\$ 86.5	\$ 20.2	\$ 160.0	13.2%
Unfunded Actuarial Liability (UAL)	\$ 126.4	\$ 71.1	\$ 34.5	\$ 13.6	\$ 119.2	-5.7%
MVA Funded Ratio	53%	43%	71%	60%	57%	

¹ State group includes Judicial and Legislative as well as those in the State Employees Program

- One purpose of the Premium study is to review the sufficiency of the retiree premiums to achieve full funding within designated timeframe
 - 30 Years from 2008 for State & Teachers by 2038
 - 28 Years from 2008 for PLDs by 2036

Why do a premium study?



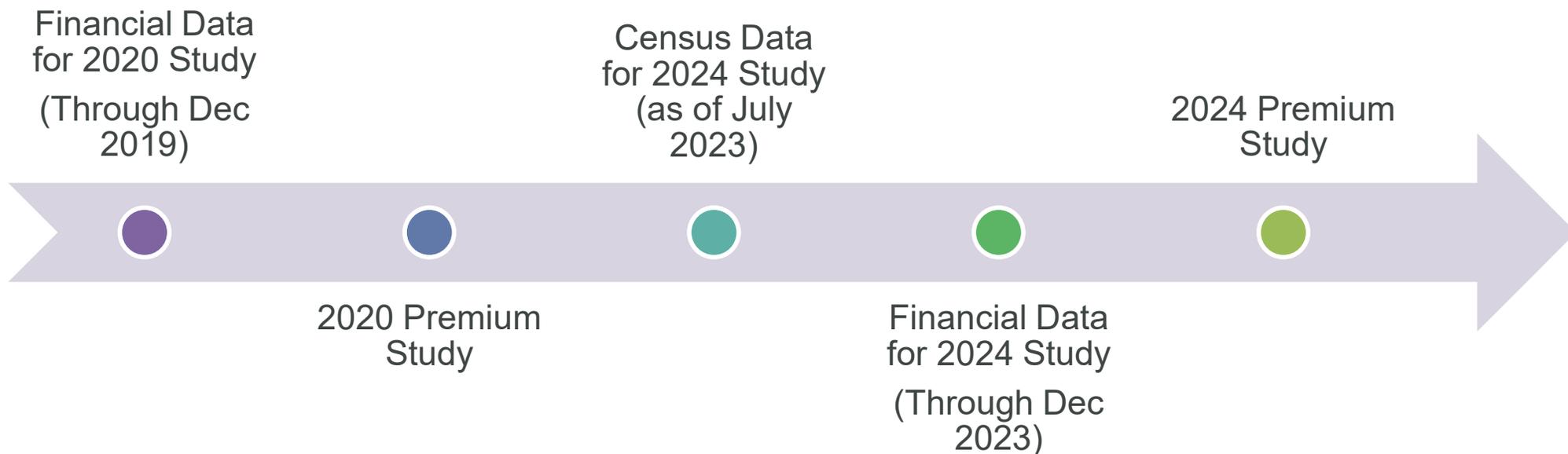
- Compare historical premium collection versus life insurance benefits paid
- Future projections on sufficiency of premiums based on
 - Ages of population
 - Current asset levels
 - Assumptions on future mortality, retirement, etc.
 - Unusual events (such as pandemics)
- Regular premium studies help ensure premiums can be adjusted incrementally
 - First study done in 2005
 - Most recently in 2012, 2016, and 2020





- Changes in assets available for benefits over the period
- Comparison of actual vs expected demographic changes
 - Mortality
 - Retirement
 - Turnover
 - Disability
- Salary changes over the period changing life insurance amounts
- Updated assumptions based on most recent experience study
- Making required premium changes incrementally to avoid shocks for the State, districts, and participants

Premium Study Timing



- We recommend continuing premium studies every 4 years:
 - Monitor results in the interim and doing earlier study if significant changes occur
- Timing of 2024 Study:
 - Preliminary results using financials through 4/30/2024 for June 2024 BOT meeting
 - Final recommendations using financials through 6/30/2024 for July 2024 BOT meeting

Premium Payment Structure



Coverage	State	Teachers	PLDs*
Active Basic and AD&D	Paid by State	Paid by Districts/Teachers	Paid by PLDs/Employees
Retiree Basic	Paid by State	Paid by State	Paid by PLDs
Supplemental	Employee Pay All	Employee Pay All	Employee Pay All
Dependent	Employee Pay All	Employee Pay All	Employee Pay All

* For PLDs, premiums are paid by (or on behalf of) both actives and retired employees at the same rate per \$1,000 of benefit, and a portion (currently \$0.11/\$1000) of the active rate is contributed to the retiree fund to prefund retiree benefits.

Current Premium Rates



Current Rate Schedule				
Bi-weekly Rates Per \$1,000 of Coverage				
	State	Teacher	PLD*	
Active Basic	\$ 0.09	\$ 0.05	\$ 0.23	
Retiree Basic	\$ 0.36	ADC		
Supplemental				
Age <= 34	\$ 0.02	\$ 0.01	\$	0.02
35-44	\$ 0.02	\$ 0.01	\$	0.03
45-49	\$ 0.04	\$ 0.02	\$	0.05
50-54	\$ 0.06	\$ 0.04	\$	0.07
55-59	\$ 0.10	\$ 0.07	\$	0.14
60-64	\$ 0.15	\$ 0.10	\$	0.20
65 plus	\$ 0.20	\$ 0.13	\$	0.40
Dependent A	\$ 0.89	\$ 0.89	\$	0.89
Dependent B	\$ 1.57	\$ 1.57	\$	1.57

* PLD rate scheduled to increase to \$0.24 in FYE 2026, based on results of prior premium study.

Preliminary Study Results



- Initial results indicate:
 - Modest increases in Active Basic and AD&D rates for State and Teacher employees
 - Increases for PLDs, with several options to consider
 - Rates for Retiree Basic (State and Teacher), Supplemental, and Dependent appear to be sufficient with no increase needed
 - Initial results are based on assets through April 2024, and are subject if assets as of June 2024 change more than expected.
- Reasons for increase include:
 - Higher than expected mortality in recent years
 - Asset performance since prior study
 - For PLDs, reduction in active membership that supports retiree rates

Next Steps



- Cheiron will review detailed recommendations with MainePERS staff
- Modeling will be updated with June 30, 2024, financial information, once available.
- Recommendations will be presented to the Board at the July Trustees meeting
- Cheiron will complete a full actuarial report to submit to Board
 - Complete set of recommendations, along with supporting modeling
 - Detailed description of all actuarial assumptions and methods
 - Summary of data used and GLI plan provisions

Required Disclosures



In preparing this presentation, we relied on information supplied by the Maine Public Employees Retirement System.

The actuarial assumptions, data, and methods are those used in the preparation of the latest actuarial valuation report prepared for these plans as of June 30, 2023.

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John Colberg, FSA, MAAA, EA
Principal Consulting Actuary

Ryan Benitez, ASA, MAAA
Consulting Actuary

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, COO & GENERAL COUNSEL
NANETTE ARDRY, ASSOCIATE GENERAL COUNSEL
SUBJECT: RULEMAKING UPDATE
DATE: JUNE 5, 2024

The June Board meeting will include public hearings on a proposed new rule governing the disability retirement annual statement of compensation process, an amendment to Rule Chapter 506 (Eligibility for Disability Retirement Benefits) to conform to the proposed new rule, and amendments to Rule Chapter 103 (Qualified Domestic Relations Orders).

A public hearing is an opportunity for the public to comment on the proposed rulemaking. It is not the time for the Board to make any decisions or provide responses to any comments or questions. Comments from the public may also be submitted in writing through 4:00 p.m. EDT on June 24, 2024. We then will consider all comments, make any revisions we think appropriate in response to the comments, and bring a recommendation to the Board for action as soon as the July meeting.

The June Board meeting also will include consideration of the staff's recommendation to repeal and replace Rule Chapter 201, which governs payroll reporting by employers. Because the proposed replacement rule includes a fee, it is considered a major substantive rule that will require legislative approval before it is finally adopted. Accordingly, any Board approval at the June meeting will be considered provisional.

Copies of the proposed current rules are attached, along with the proposed basis statement for Rule Chapter 201, and the changes are summarized below. Written comments received regarding Rule Chapter 201 also are attached.

POLICY REFERENCE

[Board Policy 2.3 -- Rulemaking](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

SUMMARIES

New Rule Chapter 513: This proposed new rule sets forth guidance on compensation limitations and offsets applicable to disability retirement benefits and the submission of annual statements of compensation by disability retirees.

Amended Rule Chapter 506: This rule sets forth the standards and processes for determining eligibility for disability retirement benefits. We propose amending the definition of “earnings” to align with the definition of that term in the proposed new Rule Chapter 513.

Amended Rule Chapter 103: This rule governs administration of qualified domestic relations orders, which are court orders that divide retirement benefits between ex-spouses. The proposed amendments streamline and clarify the existing rule, including by providing express guidance on what happens when the alternate payee dies before the member.

Amended Rule Chapter 201: This rule governs payroll reporting by employers. The current rule has not been amended since it was adopted in 1985. The proposed rule repeals and replaces the current rule. The new proposed rule would set expectations for payroll reporting, submission of contributions, and payment of Group Life Insurance premiums and provide for late fees and interest.

RECOMMENDATION

That the Board provisionally repeal and replace Rule Chapter 201 and adopt the replacement rule's basis statement.

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**Chapter 513: DISABILITY RETIREMENT COMPENSATION LIMITATIONS AND BENEFIT OFFSETS**

SUMMARY: This Chapter provides guidance on compensation limitations and offsets applicable to disability retirement benefits and the submission of annual statements of compensation by disability retirees.

SECTION 1. DEFINITIONS

1. **Earnings.** “Earnings” as used in this Chapter means wages, tips, and other compensation from employment that is subject to Federal Insurance Contributions Act taxes and income from self-employment that is subject to Self-Employed Contributions Act taxes. Unless the context indicates otherwise, “compensation” received from engaging in any gainful activity, occupation, or employment as used in Title 5, Sections 17930 or 18530 has the same meaning as earnings.
2. **Statement of Compensation.** “Statement of compensation” as used in Title 5, Part 20, means: (1) a completed, signed form in the format prescribed by the Chief Executive Officer specifying the disability retiree’s earnings; and (2) a copy of the disability retiree’s federal W-2 tax forms, any self-employment tax schedules filed by or for the disability retiree, and any other federal tax forms and schedules determined by the Chief Executive Officer to be necessary to show the disability retiree’s earnings.

SECTION 2. ANNUAL STATEMENT OF COMPENSATION PROCESS

1. The statement of compensation required by Title 5, Sections 17930 or 18530 must be submitted so that it is received by MainePERS by the deadline for filing federal tax returns for the year covered by the statement of compensation.
 - A. A disability retiree who obtains an extension of the tax filing deadline must submit proof of the extension application so it is received by MainePERS by the original deadline. The statement of compensation will be due on the extended deadline.
 - B. MainePERS may extend the deadline or waive in whole or in part the statement of compensation requirement for good cause.
 - C. Disability retirement benefits may be withheld for failure to submit a statement of compensation only after compliance with Title 5, Section 17105-A, including the right to an informal hearing, written decision, and appeal process.
 - D. If disability retirement benefits are withheld for failure to submit a statement of compensation and the statement is subsequently submitted within one-year of the original due date, MainePERS will disburse the withheld benefits to the retiree.
2. In order for MainePERS to accurately apply the benefit reductions in Title 5, Sections 17930 and 18530 for receipt of other benefits, each person required to submit a statement

of compensation must at the same time and on the same form report any Social Security disability and workers' compensation benefits and submit any SSA-1099 tax form received for the year covered by the statement of compensation.

3. Earnings and benefits as reported in the statement of compensation process will be used in applying the benefit reduction provisions in Title 5, Sections 17930 or 18530.

STATUTORY AUTHORITY: 5 M.R.S. § 17103(4)

94-411 MAINE STATE RETIREMENT SYSTEM

Chapter 506: ELIGIBILITY FOR DISABILITY RETIREMENT BENEFITS

SUMMARY: This chapter sets forth the standards and processes for determining eligibility for disability retirement benefits.

SECTION 1. DEFINITIONS

1. **Consistent with the person’s training, education, or experience.** “Consistent with the person’s training, education, or experience” has the same meaning as “qualified by training, education or experience.” A member may be qualified by training, education, or experience to engage in an activity even if the member has not previously engaged in it or has not engaged in it for pay. The fact that the member may need additional training for a specific position does not mean that the position is inconsistent with the member’s training, education, or experience.
2. **Continuous creditable service.** “Continuous creditable service” means a period of membership service that occurs without any break in excess of 30 days. A period of leave under the federal Family Medical Leave Act where the member returned to the employment position at the end of the leave period does not constitute a break in membership service.
3. **Date of incapacity.** “Date of incapacity” means the date when a member stopped performing the essential functions of the member’s employment position due to functional limitations caused by a mental or physical condition.
4. **Earnings.** “Earnings” means wages, tips, and other compensation from employment that is subject to Federal Insurance Contributions Act taxes and non-wage net income received in return for labor or services, such as received in from self-employment that is subject to Self-Employed Contributions Act taxes.
5. **Employment position.** “Employment position” means the position in which the member is employed at the time the member becomes incapacitated or a position that is made available to the member by the member's employer that is of comparable stature and equal or greater compensation and benefits and located within a reasonable commuting distance from the member’s residence.
6. **Existed before membership.** A condition “existed before membership” if, as of the member’s initial membership date, the condition:
 - A. Had been diagnosed by a health care provider;
 - B. Reasonably should have been diagnosed by a health care provider based on the member’s medical records and symptoms and the results of any additional tests the provider reasonably should have requested;
 - C. Had exhibited some, but not all signs and symptoms necessary for a diagnosis, but later manifested all such signs and symptoms and was diagnosed; or

- D. Was directly caused by another condition that was diagnosed or reasonably should have been diagnosed before membership.
7. **Incapacity.** “Incapacity” means unable to perform the essential functions of the member’s employment position with reasonable accommodation due to functional limitations caused by a mental or physical condition.
 8. **In service.** A member is “in service” if the member has not terminated employment and is receiving compensation for rendering services, including through the use of the member’s own accrued leave time.
 9. **Mental or physical condition.** A “mental or physical condition” is a condition affecting the member mentally or physically that is medically diagnosable.
 10. **Permanent.** “Permanent” means:
 - A. the incapacity is likely to continue for the foreseeable future;
 - B. the member has reasonably pursued appropriate treatment options; and
 - C. those treatment options have not resolved the incapacity.
 11. **Reasonable accommodation.** “Reasonable accommodation” has the same meaning as that phrase does under the federal Americans with Disabilities Act, 42 U.S.C. §12111(9).
 12. **Reasonable commuting distance.** “Reasonable commuting distance” means a distance of less than 60 miles that would be reasonable for the member to commute based on the facts and circumstances, including the cost of commuting, the compensation of the employment position, the member’s commuting history, and typical commuting distances where the member resides.
 13. **Substantially gainful activity.** “Substantially gainful activity” means any combination of activities, tasks, or efforts, with any reasonable accommodations, for which the member is qualified by training, education, or experience that would generate annual income in an amount in excess of the substantially gainful activity amount in the labor market for the member’s state of residence.
 14. **Substantially gainful activity amount.** “Substantially gainful activity amount” means \$20,000 or 80% of the member’s average final compensation, whichever is greater, adjusted by any cost of living adjustments required by statute or rule.

SECTION 2. INITIAL ELIGIBILITY

1. **Standards.** A member is eligible for disability retirement benefits if the member has a permanent incapacity while in service, subject to the following additional requirements where applicable:
 - A. If the member had less than five years of continuous creditable service as of the member’s last date in service, the incapacity must not result from a condition that existed before membership unless the incapacity has been caused or substantially aggravated by

an injury or accident received in the line of duty from events or circumstances not usually encountered within the scope of the member's employment.

(1) Events or circumstances are usually encountered within the scope of the member's employment if they are described in the job description for the member's position or are otherwise typically encountered one or more times during the career of a person in a position like the member's.

B. If at least two years have passed since the member's date of incapacity, the member must be unable to engage in any substantially gainful activity due to functional limitations caused by the mental or physical condition.

2. Use of the medical review service provider and independent medical examinations

A. The permanent incapacity may be revealed by an independent medical examination (IME), but the Chief Executive Officer may grant benefits without an IME and, if qualification is clear to a lay person, may grant benefits without use of the medical review service provider.

B. The Chief Executive Officer may deny benefits without use of the medical review service provider or an independent medical examination on non-medical grounds, including:

(1) The applicant was not in service at the time the applicant claims the incapacity began;

(2) The applicant is in an age-restricted plan and performed the essential functions of the employment position after normal retirement age;

(3) The claimed incapacity has existed for more than two years and the applicant has earned more than the substantially gainful activity amount in one or more years during this time;

(4) The applicant is uncooperative or unresponsive in providing essential information needed to process the application; or

(5) The applicant has already been denied benefits on the same condition and last date in service.

C. The Chief Executive Officer may not otherwise deny benefits without an IME unless the IME is waived by the applicant.

3. Determination of inability to perform the essential functions of the employment position with reasonable accommodation

A. A member is not unable to perform the essential functions of the employment position if the member could do so with one or more reasonable accommodations.

B. When a member is incapacitated by more than one mental or physical condition, any permanent functional limitations caused by the conditions will be considered in totality as part of a whole-person approach to determine whether the limitations make the member

unable to perform the essential functions of the employment position with reasonable accommodation.

- C. If MainePERS determines that one or more reasonable accommodations would more likely than not allow a member to perform the essential functions of the employment position, MainePERS will communicate the reasonable accommodations in writing to the member and the employer prior to issuing a decision on eligibility for disability retirement, including, where applicable, a request to the employer that it provide the identified reasonable accommodations.
- (1) **Employer acceptance or refusal.** The employer shall inform MainePERS whether it will provide the requested reasonable accommodations. If the employer refuses because the member no longer is employed, the employer shall inform MainePERS whether the employer offered or would have provided the reasonable accommodations if requested during employment. MainePERS will communicate any information received from the employer to the member, and the member will be provided an opportunity to rebut the employer's information.
 - (2) **Member acceptance or refusal.** If the member has not terminated employment and the employer will provide the reasonable accommodations, the member shall inform MainePERS whether the member will attempt to perform the essential functions of the employment position with the reasonable accommodations. The member may provide evidence to MainePERS that the employer has refused to make the reasonable accommodations or that they would not permit the member to perform the essential functions of the employment position.
 - (3) **Final determination.** After employer or member refusal or the failure of a good faith attempt to perform the essential functions of the employment position with reasonable accommodation, MainePERS shall make a decision on the member's application for disability retirement.
4. **Application of disabled veteran presumption.** A member seeking application of the disabled veteran presumption pursuant to 5 M.R.S. §§ 17924 or 18524, based on a determination of individual unemployability must authorize release of information from the U.S. Department of Veterans Affairs as requested by MainePERS in addition to cooperating in providing other essential information needed to process the disability retirement application.

SECTION 3. REVIEWS FOR CONTINUING ELIGIBILITY

1. **Scheduling of reviews.** A disability retiree may be reviewed for continuing eligibility for disability retirement benefits in the following circumstances:
 - A. The retiree has not yet had a determination that they are unable to engage in any substantially gainful activity for which they are qualified by training, education or experience and at least two years have passed since the date of the determination that the retiree is eligible for disability retirement benefits; or
 - B. Earnings or other information about a retiree's activities received by MainePERS show that the retiree may have capacity to engage in substantial gainful activity and at least one year has passed since any previous review.

2. **Cooperation with review.** A retiree subject to review under subsection 1 must cooperate in providing information to MainePERS, including providing medical records and releases permitting health care providers to provide medical records. An unjustified failure to cooperate will result in the discontinuance of benefits. If the failure continues for one year, it will result in permanent cessation of benefits.
3. **Standard on review.** The retiree's eligibility for retirement benefits continues if the retiree is unable to engage in any substantially gainful activity due to functional limitations caused by the mental or physical conditions that were the basis for the initial eligibility determination or by one or more new conditions that arose from the conditions that were the basis for the initial eligibility determination.
4. **Rebuttable presumption.** A retiree is presumed to be no longer eligible for retirement benefits if the retiree has earned more than the substantially gainful activity amount in one or more years while receiving disability retirement benefits. This presumption may be rebutted by information showing that the standard in subsection 3 is met notwithstanding these earnings.
5. **Use of the medical review service provider and independent medical examinations**
 - A. The Chief Executive Officer may determine that the retiree continues to be eligible without an IME and, if continuing eligibility is clear to a lay person, may determine that the retiree continues to be eligible without use of the medical review service provider.
 - B. The Chief Executive Officer may not determine that the retiree is no longer eligible for retirement benefits without an IME unless the IME is waived by the retiree.
 - C. IMEs under this Section are subject to the same reimbursement and waiver requirements as IMEs under Section 2.

STATUTORY AUTHORITY:
5 M.R.S. §§ 17103(4)

EFFECTIVE DATE:
March 1, 2023 – filing 2023-030

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 103: QUALIFIED DOMESTIC RELATIONS ORDERS

SUMMARY: This Chapter implements the provisions in the Maine Public Employees Retirement System statutes relating to qualified domestic relations orders (5 ~~MRS~~~~A~~~~M~~~~R~~~~S~~~~A~~~~M~~~~R~~~~S~~~~.~~~~S~~ §§ 17059 to 17061) which were enacted by PL 1991, c. 746. Chapter 746 provided the statutory authority for the Retirement System retirement system to pay benefits to the spouse or former spouse alternate payee of a member or retiree when the right to such payment is established by a qualified domestic relations order. This Chapter provides the standards for such orders, procedures for their filing, and the procedures to be followed by the Retirement System retirement system in reviewing and administering the statute.

SECTION 1. Definitions

~~1.~~ _____
 Terms used in this chapter, unless the context otherwise indicates, shall have the same definitions as in 5 M.R.S. § 17001.

~~1.~~ **Alternate Payee.** "Alternate payee" means a spouse, former spouse, child or other dependent of a member or retiree who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable by the retirement system with respect to that member or retiree.

~~2.~~ **Benefits Payable With Respect to a Member or Retiree.** "Benefits payable with respect to a member or retiree" means any payment made or required to be made to a member, retiree or beneficiary under 5 ~~MRS~~~~A~~~~M~~~~R~~~~S~~~~A~~~~M~~~~R~~~~S~~~~.~~~~S~~, chapter 423, subchapter ~~V~~, or 5, chapter 425, subchapter ~~V~~, 5, or chapter 427 and withdrawal of accumulated contributions, but excluding benefits payable under:

- A. Section 17953, subsection 4;
- B. Section 18003, with relation to dependent children;
- C. Section 18553, subsection 4; and
- D. Section 18603, with relation to dependent children.

~~3.~~ **Domestic relations order.** "Domestic relations order" means a judgment, decree or order, including approval of a property settlement agreement, that:

- ~~A.~~ Relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a member or retiree; and
- ~~B.~~ Is made pursuant to a domestic relations law of this State or another state.

- ~~4. **Executive director.** "Executive director" means the executive director of the Maine Public Employees Retirement System or the executive director's designee.~~
- ~~5. **Qualified domestic relations order.** "Qualified domestic relations order" means a domestic relations order that:~~
- ~~A. Creates or recognizes the right of an alternate payee, or assigns to an alternate payee the right to receive all or a portion of the benefits payable with respect to a member or retiree under the Retirement System;~~
- ~~B. Directs the Retirement System to disburse benefits to the alternate payee; and~~
- ~~C. Meets the requirements of 5 MRSA §17059 and this chapter.~~
- ~~6. **System.** "System" means the Maine Public Employees Retirement System.~~
- ~~7. **Other terms.** All other terms used in this chapter, unless the context otherwise indicates, shall have the same definitions as in 5 MRSA §17001.~~

SECTION 2. Information to Spouse

Upon receipt of an attested copy of the complaint for divorce and a written request which identifies the member or retiree by name and social security number and which states the date of the marriage, the Systemretirement system will provide the spouse or former spouse of a member or retiree with the same information that would be provided to the member or retiree on the member's or retiree's account or benefits which is relevant to the spouse's or former spouse's interest in the member's or retiree's account or benefits.

SECTION 3. Payments by Maine Public Employees Retirement System

1. The Systemretirement system shall make payments of death or retirement benefits or of refunded contributions only as directed by statutes and rules or by a qualified domestic relations order.
2. If benefits are payable pursuant to a qualified domestic relations order that meets the requirement of a domestic relations order as defined in section 414(p) of the Internal Revenue Code, then the applicable requirements of section 414(p) of the Internal Revenue Code will be followed by the Systemretirement system.

SECTION 4. Submission of orders

1. A person who wishes to have the Systemretirement system review a domestic relations order to establish whether it meets the requirements for a qualified domestic relations order must submit to the Systemretirement system a written request for review and a copy of the domestic relations order. The request may be made either before or after the order has been entered by the court. The order will be reviewed as provided by section 5. If the order has been entered, it must have been certified by the clerk of the court that entered the order.

2. Subject to review and approval by the Board, the ~~Chief Executive Director~~Chief Executive Officer will establish and may revise from time to time a filing fee for the processing and review of orders. The fee will be based on the time required for processing and review of orders, will be reasonable, and will not be set at a level which requires the ~~System's retirement system's~~ members and employers as a whole to subsidize the cost of processing and review. The fee in effect at the time an order is first submitted, whether before or after entry by the court, must be paid before the order will be processed and reviewed. ~~In addition, the System will charge for legal and actuarial services and provided by section 5, subsection B.~~
3. If a domestic relations order is submitted for review after it has been entered by the court and is thereafter amended with the intention that it be a qualified domestic relations order, the member or retiree or the alternate payee must submit a certified copy of the amended order to the ~~System. The System retirement system.~~ retirement system shall review any amended order that it receives according to the same rules applicable to all other orders. A filing fee is not required with the submission of an amended order if the fee was paid with the initial submission of the order. If the review period exceeds 18 months and the domestic relations order (either as originally submitted or as subsequently revised) has not yet been approved, an additional filing fee is required for any review to continue, unless the delay in approval was caused by the retirement system.

SECTION 5. Review of Orders

1. The ~~executive director~~Chief Executive Officer shall review the order for compliance with the requirements imposed by 5 MRSAM.R.S. §17059 and this chapter. Upon completion of the review:
 - A. ~~If, ¶The order has not been entered by~~ Chief Executive Officer shall notify the court, member or retiree and each alternate payee in writing of the executive director will not issue a determination that of whether the order is or is not a qualified domestic relations order but will, in writing, inform the person who submitted the order whether the order meets the requirements for . For any order that is determined not to be a qualified domestic relations order, identifying any the notification must identify the provisions of 5 MRSAM.R.S. §17059 or this chapter that the order does not meet;.
 - B. ~~If the order has been entered by the court, the executive director shall notify the member or retiree and each alternate payee in writing of the determination that the order is or is not a qualified domestic relations order identifying any provisions of 5 MRSA2 §17059 or this chapter that the order does not meet.~~
2. ~~In addition to the filing fee provided by section 3, subsection B, the System will charge for legal and actuarial services necessary in the review of an order at a rate to be determined by the executive director, based upon costs to the System. These charges must be paid before notification of determination on an order will be issued. Before any legal or actuarial services are performed, the executive director will notify the person who requested the review of the order that such services will be needed as part of the review. The notification will include an estimate of the extent of such services and the estimated costs relating to those services. No charge will be made for the first hour of legal or actuarial services or combination of both.~~

3. During any period, not to exceed 18 months, in which a domestic relations order is under review to determine whether it is a qualified domestic relations order or a determination that an order is not qualified is on appeal to the Board or to court, the System retirement system will, in the manner provided by 5 MRSA §17059 M.R.S. §17059, sub-§§ 7, 8, 9, and 10, identify and hold amounts that would have been paid to the alternate payee if the order had been determined to be a qualified domestic relations order and will pay those amounts during or after the period as therein provided.

SECTION 6. ~~Payment Pursuant to Qualified Orders~~ Domestic Relations Order Standards

~~If the order is determined to be a qualified domestic relations order, the System shall, subject to the limitations of applicable statutes and this chapter, pay benefits in accordance with the order at the time benefits become payable to or in the case of contributions, are withdrawn by the member. Any determination that an order is a qualified domestic relations order is voidable or subject to modification if the System determines that the provisions of the order have been changed or that circumstances relevant to the determination have changed.~~

~~SECTION 7. Orders Not Qualified~~

~~The executive director shall provide a written notice of any determination that an order is not a qualified domestic relations order, identifying the provisions of 5 MRSA §17059 or this chapter that the order does not meet.~~

Chief Executive Officer

~~SECTION 8. Appeal of Determination that Order is Not Qualified~~

~~A determination by the executive director that an order is not a qualified domestic relations order is a decision that may be appealed to the Board of Trustees of the System as provided by 5 MRSA §17451.~~

~~SECTION 9. Determination of Whether an Order is a Qualified Domestic Relations Order~~

~~The executive director will apply the requirements of 5 MRSAM.R.S. §17059 to determine whether an order is a qualified domestic relations order. The following provisions will also be used in making the determination:~~

1. The order must provide for all possible distributions of benefits by the System retirement system for the member or retiree under plan provisions. This requirement shall be deemed to have been met by a provision that:
 - A. ~~_____~~ A. Awards to the alternate payee a specific or clearly determinable percentage, rather than an amount, of each distribution by the Retirement System retirement system based on the member's account or retiree's benefit;
 - A.B. Awards a specific amount of a benefit, rather than a percentage, to an alternate payee as long as the determination that the order is a qualified domestic relations order is made subsequent to the member's retirement and the order also provides

for a reduction of the amount awarded in the event that the benefits available to the retiree or member are reduced by law; or

- BC. Awards to the member or retiree, in accordance with plan provisions, all benefits payable with respect to a member or retiree not specifically awarded to the alternate payee.
2. The order must provide for reducing the amount awarded in the event of reduction of the benefit based on the age of the member, each reduction to be in proportion to the factors used to reduce the standard monthly benefit on the basis of the member's age below normal retirement age. This requirement shall be deemed to have been ~~not~~met if:
- A. The order awards a percentage of whatever monthly benefit is payable after all elections have been made by the member, or in the event of death benefits, by the designated beneficiary;
 - B. The member or retiree has reached normal retirement age and, if a retiree, has retired without any reduction for early age retirement at the time of the determination as to whether the order is a qualified domestic relations order; or
 - C. The order reflects that the retiree is or will be receiving retirement benefits reduced for early age retirement and the award to the alternate payee has considered the reduced amount of the retiree's monthly benefit payments.
3. The order may not:
- A. Purport to require the designation by the member or retiree of a particular person and the recipient of benefits in the event of a member's or retiree's death;
 - B. Purport to require the selection of a particular benefit payment plan or option or to limit the benefit payment plans or options from which the member or beneficiary may select;
 - C. Require any action on the part of the ~~System~~retirement system contrary to its governing laws or plan provisions other than the direct payment of the benefit awarded to an alternate payee or the direct payment of the benefit awarded to an alternate payee before the retirement of a member and when the payee reaches the member's normal retirement age;
 - D. Make the award to the alternate payee an interest which is contingent on any condition other than those conditions resulting in the liability of the ~~System~~retirement system for payment under its plan provisions;
 - E. Purport to give to someone other than a member or retiree the right to designate a beneficiary or to choose any retirement plan or option available from the ~~System~~retirement system;
 - F. Attach a lien to any part of amounts payable with respect to a member or retiree;
 - G. Award an alternate payee a portion of the benefits payable with respect to a member or retiree under the ~~System~~retirement system and purport to require the

~~System retirement system~~ to make a lump sum payment of the awarded portion of the benefits to the alternate payee that are not payable in a lump sum; or

H. Purport to require the ~~System retirement system~~, without action by the member, to terminate a member from membership or employment, to refund contributions, or to retire a member.

~~4. A qualified domestic relations order may not provide for the award of a specific amount of a benefit, rather than a percentage of this benefit, to an alternate payee unless the order also provides for a reduction of the amount awarded in the event that the benefits available to the retiree or member are reduced by law. This requirement shall not apply to benefit waivers executed by the member.~~

~~5. The System~~^{4.} The retirement system will divide future benefit increases provided by statute or act of the Legislature between the member, retiree or beneficiary and the alternate payee in the same proportion that the benefits are divided.

~~65.~~ An order shall specify the date of the marriage, if the alternate payee is the member's or retiree's spouse or former spouse.

SECTION 7. Payment Pursuant to Qualified Orders

If the order is determined to be a qualified domestic relations order, the retirement system shall, subject to the limitations of applicable statutes and this chapter, pay benefits in accordance with the order at the time benefits become payable to or in the case of contributions, are withdrawn by the member. Any determination that an order is a qualified domestic relations order is voidable or subject to modification if the retirement system determines that the provisions of the order have been changed or that circumstances relevant to the determination have changed.

SECTION 8. Orders Not Qualified

The Chief Executive Officer shall provide a written notice of any determination that an order is not a qualified domestic relations order, identifying the provisions of 5 M.R.S. §17059 or this chapter that the order does not meet.

SECTION 9. Appeal of Determination that Order is Not Qualified

A determination by the Chief Executive Officer that an order is not a qualified domestic relations order is a decision that may be appealed to the Board of Trustees of the retirement system as provided by 5 M.R.S. §17451.

SECTION 10. Restoration to Service

For the purpose of calculating earnings limitations for retirees or recipients of disability retirement benefits who have been restored to service, the retiree's or recipient's retirement benefit or disability benefit will be considered to be the amount that would have been paid if there had been no qualified domestic relations order.

SECTION 11. Amount of Disability Retirement Benefit Subject to Qualified Domestic Relations Order

If the benefit of a recipient of a disability retirement benefit is reduced because of amounts received by the recipient as Workers Compensation or Social Security benefits, or both, the amount of the benefit subject to a qualified domestic relations order is the amount of benefit remaining after reduction for the Workers; Compensation or the Social Security benefits or both.

SECTION 12. ~~Benefits Resulting from Resumption of Membership and Reinstatement of Service Credit~~

1. If a member terminates membership in the ~~Retirement System~~retirement system by withdrawal of contributions, the ~~System~~retirement system shall pay all or a portion of the amount withdrawn to any alternate payee as directed by a qualified domestic relations order. If the former member later resumes membership in the ~~System~~retirement system, the ~~System~~retirement system shall pay to an alternate payee no portion of any benefits payable to the member or retiree which result from the resumption of membership, even if those benefits result in part from reinstatement of service credit initially credited during the marriage.

SECTION 13. ~~Reinstatement of Service Credit~~

2. ~~————~~In order to receive credit for all service represented by withdrawn or refunded contributions, a member who in reinstating service credit by repaying amounts previously withdrawn or refunded must repay the entire amount withdrawn or refunded, regardless of whether a portion or all of the amount was paid to an alternate payee. Repayment must be made in accordance with 5 MRSAM.R.S. §17703 or §18304 and service credit shall be granted in accordance with 5 MRSAM.R.S. §17757 or §18357.

SECTION 14. ~~SECTION 13. Death of an Alternate Payee Before Commencement of Payments Under a Qualified Domestic Relations Order~~

~~————When the System has not yet begun to make payment to an alternate payee under section's and is provided with proof of the death of the alternate payee, benefits payable with respect to the member or retiree will be paid without regard to the qualified domestic relations order.~~

SECTION 15. ~~Form of Payment to Alternate Payee; Service Retirement Benefits~~

1. When the interest awarded to an alternate payee by a qualified domestic relations order'sorder is distributed as a portion of a service retirement benefit, the ~~System~~retirement system will pay the alternate payee an amount that is the actuarial equivalent of that interest in the form of an annuity payable in equal monthly installments for the life of the alternate payee when:
 - A. the qualified domestic relations order arises in or because of divorce; ~~and~~

- B. the qualified domestic relations order divides service retirement benefits between a member and ~~her/his former spouse~~ the alternate payee; and
- C. the determination that the order is a qualified domestic relations order is made prior to the member's retirement.

~~D2.~~ Payment under ~~this~~ subsection 1 shall be determined as follows:

- ~~(4)A.~~ As of the date payment to the alternate payee is scheduled to begin, the ~~System retirement system~~ shall determine the single life annuity value of the retirement benefit payable to the member;
 - ~~(21)~~ If the portion of the benefit awarded to the alternate payee by the order is not clearly stated as a percentage of full benefits, the ~~System retirement system~~ shall determine the percentage of full benefits that is the equivalent to the benefit awarded to the alternate payee;
 - ~~(32)~~ The single life annuity value determined by the ~~System retirement system~~ shall be multiplied by the percentage of full benefits awarded to the alternate payee. The result of this calculation shall be actuarially converted to a single life annuity payable to the alternate payee for the lifetime of the alternate payee; ~~and.~~
- ~~(4)B.~~ The benefit payable to the member shall be reduced by an amount equivalent to the value of the benefit payable to the alternate payee. Payment by the ~~System retirement system~~ of the alternate payee's interest as provided by this section has no effect on the right of a member to name a beneficiary or the right of a member to choose an optional method of payment upon retirement.
- ~~(5)C.~~ Payment of the alternate payee's interest under this subsection will be effective as of the same date benefit payments are effective for the member; ~~unless, effective September 1, 2024, the alternate payee is eligible under the terms of the qualified domestic relations order to receive benefit payments before the member's retirement.~~
- ~~2D.~~ If the alternate payee begins to receive benefit payments before the member's retirement and the calculation of the alternate payee's benefit payments depends on the member's entire membership period, the alternate payee's benefit payments will be recalculated when the member retires using the same actuarial factors used to calculate the alternate payee's initial benefit.

3. When the interest awarded to an alternate payee by a qualified domestic relations order is distributed as a portion of a service retirement benefit and the determination that the order is a qualified domestic relations order ~~is~~ made subsequent to the member's retirement, the interest awarded the alternate payee by the qualified domestic relations order will be paid as a portion of the service retirement benefit the retiree is receiving.

- A. If the alternate payee is already a named beneficiary under any option elected by the retiree at retirement, the total monthly benefit to which the retiree is entitled without regard to the qualified domestic relations order, whether payable to the retiree only or as divided between the retiree and the alternate payee beneficiary,

will be apportioned between the retiree and the alternate payee according to the terms of the qualified domestic relations order. Upon the death of either the retiree or the alternate payee beneficiary, the benefit amount to be paid to the survivor will be that required under the option elected by the retiree at retirement, as though no qualified domestic relations order had existed.

- B. If the alternate payee is not a named beneficiary under the option elected by the retiree at retirement, the benefit to which the retiree is entitled without regard to the qualified domestic relations order, will be apportioned between the retiree and the alternate payee according to the terms of the qualified domestic relations order. If the retiree predeceases the alternate payee, payments to the alternate payee will cease and payments to the retiree's named beneficiary or beneficiaries will be made as required under the option elected by the retiree at retirement, as though no qualified domestic relations order had existed. If the alternate payee predeceases the retiree, the benefit then being paid to the retiree will be increased by the amount of the benefit which was being paid to the alternate payee at time of death.
- C. Payment according to the terms of the qualified domestic relations order under this subsection will commence as of the first day of the month following the date upon which the order is determined to be qualified, unless the parties jointly direct that payment is to commence at a later date.

SECTION 14. Death of an Alternate Payee

1. When the retirement system has not yet begun to make payment to an alternate payee and is provided with proof of the death of the alternate payee, benefits payable to the member or retiree will be paid without regard to the qualified domestic relations order.
2. When the retirement system has begun to make payment to an alternate payee under subsection 13(1), benefits payable to the member or retiree will not increase or otherwise be affected because of the death of the alternate payee.
3. When the retirement system has begun to make payment to an alternate payee under subsection 13(3), and is provided with proof of the death of the alternate payee, further benefits payable to the member or retiree will be paid without regard to the qualified domestic relations order unless the order provides otherwise.

SECTION 1516. Payments Made in Error

1. If a member or retiree, or the beneficiary or estate of either receives any amount of a distribution that has been awarded to an alternate payee, the recipient is designated a constructive trustee for the amount received and shall immediately transmit such amount to the alternate payee.
2. If a alternate payee or the estate, heirs, or legatees of the alternate payee receives any amount of a distribution that should have been paid to a member or retiree, or the estate, heirs, or legatees of either, the recipient ~~is~~ is designated a constructive trustee for the amount received and shall immediately transmit such amount to the member or retiree or other person to whom the amount should have been paid.

3. If a member, retiree, or the beneficiary, estate, heirs, or legatees of either receive any amount of a distribution that should not have been paid by the ~~System~~retirement system, the recipient ~~is~~ designated a constructive trustee for the amount received and shall immediately transmit such amount to the ~~System~~retirement system.

~~SECTION 17. Effective Date of Maine Public Employees Retirement System Review of Orders~~

- ~~1. After September 1, 1992, the System will review domestic relations orders issued on and after March 27, 1992, to determine whether they are qualified domestic relations orders.~~
- ~~2. Any domestic relations order issued before March 27, 1992, will be reviewed after September 1, 1992, upon receipt by the System of the order and a written declaration signed by both parties that each consents to the application of 5 M.R.S.A. §§ 17059 to 17061 and this chapter to the order.~~

STATUTORY AUTHORITY: 5 M.R.S.A. §§ 17103(4), 17059(13)

EFFECTIVE DATE:

October 4, 1992 – filing 92-404

AMENDED:

November 28, 1993 – filing 93-429

February 14, 1994 – filing 94-51

EFFECTIVE DATE (ELECTRONIC CONVERSION):

May 5, 1996

AMENDED:

February 14, 2010 – filing 2010-32

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 201: EMPLOYER REPORTING AND PAYMENTS

SUMMARY: This Chapter sets out requirements regarding employer reporting and payment of contributions and premiums.

SECTION 1. REPORTING AND PAYMENT REQUIREMENTS

1. **Payroll Reporting.** Every employer reporting unit is required to submit a complete and accurate payroll report to the Maine Public Employees Retirement System (“MainePERS”) within 15 days after the end of each month (“the Due Date”). The report shall contain data relating to all payrolls paid during the calendar month immediately preceding the Due Date and shall be in the format prescribed by the Chief Executive Officer.
2. **Submission of Contributions and Insurance Premiums.** Every employer reporting unit is required by the Due Date to electronically submit in the manner prescribed by the Chief Executive Officer: (1) the employer and employee contributions for the time period covered by the report; and (2) the Group Life Insurance (“GLI”) premiums as invoiced by MainePERS.

SECTION 2. LATE FEES AND INTEREST

1. **Late Fees.** An employer reporting unit that has not submitted a complete and accurate payroll report as determined by the Chief Executive Officer within 30 days after the Due Date may be charged a late fee of \$100 per day calculated from the Due Date until a complete and accurate report has been received by MainePERS. In deciding whether to impose a late fee, MainePERS should consider any extenuating circumstances and the extent to which the employer is making good faith efforts to comply.
2. **Interest.** An employer reporting unit that has failed to pay any employer and employee contributions and GLI premiums required to be paid pursuant to section 1, subsection 2 within 30 days after the Due Date, regardless of whether a complete and accurate payroll report has been submitted, may be charged interest on the amount owed at the then-current actuarial discount rate, compounded monthly, from the Due Date until the amount owed is paid in full. In deciding whether to charge interest, MainePERS should consider any extenuating circumstances and the extent to which the employer is making good faith efforts to comply.

STATUTORY AUTHORITY: 3 M.R.S. § 731(2); 4 M.R.S. § 1231(2); 5 M.R.S. §§ 17103(4), 17203(1), 18053, 18653

BASIS STATEMENT FOR REPEAL AND REPLACEMENT JUNE 13, 2024/STATEMENT OF COMMENTS:

The proposal for rule-making was noticed on April 17, 2024. A public hearing was held on May 9, 2024. Two members of the public provided oral comments at the public hearing, and one of those members of the public submitted written comments prior to the May 20, 2024 comment deadline. Written comments were also received by two other members of the public prior to the May 20, 2024 comment deadline.

This rule governs payroll reporting by employers. The current rule has not been amended since it was adopted in 1985. The proposed rule repeals and replaces the current rule. The replacement rule sets expectations for payroll reporting, submission of contributions, and payment of Group Life Insurance premiums and provides for late fees and interest when established deadlines are not met.

One member of the public¹ who provided both oral and written comments stated three specific concerns: (1) the reporting deadline is the same regardless of the size of the employer; (2) the reporting deadline is the same regardless of time of year and resulting workloads; and (3) the length of time that it sometimes takes for MainePERS representatives to provide assistance in resolving errors. The commenter suggested that consideration should be given to employers in specific circumstances such as during peak work periods or during absences due to illness of payroll staff. The commenter also inquired as to whether fees and interest would apply in situations where the delay is caused by circumstances out of their control or when the established validation processes do not catch errors. Finally, the commenter inquired as to whether the Group Life Insurance billing could be made available earlier than under current processes.

One member of the public² emphasized the importance of taking the time to report accurate information rather than risking inaccuracies to meet a deadline. The commenter also raised a concern that the proposed rule might be a disincentive to employers to engage in a partnership with MainePERS to ensure accurate reporting. The commenter also asked that the rulemaking be paused so that consideration could be given as to how MainePERS could engage in dialogue with large and small employers to identify challenges and collective solutions for employers to be able to process timely payrolls.

One member of the public³ submitted written comments in support of the need for employers to correctly report member information and for MainePERS to maintain correct member records. This commenter used their individual circumstances to demonstrate the importance of accurate records.

One member of the public⁴ commented on the complexities of the current reporting system for the small unit for which they report. The commenter also raised a concern that employers will be required to remit payments electronically, indicating that doing so would be challenging for them as a small organization. The commenter also suggests that changing the way that MainePERS bills for Group Life Insurance would ease some administrative burden.

In response to the comments, it is important to acknowledge that timely and accurate payrolls are critical in order for MainePERS to provide accurate and timely information to members, and it is not unreasonable to expect employers to be both accurate and timely in their payroll reporting. When payrolls are not filed and contributions are not received, members who want to refund or retire are impacted and are unable to receive complete information for planning their financial future and may suffer delays as a result of those missing payrolls or contributions.

¹ Sarah Pinault, Payroll Specialist, South Portland School Department

² Ryan Scallon, Superintendent, Portland Public Schools

³ Helen McDonald, retiree, Waterville

⁴ Rachel Dyer, Associate Director, Maine Developmental Disabilities Council

In further response to the comments received, MainePERS recognizes the challenges that employers face with staff turnover and staff shortages. To assist employers in addressing those challenges, MainePERS has an Employer Reporting Unit with staff whose dedicated responsibilities are to work with employers to assist in the processing of payrolls and other required information. Each employer is assigned an Account Associate as their contact to resolve any issues that they encounter. The Unit also has a Training Specialist who works with employers to ensure that their staff have the information necessary to successfully process MainePERS payrolls. MainePERS also provides virtual employer training, issues *Employer Updates* and has a dedicated webpage for information for employers. Despite all of those efforts, MainePERS recognizes that specific circumstances may arise with an employer that results in unavoidable delays in the processing of payrolls.

Based on consideration of the comments received, staff recommends including language in the rule that MainePERS should consider any extenuating circumstances and the extent to which the employer is making good faith efforts to comply with the reporting requirements when determining whether to charge late fees or interest. The Board concurs with this recommendation.

At the Board's regular meeting held on June 13, 2024, _____ made the motion, seconded by _____ to provisionally adopt the replacement rule and its basis statement. Voted _____.

From: [Sarah Pinault](#)
To: [RuleMaking](#)
Cc: [Samantha Davila](#)
Subject: MainePERS Rule Chapter 201: Employer Reporting and Payments
Date: Thursday, May 9, 2024 1:50:17 PM

EXTERNAL EMAIL

This message was received from outside the MainePERS network. Extra caution should be used before clicking on any links or opening any attachments. Be especially wary if this message appears to come from MainePERS, because it did not. Report any suspicious messages to IT immediately.

To Whom It May Concern

I am the Payroll Specialist for the South Portland School Department and spoke at this morning's public hearing. I would like to submit the following as a summation of my comments this morning:

In September 2023 South Portland added 80 brand new employees. With staff changing roles, moving positions and systems, or returning from leave, there were approximately 273 MainePers forms that needed to be processed, not including beneficiaries or windfall elimination forms. When I began payroll in 2014 120 would have been a busy year. With no import function available to us, that was 273 individual forms to be entered. At the start of the 23-24 school year we had 906 active employees: Of these there were 365 teachers, 126 Ed Techs, 27 clerks, 121 service employees, and 36 contracted staff. We currently have 998 active employees. As we have PLD options here that is almost a thousand eligible or covered members.

Based on my 19 years in the district office, with 10 in payroll I perceive three critical problems with fees on a strict deadline:

1.

The deadline to submit the monthly file and make payment is the same for us with almost a thousand employees as it is for a district with just 200 employees.

2.

The deadline to submit the monthly file and make payment is the same in September when all new hire forms are needed (we had around 273 this year), as it is in March when maybe a dozen might be needed.

a.

For September we also have to update our software with new FTEs and new stipends, we use Munis and this is very cumbersome. For example it can take me up to two whole work days just to change over the stipends for MainePers.

3.

When the submitted file has unresolvable errors prior to validation, we have to wait for our representatives to help us. I have seen a response time of less than 24 hours, but I have also seen response times of up to two weeks.

Over the years the administrative burden of MainePers has shifted to the individual districts. Instead of sending applications and changes up to MainePers via mail or fax we are required to enter each individual form into a portal. While this has allowed MainePers to better navigate their day to day administration and us to better view our employees, it has added extra work for the districts, whose staffing levels have not been increased. In South Portland I personally could spend between 20 and 40% of each week processing MainePers paperwork depending on the month. As it is I have to weigh my responsibilities to my staff and district against the heavy needs of MainePers. When looking at a fine structure we must ask that you consider who is doing the work. I am the Payroll Specialist for South Portland. I am the only employee processing payroll for our almost 1000 employees. I am also the only employee processing MainePers for our employees. My priority has to always be the people who work for us, who keep our schools running, and in making sure that their pay is issued correctly and on time. If it comes down to a time crunch, I will always choose processing a check for a custodian over processing a form for MainePers. And in the fall these are choices I am faced with everyday. MainePers moved so much of its processing over to the districts, and the office staff ratio has only decreased over the years. When a school district looks to add a position, they add a teacher or an Ed Tech not a member of the HR team.

Every two weeks I meet with a group of school payroll and HR specialists and these are the questions that we have:

1.

Will there be an option to file an unpenalized extension during heavy times such as the August and September files? Anthem allows a grace period of an additional 2 weeks during these times.

2.

Will there be an option to file an unpenalized extension due to illness - if I break my leg or need surgery - it will take my cover person more than twice as long to process the MainePers file.

3.

If the file is delayed by errors and we are waiting on our MEPers Account reps, will the fine clock be paused while it is in their hands?

4.

Will penalties apply when errors are found after processing?

- a. If the information doesn't pull in correctly through payroll and is not caught through the validation process? Will a fine still be imposed?

5. Can the GLI bill be made available earlier?

Ultimately a unilateral fining system would only penalize the people in my position, who work diligently to pay staff and file on time, and would come from taxpayer money, that I think we can all agree is best spent on anything but fines.

Thanks
Sarah

For more information please visit:

[**SPSD Payroll Google Site**](#)

Please note that the City of South Portland is closed on Fridays as of 2023. If you suspect a problem with your check that needs to be rectified within the same week, you will need to notify us by noon on Thursdays.

Sarah Pinault
Payroll Specialist
South Portland School Department
130 Wescott Road
South Portland ME 04106
207-871-0555

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Maine Developmental Disabilities Council

May 9, 2024

My name is Rachel Dyer, and I am the associate director of the Maine Developmental Disabilities Council. Councils on Developmental Disabilities were created through the Developmental Disabilities Assistance and Bill of Rights Act (DD Act) in 1970. Maine's DD Council has been advocating for individuals with developmental disabilities for nearly 50 years. The DD Council is a federally funded, independent organization with members from across the state, including persons with disabilities, family members, and representatives of public and private agencies which provide services and/or funding for services for individuals with developmental disabilities. As required in federal law, we are involved in advocacy, capacity building and systemic change activities, with the goal that individuals with developmental and other disabilities of all ages are fully included, integrated, and involved in their communities and the decisions impacting their lives.

The Maine Developmental Disabilities Council is a public instrumentality and as such participates in PERS. MDCC appreciate the opportunity to participate in this retirement program and the opportunity to comment on PROPOSED REPEAL AND REPLACE – APRIL 2024 94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM Chapter 201: EMPLOYER REPORTING AND PAYMENTS.

SECTION 1. REPORTING AND PAYMENT REQUIREMENTS

1. Payroll Reporting. Every employer reporting unit is required to submit a complete and accurate payroll report to the Maine Public Employees Retirement System ("MainePERS") within 15 days after the end of each month ("the Due Date"). The report shall contain data relating to all payrolls paid during the calendar month immediately preceding the Due Date and shall be in the format prescribed by the Chief Executive Officer.

I hear that it is very disruptive for PERS to not have accurate, timely, information. At one time I had "PERS" on my calendar on the 1st of the month but multiple times the database was unable to generate both bills until the 2nd or 3rd. Even if that is fixed it

does not address “what if the 1st is a weekend?”. What is most challenging is the literal inability to generate a bill earlier than the 2nd through the 5th of the month and then ensure that the individuals (which is 100% of our staff) who need to approve the bills, run the checks, and sign the checks are physically in the office at the right times. It’s just not possible to line that up every month. Our attempts to estimate seem to create problems (for us, in having to fill out unfamiliar forms, for you, in trying to chase it down) that ensure if the amount remitted does not match your numbers, even if the amount is overpayment or is less than \$1.

In the nearly 40 years since the inception of this rule, payroll and withholding have become almost completely automated. It is not clear why that technology could not be utilized to facilitate this process for everyone. It would be far easier and much more accurate to share our biweekly payroll report than for us to enter this information into a confusing and antiquated database.

2. Submission of Contributions and Insurance Premiums. Every employer reporting unit is required by the Due Date to electronically submit in the manner prescribed by the Chief Executive Officer: (1) the employer and employee contributions for the time period covered by the report; and (2) the Group Life Insurance (“GLI”) premiums as invoiced by MainePERS.

SECTION 2. LATE FEES AND INTEREST

- 1. Late Fees. An employer reporting unit that has not submitted a complete and accurate payroll report as determined by the Chief Executive Officer within 30 days after the Due Date may be charged a late fee of \$100 per day calculated from the Due Date until a complete and accurate report has been received by MainePERS.*
- 2. Interest. An employer reporting unit that has failed to pay any employer and employee contributions and GLI premiums required to be paid pursuant to section 1, subsection 2 within 30 days after the Due Date, regardless of whether a complete and accurate payroll report has been submitted, may be charged interest on the amount owed at the then-current actuarial discount rate, compounded monthly, from the Due Date until the amount owed is paid in full.*

I hear that it is cheaper and easier for PERS if we pay electronically. And, asking us to do so this is a big ask, because it is not at all cheaper or easier for us, in any way. We do not actually have any difficulty with **paying** the bills in terms of cash flow.

As a 3-person organization we are somewhat challenged to have adequate fraud protection practices in terms of the number of actual people to provide oversight. In

order to address that, one staff person (me) has access to our online banking, two staff (me and the executive director) review and approve payments, and the third staff person pays our bills. She pays our bills with paper checks because she does not have electronic access to our bank accounts, and because all of our financial policies require that we pay with paper checks, largely because that is the easiest way to ensure separation of roles (approving, reviewing, paying, and booking) for fraud protection. In order to comply with this request, we would need to first change our financial policies and then develop a single procedure/process that will likely involve additional people and time in order to pay a single bill. I'm not saying this can't be done, but it is a burden on our tiny organization to effect savings that we will not realize. In the long term I would LOVE us to pay all our bills online, like I do, but that will involve a bunch of changes that we are not in control of (like that zero other state bills accept electronic payment!).

What would work best for us would be a system that matches those of our other creditors (where we receive a usually prospective bill and have 30ish days to pay...even our credit card bill, which is probably the other only one that is retrospective, has a window of more than 11-14 days). I appreciate that is not going to happen.

Are there other options that might be available to solve this problem for you? We would be delighted to pay in advance, like we do with everything else, if there is a way to do that that doesn't result in a monthly "please fix this" form.

Thank you for this opportunity to provide input.

A handwritten signature in black ink, appearing to read "Reed" followed by a stylized flourish.

MAINEPERS

BOARD OF TRUSTEES LEGAL MEMORANDUM

TO: BOARD MEMBERS
FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
SUBJECT: DC PLAN AMENDMENTS
DATE: JUNE 6, 2024

We are recommending amendments to our MaineStart 401(a) and 457 plan documents and to our MainePERS 401(a) Supplemental Retirement Plan to reflect changes in federal law and make other improvements. The most significant changes are updating the required minimum distribution provisions and expanding the circumstances in which participants can receive distributions as now permitted under federal law. The proposed amended plan documents are attached. The MaineStart 403(b) uses an IRS-pre-approved plan document provided by our record-keeper, Newport. We expect to bring an amended version of that document to the Board for approval at a future meeting.

POLICY REFERENCE

[Board Policy 2.1-C – DC Plans Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

SUMMARY OF PROPOSED AMENDMENTS

The MaineStart 401(a) and 457 plan documents would be amended to:

- Update required minimum distribution, contribution limit, participation timing, and lost participant provisions in accordance with federal law;
- Adopt the following optional grounds for permitting distributions now permitted by federal law and permit self-certification in accordance with federal law:
 - Disaster Relief;

- Qualified Birth or Adoption;
 - Emergency Personal Expense;
 - Domestic Abuse Victim;
 - Qualified Long-Term Care;
 - At or after age 59.5; and
 - Terminally Ill Individual (401(a) plan only);
- Incorporate federal law increase to \$7,000 as the maximum balance that can result in a forced distribution to an inactive participant;
 - Eliminate gendered language;
 - Eliminate obsolete provisions and align inconsistent provisions; and
 - Make non-substantive language improvements.

The MainePERS 401(a) Supplemental Retirement Plan would be amended to update required minimum distribution and rollover provisions in accordance with federal law, specify that the CEO has authority to determine contributions for staff, change the date for allocating contributions, correct entry dates for certain positions, eliminate gendered language, and make non-substantive language improvements.

RECOMMENDATIONS

That the Board adopt the amended MaineSTART 401(a) and 457 plan documents and the amended MainePERS 401(a) Supplemental Retirement Plan and authorize the Chief Executive Officer and the Chief Operations Officer and General Counsel to sign any documents related to effecting this action.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

401(a) DEFINED CONTRIBUTION PLAN AND TRUST AGREEMENT

Effective Date of Plan: October 1, 1994

Effective Date of this Restatement: January 1, 202420, except as otherwise specified

PREAMBLE

This Plan and Trust are sponsored by the Maine Public Employees Retirement System, a public instrumentality of the State of Maine, for adoption on an individual employer basis by eligible public employers and shall be for the exclusive benefit of each such employer's employees, to provide a Code §401(a) defined contribution plan for its employee-Participants.

This Plan and the Trust is intended to meet the requirements of §§401(a) and 501(a) of the Internal Revenue Code of 1986, as amended (the "Code") to the extent such statutes apply to governmental plans, as that term is defined by Code §414(d). The effective date of the Plan shall be October 1, 1994, the Plan was last previously amended and restated on January 1, 202013. The Plan was most recentlyis herein amended and restated, except as otherwise indicated, effective January 1, 202420 to incorporate required laws as prescribed by the Internal Revenue Code.

The Plan is intended to be a profit-sharing plan within the meaning of Code §401(a)(27) and a multiple employer plan under Code §413(c).

DESIGNATION OF TRUST

This Trust shall be known as the Maine Public Employees Retirement System 401(a) Defined Contribution Plan and Trust, and shall be for the exclusive benefit of the Employees who are Participants in this §401(a) plan. The terms of the Trust are intended to comply with Code §401(a), to the extent such statute is applicable to governmental plans (as defined by Code §414(d)), in order that the Trust may qualify as a pension trust that is tax-exempt under Code §501(a).

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Article I

DEFINITIONS

1.1 - Definitions

The following words and phrases as used herein shall have the following meanings unless a different meaning is required by the context:

“Adoption Agreement” means the adoption agreement completed and executed by the Employer and accepted by the Administrator.

“Administrator” or **“Plan Administrator”** of the Plan means the Maine Public Employees Retirement System (“MainePERS”). Any individual or entity with which the MainePERS has contracted to provide plan administration services shall be an agent of the MainePERS.

“Annual Compensation” of a Participant as of any particular date shall be the annualized amount of all Compensation earned by the Participant in the Plan Year in which the date appears. The Annual Compensation of each Participant taken into account in determining allocations for any Plan Year shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code § 401(a)(17)(B). The cost-of living adjustment in effect for a calendar year applies to Annual Compensation for such calendar year.

“Beneficiary” means the person or persons (including ~~S~~spouse) designated by a Participant, in writing on such form as the Administrator shall provide, to receive the benefits, if any, payable upon or subsequent to the Participant’s date of death. The absolute right shall be reserved to the Participant to change, alter or revoke such designation at any time without the consent of the Beneficiary. In the absence of a designated Beneficiary, or if no Beneficiary survives the Participant for a period of 15 days, the estate of the Participant shall be deemed the Beneficiary.

“Board” means the Board of Trustees of the Maine Public Employees Retirement System.

“Code” means the Internal Revenue Code of 1986, as amended.

“Compensation” of a Participant means:

(1) For any pay period ending on or after July 1, 2003, gross income earned by the Participant from the Employer in any Plan Year, including (a) base compensation, bonuses and overtime pay, (b) any picked up contribution as described in Code §414(h)(2) under a plan of the Employer described in Code

§401(a), to the extent ~~is~~ made pursuant to a salary reduction agreement within the meaning of Code §3121(v), (c) any elective deferral under a plan of the Employer for a supplemental “tax-deferred annuity” for benefit of the Participant (as provided for in Code §403(b)), (d) any amount deferred by a Participant under an eligible deferred compensation plan (as provided for in Code §457(b)), (e) any before-tax salary reduction contribution made by the Employer for benefit of the Participant under a plan or arrangement as provided in Code §125, and (f) any salary reduction contribution made by the Employer for benefit of the Participant under a plan or arrangement as provided in Code §132(f)(4). Compensation excludes any other contributions or benefits hereunder or to or from any other pension, profit sharing, group insurance or other employee welfare plan or trust. If so elected in the Adoption Agreement, Compensation also includes certain additional amounts, if paid no later than 2½ months after ~~S~~severance from ~~E~~employment or the end of the calendar year that includes a Participant's ~~S~~severance from ~~E~~employment that, absent a ~~S~~severance from ~~E~~employment, would have been paid to the Participant while the Participant continued in employment with the Employer.

(2) For any pay period ending on or before June 30, 2003, means gross income earned by the Participant from the Employer in any Plan Year, including base compensation, bonuses and overtime pay and any amount which, pursuant to a salary reduction agreement, is deducted from the amount which otherwise would be paid to the Participant in such pay period and which is paid instead by the Employer as a premium on health insurance or for other benefits pursuant to a plan under Code §125 and, effective July 1, 2002, any salary reduction contribution made by the Employer for benefit of the Participant under a plan or arrangement as provided in Code §132(f)(4). Compensation excludes any contributions or benefits hereunder or to or from any other pension, profit sharing, group insurance or other employee welfare plan or trust.

“Date of Employment” means the date on which an Employee first performs service in the employ of the Employer.

“Defined Benefit Plan” means the defined benefit plan maintained by Maine Public Employees Retirement System under the Consolidated Retirement Plan for Local Districts established by 5 MRSA, ch. 427 (§18801 et seq.).

“Employee” means any person who performs services for the Employer pursuant to an agreement of

employment, written or oral, including a Leased Employee. The term “employee” includes only common law employees, and not individuals (i) whose contracts provide for their treatment as independent contractors or (ii) who are not leased employees within the meaning of Code §414(n).

For these purposes, "Leased Employee" shall mean any person (other than an Employee of the recipient Employer) who pursuant to an agreement between the recipient Employer and any other person ("leasing organization") has performed services for the recipient Employer (or for the recipient Employer and related persons determined in accordance with Code §414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are of a type under the primary direction or control of the recipient Employer. Contributions of benefits provided a Leased Employee by the leasing organization that are attributable to services performed for the recipient Employer shall be treated as provided by the recipient Employer.

A Leased Employee shall not be considered an Employee of the recipient Employer if: (i) such Employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined by Code §415(c)(3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the Employee's gross income under Code §§125, 402(a)(8), 402(h), or 403(b), (2) immediate participation, and (3) full and immediate vesting; and (ii) Leased Employees do not constitute more than 20 percent of the recipient's work force.

“Employer” for purposes of this Plan is limited to each eligible public employer that, by resolution or order, has adopted this Plan for its Employees by completing and executing an Adoption Agreement in accordance with the adoption requirements of the Plan Sponsor and/or Administrator.

“Entry Date” means the date elected by the Employer in its Adoption Agreement.

“Fiduciaries” means the Employer, the Administrator and the Trustee, but only with respect to the specific responsibilities of each for Plan and Trust administration, all as described in Article 9 hereof.

“Hour of Service” means:

(1) Each hour for which an employee is paid, or entitled to payment, for the performance of duties for the employer. These hours will be credited to the employee for the computation period in which the duties are performed;

(2) Each hour for which an employee is paid, or entitled to payment, by the employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 hours of service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). Hours under this paragraph will be calculated and credited pursuant to §2530.200b-2 of the Department of Labor Regulations, which is incorporated herein by this reference, as if such regulation applied to this Plan; and

(3) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the employer. The same hours of service will not be credited both under paragraph (1) or paragraph (2), as the case may be, and under this paragraph (3). These hours will be credited to the employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.

“Normal Retirement Date” means the first day of the calendar month coincident with or next following the Participant’s 60th birthday.

“One Year Break in Service” means a 12 consecutive month period beginning with the later of (i) a Participant’s Date of Employment or (ii) the effective date of the Plan for the Participant’s Employer, during which the Participant was not employed by the Employer for more than 500 Hours of Service. Solely for purposes of determining whether a One Year Break in Service has occurred in a computation period, an individual who is absent from work for maternity or paternity reasons shall receive credit for the hours of service which would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, 8 hours of service per day of such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence (1) by reason of the pregnancy of the individual, (2) by reason of a birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. The hours of service credited under this paragraph shall be credited (1) in the computation period in which the absence begins if the crediting is necessary to prevent a break in service

in that period, or (2) in all other cases, in the following computation period.

“Participant” means any Employee who participates in the Plan as provided in Article 3.

“Participation Election Form” or **“Employee Enrollment Form”** means the written form completed and executed by each Employee that sets forth the specific conditions for participation by that Employee.

“Plan,” means the Code §401(a) defined contribution plan as set forth in this instrument and as amended from time to time.

“Plan Sponsor” means Maine Public Employees Retirement System, a public instrumentality of the State of Maine, created by statute and charged with establishment of the Plan and oversight of the Plan and Fund.

“Plan Year” means the 12 consecutive month year coinciding with the calendar year. The first Plan Year was a short year that commenced October 1, 1994 and ended December 31, 1994.

“Trust” means the 401(a) Defined Contribution Plan Trust created by this document and any and all amendments thereto.

“Trustee” means the Board of Trustees of the Maine Public Employees Retirement System, or any persons or entity designated by the Plan Sponsor to serve as Trustee.

“Trust Fund” or **“Fund”** means the trust fund or funds established in accordance with Article 8 hereof.

~~**“Unforeseeable Emergency”** means is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Participant’s Beneficiary, or the Participant’s or Beneficiary’s spouse or dependent (as defined in Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to Code §152(b)(1), (b)(2), and (d)(1)(B)); (2) loss of the Participant’s or Beneficiary’s property due to casualty; (3) the need to pay for the funeral expenses of the Participant’s or Beneficiary’s spouse or dependent (as defined in Code §152, and, for taxable years beginning on or after January 1, 2005, without regard to Code §152(b)(1), (b)(2), and (d)(1)(B)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant’s or Beneficiary’s control. A need to send a child to college or to purchase a new home shall not constitute an Unforeseeable Emergency. For purposes of this definition, the Participant’s Beneficiary is a person who a Participant designates and who is or may become entitled to a Participant’s Plan account upon the Participant’s death.~~

Article 2

EMPLOYER PARTICIPATION

2.1 - Initial Participation

This Plan shall be available to the Employees of an Employer only if the Employer has executed an Adoption Agreement and provided the Administrator with such information as the Administrator deems necessary to administer the Plan on behalf of the Employer.

2.2 - Terms of Participation

By executing an Adoption Agreement and/or an amendment thereto, an Employer warrants that its action in adopting the Plan is properly authorized, that the individual signing the Adoption Agreement or amendment on behalf of the Employer is authorized to do so and that the Employer agrees to adhere to all terms and conditions of the Plan, to deliver all contributions in accordance with the Plan, and to follow all administrative procedures established or authorized by the Plan Sponsor. Except as otherwise provided herein, the terms of this Plan shall apply on a uniform nondiscriminatory basis to all Employers participating hereunder.

2.3 - Duration of Employer Participation

An Employer's Adoption Agreement remains in effect until the Employer terminates its participation in the Plan. The effects of such termination are those set out in Article 10.

2.4 - Employer Discretionary Contributions

An Employer's discretionary contributions are those set out in Article 4.

Article 3

EMPLOYEE PARTICIPATION

3.1 - Eligibility for Participation

Each Employee of an Employer shall be eligible to participate in this Plan in accordance with the Eligibility Conditions and as of the Entry Date the Employer elects in its Adoption Agreement, subject to the Entry Date limitations of Sections 3.2, 3.3 and 3.6.

3.2 - Date of Participation

Every eligible Employee shall become a Participant on his or her Entry Date.

3.3 - Participation Election

Prior to or within 30 days after each Employee's Entry Date, each eligible Employee may complete a one-time irrevocable Participant Election Form with such Employee's Employer, pursuant to which a portion of such Employee's Compensation will be contributed by the Employer to the Plan under the "pick up" provisions of Code § 414(h)(2) throughout the term of the Employee's employment by such Employer.

Employees of the Employer who do not initially elect to become Participants may not thereafter elect to participate.

3.4 - Rollover Participation Only

Notwithstanding Section 3.3 above, an eligible Employee may participate in the Plan by electing to transfer assets to the Plan in accordance with Section 4.5, regardless of whether the Employee also elects to participate in Employer Contributions under Section 3.3 above. Such Employee's participation in this Plan shall be subject to all Plan provisions with the exception that neither the Employee nor the Employer shall make additional contributions to the Plan for the Employee's Account. Such Employee may subsequently elect full participation under Section 3.3 above.

3.5 - Beneficiary Designation

At the time of completion of the Participation Election Form, the Employee may designate one or more Beneficiaries to receive such Employee's distribution of his or her Employee Account in the event of the Employee's death prior to receipt of such distribution. A Participant may designate or change the Beneficiary at any time (without the consent of any prior Beneficiary) on a form provided by the Administrator to the Employer and delivered to a Plan representative (or postmarked) prior to the Participant's death.

3.6 – Participation upon Re-employment

A Participant who incurs a ~~S~~severance from ~~E~~employment will re-enter the Plan as a Participant on the date of his/her re-employment. An Employee who satisfies the Plan's eligibility conditions but who incurs a Severance of Employment prior to becoming a Participant will become a Participant on the later of the Plan Entry Date on which ~~the Participant~~~~he/she~~ would have entered the Plan had ~~the Participant~~~~he/she~~ not incurred a Severance of Employment or the date of ~~his/her~~ re-employment. An

Employee who incurs a Severance of Employment prior to satisfying the Plan's eligibility conditions becomes a Participant in accordance with the terms of the Adoption Agreement specifying the eligibility conditions.

Article 4

EMPLOYEE ACCOUNTS, CONTRIBUTIONS AND DETERMINATION OF BENEFITS

4.1 - Employee Accounts

Solely for purposes of record keeping, the Trustee shall establish and maintain separate accounts for each Participant. Each Employee Account may consist of two subaccounts: the Employer Contribution Account (if the Employer makes discretionary contributions) and the Employee Contribution Account.

4.2 - Periodic Adjustments

The Trustee shall adjust the accounts of each Participant as of the last day of each Plan Year, and more frequently, as follows:

(a) first, adjust the balance in each account to reflect its fair market value, considering all changes in value and income thereon;

(b) second, allocate and credit all contributions, including rollovers; and

(c) third, charge to each account all distributions made from such account and all forfeitures since the last day of the preceding accounting period.

4.3 - Contributions of the Employer

a. Pickup Contribution. Each Employer shall contribute to the Trust Fund on behalf of each Employee who is a Participant, that percentage of such Participant's Compensation as is established in the Adoption Agreement, as revised from time to time. The percentage may be zero (0) or any greater percentage, provided, however, that any fractional percentage must be expressed in whole tenths of a percent. Such contributions shall be made as of each payroll period and allocated to the Employee Contribution Account of the Participant on whose behalf they were made and shall be 100 percent vested at all times.

b. Pickup Revisions. Revisions to the contribution percentage in (a) above may be made no more frequently than annually, the new rate to become effective on the July 1 following execution of an amendment to the Adoption Agreement. An amendment that reduces the contribution percentage, at the

Employer's election:

(i) shall apply only to Employees who become Participants on or after the effective date;

(ii) shall apply to all Employees; or

(iii) shall apply to all Employees except those current Participants who, prior to the effective date, elect to continue the pre-amendment rate.

An amendment that increases the contribution shall apply to all new Participants and to all current Participants who, prior to the effective date, elect to be covered by such increase.

c. Discretionary Contributions. Regardless of whether the percentage in (a) above is zero (0) or greater, each Employer may contribute from time to time such further amount or amounts, expressed as a percentage of Compensation, as it shall determine and state in the Adoption Agreement, or any amendment thereto.

An Employer may make discretionary contributions at the same percentage for all Participants or at different rates for different individual Employees or groups or classes of Employees, and such percentage(s), and the group(s) and/or individual(s) to which they apply, shall be established in the Adoption Agreement, as revised from time to time. Effective January 1, 2009, an Employer also may make discretionary contributions in a lump-sum dollar amount for individual Employees or groups or classes of Employees, as set forth in the Adoption Agreement, as revised from time to time.

Revisions to the contribution percentage may be made no more frequently than annually, the new rate to become effective on the July 1 following execution of an amendment to the Adoption Agreement. Separately, upon agreement of the Administrator, revisions to the lump-sum contributions may be made no more frequently than annually by the Employer executing an amendment to the Adoption Agreement in which the Employer specifies the lump-sum discretionary contributions it is making on behalf of specifically identified Employees.

Each contribution shall be allocated among the Employer Contribution Accounts of all Participants on whose behalf the Employer has made such Discretionary Contributions, in the manner provided by the Adoption Agreement, as revised from time to time. Allocation shall be made as of each payroll period for which a contribution is made, on the basis of the Adoption Agreement, as revised from time to time, and shall be subject to forfeiture for lack of vesting.

d. Forfeitures of a Participant's Employer Contribution Account arising from a Participant's termination of service for any reason prior to full vesting shall be used to reduce subsequent Employer Discretionary Contributions, as provided in Section 6.4., or, if there are no subsequent Employer Discretionary Contributions for the Employer in the same Plan Year in which the forfeiture occurred, shall be used to pay expenses of administering the Plan, as provided in Section 9.2(d). Forfeitures shall be used no later than twelve (12) months after the close of the Plan Year in which the forfeitures are incurred.

e. Delivery. All Employer contributions will be delivered to the Trustee on a payroll period basis.

4.4 - Mandatory Employee Contributions

Each Participant shall be required to make annual contributions to the Plan in the percentage of Compensation, if any, determined by the Employer in the Adoption Agreement. If the Employer elects a zero (0) contribution percentage, then no contributions by Participants will be permitted. Any required contributions will be picked up by the Employer under Code §414(h)(2) and contributed in accordance with Section 4.3(a) above.

4.5 - Rollover Contributions

Each Participant may elect to contribute to his or her Employee Contribution Account such amounts theretofore received by such Participant from an Eligible Retirement Plan, either through a direct rollover from the transferring plan or within sixty (60) days after receipt by such Participant, provided that the Participant certifies that such assets are attributable solely to employer contributions, including employer pick-up contributions, under such Eligible Retirement Plan. In addition, trustee-to-trustee transfers will be accepted from another Eligible Retirement Plan if the Trustee is satisfied that such acceptance will not jeopardize the qualification of this Plan.

4.6 - Account Balance

The Account Balance of a Participant, as of a determination date, shall equal the balance of such Participant's Employee Account. The Participant at all times shall be 100% vested in the Employee Contribution subaccount of his or her Employee Account. The Employer Contribution subaccount will be subject to vesting requirements in accordance with the vesting options provided by the Plan Sponsor and

selected by the Employer in the Adoption Agreement.

4.7 - In-Service Withdrawals

Except as provided in Sections 7.6 and 7.15, a Participant may not withdraw any part of his or her Employee Account at any time prior to distribution under Article 7.

4.8 - Investment Media

Each Employee Account will be invested in one or more investment vehicles selected by the Plan Sponsor in accordance with its policies, which may be changed from time to time. Each Participant may, subject to a procedure and any rules established by the Administrator and applied in a uniform, non-discriminatory manner, direct the Trustee in writing to invest all or a portion of his or her account in specific investments permitted under the Plan and the Administrator's procedures and rules. These procedures and rules will provide for the manner in which the Administrator will invest in one or more of the Plan's investment vehicles or otherwise administer any portion of a Participant's account for which the Participant has failed to provide investment direction.

~~4.9 - Use of Excess Defined Benefit Plan Credit Balance to Make Employer Discretionary Contributions.~~

~~If an Employer that makes Employer Discretionary Contributions to this Plan has, as a result of participation in the Defined Benefit Plan, a credit balance in the initial unpoolled actuarial liability ("IUUAL") separate account, such Employer may submit a written request to the MainePERS to use all or a portion of that credit balance to pay that Employer's Employer Discretionary Contributions under this Plan. Upon receipt of such request, the MainePERS will direct its actuary to determine the Employer's credit balance in the IUUAL trust fund. If the Employer's credit balance in the IUUAL separate account is determined to be less than 150% of the Employer's required contribution to the Defined Benefit Plan for the year for which the request is made (calculated as covered payroll multiplied by the employer contribution rate then in effect for the Defined Benefit Plan), then the request will be denied.~~

~~If the Employer's credit balance in the IUUAL separate account is at least 150%, then that portion of the credit balance that exceeds 150% may be used in whole or in part to make Employer Discretionary Contributions in the year for which the request is made. The credit balance to be applied to Employer Discretionary Contributions will be transferred from the IUUAL separate account by the MainePERS to the Plan Administrator for credit to the accounts of those Participants who are the Employer's Employees on~~

~~whose behalf Employer Discretionary Contributions are being made. The MainePERS will prescribe the process and documentation required for the transfers and no transfer will be made until the Employer has complied with these requirements.~~

~~A request may be made only during and with respect to a current fiscal year (July 1 through the following June 30) and a credit balance may be used to make Employer Discretionary Contributions only after the 150% determination is made and only during the same fiscal year, regardless of when during the fiscal year the request is made. A new request must be submitted in any subsequent fiscal year(s). The Employer must tender the cost of the actuary's determination before the determination will be made and regardless of the result.~~

Article 5

VESTING

5.1 – Vesting Requirements

Participants are always 100% vested in their Employee Contribution subaccounts. Vesting requirements for Employer Contributions (if any) will be in accordance with the schedule elected by the Employer in the Adoption Agreement. Any amendment of the Employer's vesting schedule election is effective as of the July 1 following the amendment, except that a decrease in the vesting period may be retroactive at the Employer's election. All vesting requirements and changes thereto apply uniformly to all Participants who are Employees of the electing Employer, regardless of whether a Participant is a member of the Defined Benefit Plan.

5.2 - Vesting Service

a. A Participant's years of Vesting Service under this Plan shall equal the number of 12 consecutive calendar month periods, beginning with that Participant's Entry Date, in which the Employee has worked 1,000 hours for the Employer, including all Hours of Service, but subject to possible loss of Vesting Service in accordance with Section 5.3 below.

b. In addition, an Employer may elect in the Adoption Agreement that for all Employees of that Employer, service while a member of a defined benefit plan administered by the MainePERS

(calculated for this purpose only, at one month for each 30 calendar days of service and one year for each 12 months of service) shall be Vesting Service under this Plan.

5.3 - Loss of Vesting Service

If a Participant has a Severance from Employment and the Participant's number of consecutive One Year Breaks in Service equals or is greater than the number of years of Vesting Service (unless the Participant had previously attained 100% vesting) that Participant shall lose all Vesting Service for purposes of the Plan. If there was a Severance from Employment and the Participant is re-employed by the Employer, such Participant shall be treated as provided in Section 6.3 and shall, upon re-employment, begin again to accrue Vesting Service. If the number of consecutive One Year Breaks in Service are less than the number of years of Vesting Service, the Participant shall begin again to accrue Vesting Service under this Plan.

5.4 - Computation of Vesting Service and Certification of Vesting Status

The Employer is responsible for computing a Participant's Vesting Service and for certifying the Participant's vested status to the Plan Administrator, who shall rely upon the Employer's certification.

5.5 - Vesting on Death and at Normal Retirement Date

A Participant shall be fully vested in his or her full Account Balance if the Participant dies while employed by the Employer or attains his or her Normal Retirement Date.

Article 6

ELIGIBILITY FOR DISTRIBUTION

6.1 - Distribution Payable on Termination

The distribution payable to a Participant who separates from service for the Employer for any reason shall equal the vested portion of the Participant's Account Balance determined as of the most recent prior valuation date that is not more than 30 days prior to the date of payment.

Notwithstanding Section 6.1 and 6.2, distributions of the vested portion of the Participant's account balance shall be available as provided under Section 7.6.

6.2 - Late Distribution

A Participant who attains Normal Retirement Date and who continues in employment for the Employer shall continue to be a Participant under this Plan. The late distribution payable to a Participant

who separates from service after the Normal Retirement Date shall equal the Participant's Account Balance determined as of the most recent valuation date that is not more than 30 days prior to the date of payment.

6.3 - Reemployment

a. When a Participant who has separated from service and has received a distribution that is less than the full amount that was available to the Participant for distribution is subsequently reemployed by the Employer, such Participant shall receive no further distributions and shall immediately become eligible to participate in the Plan as provided in Section 3.2. The Participant's Account balance as of the date of reemployment shall be the beginning balance in the Participant's Account. Upon termination of such reemployment, the Participant shall again be eligible for a distribution as described above based upon the Participant's full Account Balance.

b. When a Participant who has separated from service and has received a distribution of the full amount then available to the Participant for distribution is subsequently reemployed by the Employer, such Participant shall immediately become eligible to participate in the Plan as provided in Section 3.2. Upon termination of such reemployment, the Participant shall again be eligible for a distribution based upon the Participant's new Account Balance for the period of reemployment.

c. If a Participant who has separated from service is subsequently reemployed by the Employer prior to receipt of any distribution, the Participant may not receive a distribution until the Participant again separates from service. Upon reemployment, the Participant shall immediately become eligible to participate in the Plan. The Participant's Account ~~b~~Balance on the date of reemployment will be the beginning balance in the Participant's Account. Section 5.3 governs treatment of the Participant's ~~v~~Vesting ~~s~~Service.

6.4 - Termination of Service Prior to Vesting

A Participant whose termination of service as an Employee of the Employer is not because of death, is prior to Normal Retirement Date and is prior to completion of the vesting period required by the Employer in the Adoption Agreement (if any) shall be entitled to receive a distribution of the full amount of such Participant's Employee Contribution Account determined as of the most recent valuation date that is not more than 30 days prior to the date of payment, including any earnings and changes in value

~~calculated to the date of payment,~~ which shall be on or commencing on the first day of the month following a One Year Break in Service.

Article 7

PAYMENT OF DISTRIBUTIONS

7.1 - Payment Period

Except as otherwise provided in this Article 7, distributions will be payable in a single lump sum on the first day of the month coinciding with or next following the later of the Participant's attainment of age 60 or date of termination of service for any reason, unless before that date the Participant has elected to receive distribution under one of the Optional Forms of Distribution described in this Article 7. The payment of distributions hereunder shall not be curtailed or suspended because of subsequent employment of any sort, except as otherwise provided for benefit suspension upon reemployment as an Employee of the Employer as provided in Section 6.3. At all times prior to the commencement date established under this Section 7.1 or Section 7.3, the Employee Account shall remain invested in the various funds and shall be subject to investment direction by the former Participant on the same basis as if the Participant were an Employee.

7.2 Optional Forms of Distribution

Prior to the commencement date under Section 7.1 or Section 7.3, as applicable, the Participant or Beneficiary in pay status may elect to have his or her Account distributed in a single lump-sum payment or, if offered by the Plan Sponsor, by any form of installment payments as may be approved by the Plan Sponsor consistent with limitations of Section 7.10, which may include, among others:

- a. substantially nonincreasing installment payments for a period of years (payable on an annual, semi-annual, quarterly, or monthly basis) that extends no longer than the life expectancy of the Participant or such longer period as permitted under applicable provisions of the Code;
- b. partial lump-sum of a designated amount, with the balance payable in substantially nonincreasing installment payments for a period of years, as described in paragraph (a); or
- c. annuity payments (payable on an annual, quarterly or monthly basis) for the Participant's lifetime, or for the lifetimes of the Participant and the Participant's Beneficiary if permitted under applicable provisions of the Code.

No election of a distribution form under this Section 7.2 may be made or changed after the commencement date for such distribution form; provided, however, that the Participant or Beneficiary at any time may elect to accelerate payment of all installment payments remaining under an election under paragraph (a) or (b) above in the form of a single lump sum payment of the ~~amount remaining in the~~ Account Balance.

7.3 - Optional Date of Distribution

In lieu of the automatic date of payment distribution provided in Section 7.1 above and at any time prior to that date, a Participant or Beneficiary in pay status may elect a different distribution date (subject to the limitations of Section 7.10 below.) A Participant may change his or her elected distribution date at any time or times prior to the elected distribution commencement date but may make no further election after the elected distribution commencement date. If no other form of distribution has been elected under this Section 7.3, the distribution will be paid as a single lump sum.

7.4 - Election

Upon receipt by the Administrator from the Employer of notice of the Participant's termination date, the Administrator shall furnish the Participant with written information concerning all available elections for payment, and the right to make or revoke the distribution date, distribution form and beneficiary elections. For any distribution notice issued in ~~p~~Plan ~~y~~Years beginning after December 31, 2006, any reference to the 90-day maximum notice period prior to distribution in applying the notice requirements of Code §402(f) (the rollover notice relating to an eligible rollover distribution), means 180 days. After receiving such information, the Participant shall have a period of 90 days prior to the date distributions would otherwise commence to elect in writing or revoke in writing an election of any method and/or date of distribution, unless the Participant waives the 90 day period in writing. The number of such revocations shall not be limited.

7.5 – Payment of Small Distributions

If and when the single sum value payable to any Participant or Beneficiary is equal to or less than \$17,000, the Administrator will ~~make payment distribute of~~ such amount in a lump sum as promptly as possible after ~~90 days from~~ the Participant's ~~termination of separation from~~ service and such payment will fully discharge all Plan liabilities with respect to such benefit. In the event a Participant or Beneficiary

makes no election regarding how to receive the distribution, the entire amount will automatically be rolled over to an IRA.

7.6 - Unforeseeable Emergencies, Hardship Distributions, Disaster Relief and Coronavirus Related Distributions, and Other Distributions Prior to Separation from Service

~~a. Unforeseeable Emergencies. Distributions on account of an Unforeseeable Emergency shall be available under the Plan through April 8, 2020, as provided under this subsection (a). In the event of an Unforeseeable Emergency as determined by the Administrator on a uniform nondiscriminatory basis, the Participant may apply to the Administrator to receive that part of the vested value of the Participant's Employee Account that is reasonably needed to satisfy the emergency need, including any income tax liability arising from the distribution. The Administrator shall have sole and exclusive authority for determining whether an unforeseeable emergency exists and will establish a policy for determining whether an unforeseeable emergency exists.~~

a. ~~b.~~ Hardship Distributions. Effective April 9, 2020, distributions on account of a hardship shall be available under the Plan as provided under this subsection (b).

(1) The Administrator shall make a distribution to a Participant from the vested value of the Participant's Employee Account Balance in accordance with this subsection in the event of the Participant's hardship. For purposes of this subsection, a distribution is considered on account of hardship if the distribution is necessary in light of immediate and heavy financial needs of the Participant. A distribution based upon hardship cannot exceed the amount required to meet the immediate financial need created by the hardship and not reasonably available from other resources of the Participant. The determination of the existence of financial hardship and the amount required to be distributed to meet the need created by the hardship must be made in accordance with uniform and nondiscriminatory standards established by the Administrator and in accordance with applicable Code sections and Treasury Regulations.

(2) A distribution will be deemed to be necessary to satisfy an immediate and heavy financial need of a Participant if all of the following requirements are satisfied:

i. The distribution is not in excess of the amount of the immediate and heavy financial need of the Participant and is reasonably necessary to satisfy the need (which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution),

ii. The Participant has obtained all distributions, other than hardship distributions and loans, currently available under all plans maintained by the Participating Employer, and

iii. The Participant has certified that he has insufficient cash or other liquid assets to satisfy the need.

(3) The following situations are deemed to meet the requirements for an immediate and heavy financial need:

i. Expenses incurred for, or necessary to obtain, medical care as described in Code § 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income) for the Participant, Participant's spouse, or Participant's dependents (as defined in Code § 152), or the Participant's primary Beneficiary,

ii. Costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments),

iii. Payments of tuition, related educational fees and room and board expenses for the next 12 months of post-secondary education, including expenses for the then current semester or quarter, for the Participant or the Participant's spouse, children, dependents (as defined in Code § 152, without regard to Code § 152(b)(1), (b)(2) and (d)(1)(B)), or primary Beneficiary,

iv. Payments necessary to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage on that residence,

v. Payments for funeral or burial expenses for the Participant's deceased parent, spouse, child, or dependent (as defined in Code § 152, without regard to Code § 152(d)(1)(B)), or primary Beneficiary,

vi. Expenses to repair damage to the Participant's principal residence that would qualify for a casualty loss deduction under Code § 165 (determined without regard to Code § 165(h)(5) and whether the loss exceeds 10% of adjusted gross income),

vii. Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 100-707, provided that the Participant's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster, or

viii. Such other financial circumstances as declared by the Commissioner of Internal Revenue to constitute immediate and heavy financial need under applicable Code sections and Treasury -Regulations.

(4) The Administrator may require the submission of such evidence as it may reasonably deem necessary to confirm the existence of such a hardship. In making this determination, the Administrator as well as its designated agent for processing may rely on the Participant's representation that the need cannot be met by any of the aforementioned resources or from any other resources that are reasonably available to the Participant. With respect to hardship distributions made after _____ in Plan Years beginning in 2023, the Administrator may implement procedures that permit a Participant to self-certify that the hardship distribution is being made on account of a deemed immediate and heavy financial need, as described in subsection (a)(3). For purposes of this Section, the resources of the Participant include those assets of the Participant's spouse and minor children that are reasonably available to the Participant. A request for distribution pursuant to this Section shall be approved or denied by written instrument given by the Administrator to the Participant at his address as provided to the Administrator, within sixty (60) days after the date the written request, complete with all evidence with respect thereto requested by the Administrator, is given to the Administrator by the Participant. In the event that such request is approved, the distribution shall be made within thirty

(30) days after notice of an approval is given by the Administrator to the Participant from such portions of the Participant's Account as he shall designate.

b. ~~e.~~ Disaster Relief and Coronavirus-Related Distributions. Notwithstanding any other provision of the Plan, a Participant may receive a qualified disaster distribution from the Plan in accordance with relief announced by the Internal Revenue Service or adopted by federal law for individuals who suffered economic losses as a result of natural disasters declared by the President of the United States in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act. With respect to distributions for qualified disasters occurring on or after January 26, 2021, the Plan shall follow the provisions under Code §§ 72(t)(2)(M) and 72(t)(11) for Qualified Disaster Recovery Distributions.

A Participant who received one or more Qualified Disaster Recovery Distributions under the Plan is entitled to retribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of retribution. A Participant who makes a retribution to the Plan will be treated as having received the distributions in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

Effective January 1, 2020, a Participant may also receive a coronavirus-related distribution in accordance with the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and any applicable guidance issued by the Internal Revenue Service. Eligibility for a qualified disaster distribution and the terms for repayment shall be determined by the terms of the disaster declaration and guidance issued by the Internal Revenue Service, if any, or in the applicable federal law. Eligibility for a coronavirus-related distribution and the terms for repayment shall be determined by the CARES Act and any applicable guidance issued by the Internal Revenue Service. Except where inconsistent with the applicable disaster relief announcement or law, or the CARES Act and applicable IRS guidance, the provisions of Section 7.6(~~ab~~) of the Plan apply to any hardship withdrawal made pursuant to this Section.

c. Qualified Birth or Adoption Distributions. For purposes of this subsection (c), the following provisions shall apply:

(1) Definitions.

i. "Qualified Birth or Adoption Distribution" means a distribution made to a Participant within the one-year period beginning on the date on which a child of the Participant is born or on which the legal adoption by the Participant of an eligible adoptee is finalized.

ii. "Eligible Adoptee" means an individual (other than the child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support.

(2) Commencing September 1, 2024, a Participant, regardless of whether the Participant has had a separation from service, may request to receive one or more Qualified Birth or Adoption Distributions from the vested portion of the Participant's Account Balance subject to the provisions of this subsection (c) and Code § 72(t)(2)(H). Qualified Birth or Adoption Distributions made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed \$5,000 per birth or adoption. A Participant shall certify to the Administrator that the Participant satisfies the criteria to receive a Qualified Birth or Adoption Distribution.

~~(4)~~(3) A Participant who received one or more Qualified Birth or Adoption Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received, if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distributions in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

d. Emergency Personal Expense Distributions. For purposes of this subsection (d), the following provisions shall apply:

(1) An "Emergency Personal Expense Distribution" means a distribution for the purpose of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, as provided under Code § 72(t)(2)(I).

(2) Commencing September 1, 2024, a Participant, regardless of whether the Participant has had a separation from service, may request one Emergency Personal Expense Distribution from the vested portion of the Participant's Account Balance per calendar year, subject to the provisions of this subsection (d) and Code § 72(t)(2)(I). An Emergency Personal Expense Distribution made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed the lesser of (i) \$1,000 or (ii) the vested portion of the Participant's Account Balance in excess of \$1,000. A Participant shall certify to the Administrator that the Participant satisfies the criteria to receive an Emergency Personal Expense Distribution.

(3) A Participant who received one or more Emergency Personal Expense Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distribution on account of an emergency personal expense in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

e. Domestic Abuse Victim Distributions. For purposes of this subsection (e), the following provisions shall apply:

(1) A "Domestic Abuse Victim Distribution" means a distribution made to a Participant during the one-year period beginning on any date on which the Participant is a victim of domestic abuse by a spouse or domestic partner, as provided under Code § 72(t)(2)(K).

(2) Commencing September 1, 2024, a Participant, regardless of whether the Participant has had a separation from service, may request to receive one or more Domestic Abuse Victim Distributions from the vested portion of the Participant's Account Balance subject to the provisions of this subsection (e) and Code § 72(t)(2)(K). The aggregate amount that may be treated as Domestic Abuse Victim Distributions made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed the lesser of (i) \$10,000 or (ii) 50% of the present value of the vested portion of the Participant's Account Balance under the Plan. A Participant shall certify to the Administrator that the Participant satisfies the criteria to receive a Domestic Abuse Victim Distribution.

(3) A Participant who received one or more Domestic Abuse Victim Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distributions in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

f. Terminally Ill Individual Distributions. For purposes of this subsection (f), the following provisions shall apply:

(1) A "Terminally Ill Individual Distribution" means a distribution made to a Participant who is a terminally ill individual on or after the date on which the Participant has been certified by a physician as having a terminal illness, as provided under Code § 72(t)(2)(L).

(2) Commencing September 1, 2024, a Participant who is otherwise eligible to receive a distribution from the Plan may request to receive one or more Terminally Ill Individual Distributions from the vested portion of the Participant's Account Balance subject to the provisions of this subsection (f) and Code § 72(t)(2)(L). A physician must provide the Administrator with a certification that the Participant has a terminal illness prior to the distribution.

This certification must meet the requirements of Code § 72(t)(2)(L) and any applicable IRS guidance (including IRS Notice 2024-2 and any subsequently issued guidance).

(3) A Participant who received one or more distributions under the Plan on or after the date the Participant was certified by a physician as having a terminal illness that can reasonably be expected to result in death within 84 months of the certification may recontribute the distribution(s) (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distributions in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

g. In-Service Distributions at Age 59 ½. Regardless of whether a Participant has had a separation from service, the Participant may request a distribution anytime on or after the Participant attains age 59 ½.

h. Qualified Long-Term Care Distributions. Effective December 29, 2025, a Participant, regardless of whether the Participant has had a separation from service, may request to receive a Qualified Long-Term Care Distribution, pursuant to Code § 401(a)(39) and any applicable IRS guidance.

7.7 - Death Benefits

a. Upon the Participant's death, the Participant's remaining aAccount bBalance, if any, shall be paid to the Beneficiary consistent with the limitations set forth in Section 7.10.

b. No Beneficiary shall have any right of recovery against the Employer or the Plan for any distributions that are made in the name of the Participant before a Plan representative has been duly notified of the Participant's death.

7.8 - Facility of Payment

Whenever the Administrator is presented with a legally cognizable document stating that a person

entitled to receive any payment of a distribution hereunder is under a legal disability or is incapacitated in any way so as to be unable to manage his or her financial affairs, the Administrator may make payments to such person or the person's legal representative or to a relative or friend of such person for the person's benefit, or the Administrator may apply the payment for the benefit of such person in such manner as the Administrator considers advisable. Any payment of a benefit in accordance with the provisions of this Section 7.8 shall be a complete discharge of any liability for the making of such payment under the provisions of the Plan.

7.9 - Application and Forms for Distributions

The Administrator may require a Participant or Beneficiary to complete and file with it an application for benefits, in a form specified by the Administrator, and such other forms as the Administrator requires, and to furnish all pertinent information requested by it. The Administrator may rely upon all such information so furnished it, including the Participant's or Beneficiary's current mailing address.

7.10 - Required Minimum Distributions

A. General Rules.

A.1. The requirements of this Section 7.10 shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this pPlan. Unless otherwise specified, the provisions of this article apply to calendar years beginning after December 31, 2002.

A.2. All distributions required under this article shall be determined and made in accordance with a reasonable, good faith interpretation of Code § 401(a)(9) and the Treasury rRegulations under §401(a)(9)thereunder, as applicable to governmental plans, including—and the minimum distribution incidental benefit requirement of Code §401(a)(9)(G)-of the Code.

A.3 Limits on Distribution Periods. As of the first dDistribution eCalendar yYear, distributions to a Participant, if not made in a single-sum, may only be made over one of the following periods:

- (a) the life of the Participant,
- (b) the joint lives of the Participant and a dDesignated bBeneficiary,
- (c) a period certain not extending beyond the life expectancy of the Participant, or
- (d) a period certain not extending beyond the joint life and last survivor expectancy of the

Participant and a ~~d~~Designated ~~b~~Beneficiary.

B. Time and Manner of Distribution.

B.1 Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's ~~r~~Required ~~b~~Beginning ~~d~~Date.

B.2 Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Participant's surviving spouse is the Participant's sole ~~d~~Designated ~~b~~Beneficiary, then distributions to the surviving spouse will begin by the later of December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained ~~the Applicable a~~Age ~~70 1/2 (if the Participant was born before July 1, 1949) or age 72 (if the Participant was born after June 30, 1949).~~

(b) If the Participant's surviving spouse is not the Participant's sole ~~d~~Designated ~~b~~Beneficiary, then distributions to the ~~d~~Designated ~~b~~Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) If there is no ~~d~~Designated ~~b~~Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the Participant's surviving spouse is the Participant's sole ~~d~~Designated ~~b~~Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin, this subsection B.2, other than subsection B.2(a), will apply as if the surviving spouse were the Participant. For purposes of this subsection B.2 and subsection D, unless subsection B.2(d) applies, distributions are considered to begin on the Participant's ~~r~~Required ~~b~~Beginning ~~d~~Date. If subsection B.2(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection B.2(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's ~~r~~Required ~~b~~Beginning ~~d~~Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection B.2(a)), the date distributions are considered to begin is the date distributions

actually commence.

B.3 Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single-sum on or before the rRequired bBeginning dDate, as of the first dDistribution eCalendar yYear distributions will be made in accordance with subsections C and D of this Section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code §401(a)(9) and the Treasury rRegulations thereunder, as applicable to governmental plans.

C. Required Minimum Distributions During Participant's Lifetime.

C.1 Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each dDistribution eCalendar yYear is the lesser of:

(a) the quotient obtained by dividing the Participant's aAccount bBalance by the distribution period in the Uniform Lifetime Table set forth in §1.401(a)(9)-9, Q&A-2, of the regulations, using the Participant's age as of the Participant's birthday in the dDistribution eCalendar yYear; or

(b) if the Participant's sole dDesignated bBeneficiary for the dDistribution eCalendar yYear is the Participant's spouse, the quotient obtained by dividing the Participant's aAccount bBalance by the number in the Joint and Last Survivor Table set forth in §1.401(a)(9)-9, Q&A-3, of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the dDistribution eCalendar yYear.

C.2 Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this subsection C beginning with the first dDistribution eCalendar yYear and continuing up to, and including, the dDistribution eCalendar -Yyear that includes the Participant's date of death.

D. Required Minimum Distributions After Participant's Death.

D.1 Death Prior to January 1, 2022. On or After Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies prior to January 1, 2022, on or after the date distributions begin and there is a dDesignated bBeneficiary, the minimum amount that will be distributed for each dDistribution eCalendar yYear after the year of the Participant's

death is the quotient obtained by dividing the Participant's aAccount bBalance by the longer of the remaining life eExpectancy of the Participant or the remaining life eExpectancy of the Participant's designated beneficiary, determined as follows:

(1) The Participant's remaining life eExpectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life eExpectancy of the surviving spouse is calculated for each distribution ealendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution ealendar years after the year of the surviving spouse's death, the remaining life eExpectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life eExpectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of the September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution ealendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life eExpectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

D.1.A. Death on or After January 1, 2022, on or After Date Distributions Begin

(a) Participant Survived by Designated Beneficiary. If the Participant dies on or after January 1, 2022, on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

(1) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the applicable distribution period is measured by the surviving spouse's Life Expectancy using the surviving spouse's birthday for each Distribution Calendar Year after the calendar year of the Participant's death. The surviving spouse's remaining Life Expectancy is redetermined each Distribution Calendar Year using the surviving spouse's age as of the surviving spouse's birthday in that Distribution Calendar Year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(3) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary and there is an Eligible Designated Beneficiary, the Eligible Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Eligible Designated Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(4) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary and there is no Eligible Designated Beneficiary, the entire interest must be distributed by the end of the calendar year that includes the tenth anniversary of the date of the Participant's death. In addition, if there is a Designated Beneficiary but not an Eligible Designated Beneficiary, distributions must begin by December 31st of the calendar year immediately following the calendar year in which the Participant died based on the longer of the Life Expectancy of the Designated Beneficiary or the deceased Participant. However, for the 2021 and 2022 calendar years (or other years pursuant to IRS guidance), distributions are not required.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of the September 30 of the year after the year of the Participant's death, such as where no individual is named as the Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

D.2 Death Prior to January 1, 2022, Before Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies prior to January 1, 2022 before the date distributions begin and there is a dDesignated bBeneficiary, the minimum amount that will be distributed for each dDistribution eCalendar yYear after the year of the Participant's death is the quotient obtained by dividing the Participant's aAccount bBalance by the remaining lLife eExpectancy of the Participant's dDesignated bBeneficiary, determined as provided in subsection D.1.

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no dDesignated bBeneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole dDesignated bBeneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection B.2(a), this subsection D.2 will apply as if the surviving spouse were the Participant.

D.3_ Participant Deaths on or After January 1, 2020, Before Distributions Begin.

(a) If the Participant dies before the date distribution begins and the surviving spouse is the sole bBeneficiary, distribution must begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the Applicable Age, if later.

(1) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection D.3(a), this subsection (D3) will apply as if the surviving spouse were the Participant.

(b) Participant Survived by Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and there is an Eligible Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is determined

initially using the Beneficiary's age as of their birthday in the calendar year following the calendar year of the Participant's death. For subsequent calendar years, the Designated Beneficiary's remaining Life Expectancy is determined by reducing that initial Life Expectancy by one for each calendar year that has elapsed after the first calendar year.

(1) Death of Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and is survived by an Eligible Designated Beneficiary and the surviving Eligible Designated Beneficiary dies or reaches the age of majority before distributions are required to begin to the Eligible Designated Beneficiary under subsection D.3(b), distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(c) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(d) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

~~December 31, 2021. Notwithstanding any contrary provisions, effective for Participant deaths after December 31, 2021, the following distribution provisions shall take effect; provided, however, that such provisions shall be subject to any regulations or other guidance issued under the SECURE Act:~~

~~(a) If the Participant dies before the distribution of his or her entire account (regardless of whether any distributions had begun before the Participant's death) and the Participant has a designated beneficiary:~~

~~———— (1) The entire Account shall be distributed to the designated beneficiary by December 31 of the calendar year containing the tenth anniversary of the Participant's death.~~

~~———— (2) Notwithstanding paragraph (1), if the designated beneficiary is an eligible~~

~~designated beneficiary, then the eligible designated beneficiary may elect for the Participant's account(s) to be distributed (A) by December 31 of the calendar year containing the tenth (10th) anniversary of the Participant's death, or (B) beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the eligible designated beneficiary or over a period not exceeding the life expectancy of the eligible designated beneficiary. If the eligible designated beneficiary is the surviving spouse, payment under item (B) is not required until the later of December 31 of the calendar year immediately following the calendar year in which the Participant died or December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70 ½) (age seventy two (72) with respect to a Participant who would have attained age seventy and one-half (70 ½) after December 31, 2019). If the eligible designated beneficiary does not elect a method of distribution as provided above, the Participant's account(s) shall be distributed in accordance with item (B).~~

~~———— (3) ——— Upon either (A) the death of an eligible designated beneficiary before distribution of the Participant's entire account or (B) the attainment of the age of majority for an eligible designated beneficiary who is a minor child under subsection E.6., paragraph (2) shall no longer apply, and the remainder of the account shall be distributed under paragraph (1).~~

~~(b) ——— If the Participant dies before distributions of his or her account begins and the Participant has no designated beneficiary, the Participant's account under the Plan shall be distributed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death. If the Participant dies after distribution of his or her account begins and the Participant has no designated beneficiary, any remaining portion of the account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.~~

~~(ee) Any distribution required under the incidental death benefit requirements of Code Section 401(a) shall be treated as distributions required under this subsection.D.3~~

~~D.4 Surviving Spouse Election for Calendar Years after December 31, 2023. If the Participant's Designated Beneficiary is the Participant's surviving spouse, the surviving spouse may elect to be treated as if the surviving spouse were the Participant, pursuant to Code §401(a)(9)(B)(iv).~~

E. Definitions

E.1 Applicable Age. Applicable Age means as follows:

(a) In the case of an individual who attains age 70 before July 1, 2019, the Applicable Age is 70 ½.

(b) In the case of an individual who attains age 70 on or after July 1, 2019, the Applicable Age is 72.

(c) In the case of an individual who attains age 72 after December 31, 2022, and age 73 before January 1, 2033, the Applicable Age is 73.

(d) Notwithstanding the above, the otherwise aApplicable aAge under Code §401(a)(9)(C)(v).

E.2. Designated bBeneficiary. The individual who is designated by the Participant (or the Participant's surviving spouse) as the bBeneficiary of the Participant's interest under the pPlan and who is the dDesignated bBeneficiary under Code §401(a)(9) of the Code and Treasury Regulation §1.401(a)(9)-4 of the regulations.

E.32 Distribution eCalendar yYear is a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first dDistribution eCalendar yYear is the calendar year immediately preceding the calendar year that contains the Participant's rRequired bBeginning dDate. For distributions beginning after the Participant's death, the first dDistribution eCalendar yYear is the calendar year in which distributions are required to begin under subsection B.2. The required minimum distribution for the Participant's first dDistribution eCalendar yYear will be made on or before the Participant's rRequired bBeginning dDate. The required minimum distribution for other dDistribution eCalendar yYears, including the required minimum distribution for the dDistribution eCalendar yYear in which the Participant's rRequired bBeginning dDate occurs, will be made on or before December 31 of that dDistribution eCalendar yYear.

E.43 Life eExpectancy. Life Expectancy as computed by use of the Single Life Table in Treasury Regulation §1.401(a)(9)-9, Q&A-1, of the regulations.

E.54 Participant's aAccount bBalance. The aAccount bBalance as of the last valuation date in the calendar year immediately preceding the dDistribution eCalendar yYear (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account as of dates in the valuation calendar year after the valuation date and decreased by distributions made in

the valuation calendar year after the valuation date. The Participant's aAccount bBalance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the dDistribution eCalendar yYear if distributed or transferred in the valuation calendar year.

E.65 Required Beginning Date: April 1 of the calendar year following the later of the calendar year in which the Participant either attains the Applicable aAgege 70 ½ (if the Participant was born before July 1, 1949) or age 72 (if the Participant was born after June 30, 1949) or retires.

E.76 Eligible dDesignated bBeneficiary. A dDesignated bBeneficiary who, as of the date of the death of the Participant, is: (i) the surviving spouse of the Participant; (ii) a child of the Participant who has not reached the age of majority; (iii) disabled within the meaning of Code Section §72(m)(7); (iv) chronically ill within the meaning of Code Section § 7702B(c)(2) (except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or (v) any other individual who is not more than ten (10) years younger than the Participant. Notwithstanding the preceding, a child described in (ii) above shall cease to be an eEligible dDesignated bBeneficiary as of the date the childhe or she reaches the age of majority.

F. Required Minimum Distribution WaiversTransition Rules

~~F.1 Required minimum distributions before 2003 were made pursuant to sections F.2 through F.4 below.~~

~~F.2 2000 and Before. Required minimum distributions for calendar years after 1993 and before 2001 were made in accordance with § 401(a)(9) and the proposed regulations thereunder published in the Federal Register on July 27, 1987 (the "1987 Proposed Regulations").~~

~~F.3 2001. Required minimum distributions for calendar year 2001 were made in accordance with §401(a)(9) and the 1987 Proposed Regulations. If distribution were made in 2001 under the 1987 Proposed Regulations prior to the date in 2001 the plan began operating under the 2001 Proposed Regulations, the special transition rule in announcement 2001-82, 2001-2 C.B. 123, applied.~~

~~F.4 2002. Required minimum distributions for calendar year 2002 were made in accordance with §401(a)(9) and the 1987 Proposed Regulations.~~

F.15 2009. A Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs") will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions (Participants and Beneficiaries will be given the opportunity to elect to stop receiving such distribution→)

F.26 2020. A Participant or Beneficiary who would have been required to receive required minimum distributions for 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 2, 2021) but for the enactment of Code Section 401(a)(9)(I) ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are either 1) equal to the 2020 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs") will not receive those distributions for 2020 unless the Participant or Beneficiary chooses to receive such distributions. For purposes of the direct rollover provisions of the Plan, 2020 RMDs and Extended 2020 RMDs will also be treated as eligible rollover distributions in 2020.

7.11 - Direct Rollover

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a dDistributee's election under this Section, a dDistributee may elect at the time, and in the manner prescribed by the Administrator, to have any portion of an eEligible rRollover dDistribution paid directly to an eEligible rRetirement pPlan specified by the distributee in a dDirect rRollover.

a. An eEligible rRollover dDistribution is any distribution of all or any portion of the balance to the credit of the dDistributee, except that an eEligible rRollover dDistribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than

annually) made for the life (or life expectancy) of the dDistributee or the joint lives (or joint life expectancies) of the dDistributee and the dDistributee's designated bBeneficiary, or for a specified period of ten years or more; any distribution to the extent such distributions required under Code §401(a)(9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); provided that any portion of any distribution that is not includible in gross income may be an Eligible Rollover Distribution for purposes of a rollover to either (1) a traditional individual retirement account or individual retirement annuity under Code §§408(a) or 408(b) or (2) a qualified trust which is part of a plan which is a defined contribution plan or a defined benefit under Code §§401(a) or 403(a) or to an annuity contract described in Code §403(b), and such trust or annuity contract separately accounts for amounts so transferred, including separate accounting for the portion of such distribution that is includible in gross income and the portion of such distribution that is not includible. Effective January 1, 2008, an eEligible rRollover dDistribution shall also mean a qualified rollover contribution to a Roth IRA within the meaning of Code §408A. An eEligible rRollover dDistribution shall not include a hardship distribution.

b. An "Eligible Retirement Plan" is any program defined in Code §§401(a)(31) and 402(c)(8)(B) that accepts the Distributee's Eligible Rollover Distribution, as follows:

- (1) An individual retirement account under Code §408(a);
- (2) An individual retirement annuity under Code §408(b) (other than an endowment contract);
- (3) A qualified trust under Code § 401(a);
- (4) An annuity plan under Code §403(a);
- (5) An eligible deferred compensation plan under Code §457(b) which is maintained by an eligible employer under Code §457(e)(1)(A) (so long as the plan agrees to separately account for amounts rolled into the plan);
- (6) An annuity contract under Code §403(b);
- (7) Effective January 1, 2008, a Roth IRA described in Code §408A or
- (8) Effective after December 18, 2015, a SIMPLE IRA as described in Code Section §408(p), provided that the rollover contribution is made after the two-year period beginning on

the date the ~~d~~Distributee first participated in any qualified salary reduction arrangement maintained by the ~~d~~Distributee's employer under ~~e~~Code Section ~~§~~408(p)(2), as described in ~~e~~Code section ~~§~~72(t)(6).

c. A "~~d~~Distributee" means:

(1) A Participant or former Participant who is eligible to receive a distribution from the Plan. It also includes the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code §414(p).

(2) Non-spouse beneficiary rollover right. Effective January 1, 2009, a "~~d~~Distributee" also includes a nonspouse beneficiary who is a designated beneficiary as defined by Code §401(a)(9)(E). However, a nonspouse beneficiary may rollover the distribution only to an individual retirement account or individual retirement annuity established for the purpose of receiving the distribution and the account or annuity will be treated as an 'inherited' individual retirement account or annuity. ~~Although a nonspouse beneficiary may roll over directly a distribution as provided herein, any distribution made prior to the first day of the first pPlan yYear beginning after December 31, 2009 is not subject to the direct rollover requirements of Code §401(a)(31) (including Code §401(a)(31)(B), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c)).~~ If a nonspouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a "60-day" rollover.

If the Participant's named beneficiary is a trust, the Plan may make a ~~d~~irect ~~r~~ollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code §401(a)(9)(E). ~~A nonspouse beneficiary may not roll over an amount that is a required minimum distribution, as determined under applicable Treasury regulations and other IRS guidance. If the Participant dies before his or her required beginning date and the nonspouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's~~

~~distribution. If neither the employee nor the non-spouse designated beneficiary make an election the distribution will be made in accordance with the life expectancy rule in Code §401(a)(9)(B)(iii) and (iv).~~

d. A ~~d~~Direct ~~r~~Rollover is a payment by the plan to the Eligible Retirement Plan specified by the ~~d~~Distributee.

7.12 - Limitations on Distribution Options

No distribution option may be selected by a Participant or Beneficiary under this Article 7 unless it satisfies a reasonable, good faith interpretation of the requirements of Code §401(a)(9) and the Treasury rRegulations thereunder, as applicable to governmental plans, including that installment payments be made in substantially nonincreasing amounts and that payments commencing before the death of the Participant satisfy the incidental death benefits requirement of Code §401(a)(9)(G) and the Treasury rRegulations thereunder and ~~specifically~~ Treasury Regulation §1.401(a)(9)-2, incorporated by reference herein, as applicable to governmental plans. The terms of this Article shall be construed in accordance with those Code sections and the Treasury rRegulations thereunder. Unless otherwise elected by the Participant or a Beneficiary, all distribution periods based on life expectancies shall be determined in the manner required under Code §401(a)(9) without recalculation of life expectancies.

7.13 - Distributions from the Fund

Except as otherwise provided herein, all distributions shall be made directly from the Fund to the Participant or Beneficiary. To the extent required by law, income and other taxes will be withheld from each benefit payment, and payments shall be reported to the appropriate governmental agency or agencies.

7.14 - Annuities

In the event that a Participant or Beneficiary elects to receive distributions in the form of a life annuity or another annuity form that cannot be distributed from the Fund, the portion of the Participant's Account ~~b~~Balance allocable to that form of distribution shall be distributed from the Fund and used to purchase a commercial annuity contract under which that form of annuity is provided, as directed by the Participant or Beneficiary. The amount of the annuity payments to the Participant or Beneficiary shall equal the amounts payable under such annuity contract. An annuity contract acquired in connection with

an annuity form of distribution shall be the sole property of the Employee.

7.15 - Purchase of Permissive Service Credit

A Participant in the Plan, prior to otherwise incurring a distributable event under this Article 7, may direct the Trustee to transfer all or a portion of his/her Account Balance to a governmental defined benefit plan (under Code §414(d)) for:

- a. the purchase of permissive service credit (under Code §415(n)(3)(A)) under such plan, or
- b. the repayment of contributions and earnings previously refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code §415 does not apply by reason of Code §415(k)(3).

Article 8

FINANCING

8.1 - Trust Fund

The funding of the Plan and distributions hereunder shall be provided through the medium of the Trust Fund held by the Trustee under this Plan. The Fund shall be comprised of contributions made by the Employer and by Participants to the Trustee pursuant to this Plan, plus any income, gains or profits, less distributions and expenses paid from the Fund and losses.

8.2 - Reversion

The Employer shall have no right, title, or interest in the contributions made by it or by Participants to the Trustee and no part of the Fund, including forfeited Employer Discretionary Contributions, shall revert to the Employer. Notwithstanding any provision of the Plan to the contrary, upon the PLD's request, a contribution which was made by a mistake of fact shall be used returned to the PLD. However, earnings attributable to the contribution may not be returned to the PLD, but losses attributable thereto must reduce the amount to be so returned.

Article 9

ADMINISTRATION OF THE PLAN

9.1 - Allocation of Responsibility Among Fiduciaries for Plan and Trust Fund Administration

The Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under this Plan and related documents provided by the Plan Sponsor directly or through its agents. Each Employer shall have the sole responsibility for making the contributions specified in Section 4.3. The Plan Sponsor shall have the sole authority to appoint and remove any investment advisor or manager that may be provided for under the terms of this Plan, and to amend or terminate in whole or in part, this Plan. Each Employer shall have the right to terminate the participation of such Employer in this Plan by appropriately authorized Employer action. The Administrator shall share with the Employers the responsibility for the administration of this Plan, as more specifically described in this Plan and the related documents. The Trustee shall have the sole responsibility for the management of the assets held under this Plan once received by the Trustee, all as specifically provided in this Plan and statutes of the State of Maine. Each Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of this Plan, and the laws of the State of Maine authorizing or providing for such direction, information or action. Furthermore, each Fiduciary may rely upon any such direction, information or action of another Fiduciary as being proper under this Plan, and is not required to inquire into the propriety of any such direction, information or action. It is intended that each Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under this Plan and shall not be responsible for any act or failure to act of another Fiduciary, except to the extent such liability pertains under the Code. No Fiduciary guarantees the Trust Fund in any manner against investment loss or depreciation in asset value.

9.2 - Plan Sponsor

a. The Plan Sponsor will be the Maine Public Employees Retirement System under the direction and authority of 5 MRSA, including without limitation c. 427 (§18801 *et seq.*) thereof. The Sponsor will decide all questions concerning the application or interpretation of the provisions of the Plan. All such decisions will be in accordance with the terms of the Plan and shall be final and binding upon the Employees, Participants, Beneficiaries, Employers and the Trustee.

b. Any act that the Plan authorizes or requires the Plan Administrator to do may be done at the direction of the Executive Director of the MainePERS, or the Executive Director's designee.

c. The Sponsor may appoint such accountants, actuaries, administrators, advisors,

attorneys, investment advisors, record keepers, and other agents as it may deem advisable to keep its records or assist it in doing any other act or thing to be done or performed by the Administrator.

d. As approved by the Board, the expenses of administering the Plan, including (i) the fees and expenses of the certified public accountants, actuaries, and administrators for their performance of services under the Plan, (ii) the expenses incurred by the Board in the performance of its duties under the Plan (including reasonable compensation for legal counsel, consultants, investment advisors, record-keepers, and agents and cost of services rendered in respect to the Plan, and (iii) all other proper charges and disbursements of the custodian, Board or its members (including settlements of claims of legal actions approved by counsel to the Plan pursuant to Sections 9.5(g) and 9.5(j) of the Plan) shall be paid out and deducted from the assets in the forfeiture account of the Trust Fund, where available, as provided in Section 4.3(d). Otherwise, such expenses shall be paid from the Trust Fund unless paid by the Employer or otherwise provided.

9.3 - Duties of Administrator

The Administrator, as a part of its general duty to supervise and administer the Plan, shall:

a. give the Trustee's agent for custody of trust assets specific directions in writing with respect to:

(1) the making of distribution payments, giving the names of the payees, the amounts to be paid and the time or times when payments shall be made; and

(2) the making of any other payments which the Trustee's agent for custody of trust assets is not by the terms of the Trust Agreement authorized to make without such direction;

b. inform the Trustee of the annual estimates of the future distributions to be paid from the Trust Fund and furnish the Trustee with such other information as is deemed necessary for the Trustee to carry out the purposes of this Plan;

c. comply with all reporting and disclosure requirements of the Code applicable to governmental plans.

The foregoing list of express duties is not intended to be either complete or conclusive, and the Administrator, in addition, shall exercise such other powers and perform such other duties as the Sponsor may deem necessary, desirable, advisable or proper for supervision and administration of the Plan.

9.4 - Appeals Procedure

All claims for distributions and/or benefits under the Plan will be submitted in a manner prescribed by the Sponsor, directly or through the Administrator. If the Administrator believes that any individual who has claimed a right to receive distributions or benefits under the Plan is not entitled to receive all or any part of the distributions or benefits claimed, it will inform the claimant by certified mail of its determination and the reasons therefore in laymen's terms, with specific reference to pertinent Plan provisions and with a description of the review procedures set forth below. The claimant may within sixty (60) days thereafter submit to the Sponsor in writing such further information as will, in the claimant's opinion, establish the claimant's right to such distribution or benefits. If, upon receipt of this further information, the Sponsor determines that the claimant is not entitled to the distribution or benefits claimed, it will afford the claimant or the claimant's representative a reasonable opportunity to submit issues and comments in writing, and to review pertinent documents. The Sponsor will render its final decision with the specific reasons therefore in writing and will transmit it to the claimant by certified mail within sixty (60) days of any such appearance.

9.5 - Trustee's Rights and Obligations

a. It shall be the duty of the Trustee to hold, to invest and to reinvest the Trust Fund as required and permitted by statute. In addition to all powers given by law, the Trustee may transfer any assets of the Trust Fund to a group or collective trust established to permit the pooling of funds of separate pension and profit-sharing trusts, provided the Internal Revenue Service has ruled such group or collective trust to be qualified under Code §401(a) and exempt under Code §501(a) (or the applicable corresponding provision of any other Revenue Act). Such commingling of assets of the Trust with assets of other trusts is specifically authorized and to the extent of the investment of this Trust in such group or collective investment trust, the terms of the instrument establishing the group or collective trust shall be deemed a part hereof as though set forth herein. The group trust must maintain a separate account to reflect the interest of each adopting group trust retiree benefit plan, including separate accounting for contributions to the group trust by each such plan, disbursements made from each such plan's account, and the investment experience of the group trust as allocable to that account. Notwithstanding any contrary provision in the group trust, the Trustees shall permit the trustee of the group trust to hold in the

group trust funds that consist exclusively of trust assets held under plans qualified under Code § 401(a) that are exempt under Code § 501(a); funds from Code § 401(a)(24) governmental retiree benefit plans that are not subject to Federal income taxation; funds from retirement income accounts under Code § 403(b)(9); funds from individual retirement accounts that are exempt under Code § 408(e); and funds from eligible governmental plan trusts or custodial accounts under Code § 457(b) that are exempt under Code § 457(g). The Trustees shall also permit the trustee of the group trust to hold funds in the group trust that consist of assets of custodial accounts under Code § 403(b)(7), provided that if assets of a custodial account under § 403(b)(7) are invested in the group trust, all assets of the group trust, including the § 403(b)(7) custodial accounts, are solely permitted to be invested in stock of regulated investment companies. For this purpose, a trust includes a custodial account that is treated as a trust under Code §§ 401(f), 403(b)(7), 408(h), or 457(g)(3). For purposes of valuation, the value of the interest maintained by the fund with respect to any plan or account in such group trust shall be the fair market value of the portion of the fund held for that plan or account, determined in accordance with generally recognized valuation procedures.

The Trustee shall invest and reinvest the assets of the Trust Fund or sub-funds, as the case may be, in such investments as shall be permissible investments under the Code and applicable state law.

The Trustee shall be under no duty to enforce payment of any contribution, but shall be responsible and accountable only for the money or other property received by it, and shall not be responsible for the adequacy of the Trust Fund to meet and discharge any benefit liabilities under the Plan.

b. The Trustee shall establish and periodically review a funding policy and method.

c. The Trustee shall direct its agents for custody of trust assets to make payments from the Trust Fund from time to time in accordance with written instructions received from the Administrator directly or through one or more of its agents. The Trustee's agent for custody of trust assets shall be fully protected in acting on such instructions and shall not be liable to anyone with respect to such payments.

d. The Trustee's agent for custody of trust assets shall render an annual or more frequent accounting of the Trust Fund to each Employer and an annual or more frequent accounting of each Participant's account to such Participant at such time and in such manner as the Sponsor shall direct. If

within sixty (60) days following delivery of such accounting, the Employer has not indicated disapproval of such accounting in writing, the accounting shall be deemed to have been approved by the Employer.

e. The Trustee shall receive any contributions paid to it, including qualified rollover contributions, in cash. All contributions so received together with the income there from and any other increment thereon, shall be held, managed and administered by the Trustee pursuant to the terms of this instrument.

f. Any taxes of any kind levied in respect of the Trust Fund or the income thereof shall be paid from the Trust Fund.

g. The Trustee shall not institute any litigation to protect or collect the proceeds of assets of the Trust without receiving the direction of the Administrator or Employer. The cost of any litigation to which the Trustee shall be a party in connection with the Trust shall be considered an administrative expense of the Employer. The Trustee, upon written instructions from the Employer, may compromise and adjust claims due the Trustee upon terms and conditions acceptable to the Employer and at the expense of the Employer.

h. The investment records shall be open at all reasonable times to inspection by the Employer, Participants or Beneficiaries.

i. In the event any controversy shall arise between the Trustee and any other person, including without limitation, any Employer or Participant or Beneficiary under the Plan, with respect to the interpretation of this Plan or the duties of the Trustee or any other fiduciary, the Trustee may require that the issue be decided by a court of competent jurisdiction, and pending such determination, the Trustee shall not be obligated to take any other action in connection with the matter involved in the controversy.

j. The Trustee shall at no time be obligated to institute any legal action unless it shall be indemnified by the Employer requesting the action to its satisfaction from any fees, costs and expenses to be incurred in connection with the litigation, and if it becomes a party to any legal action, it shall be indemnified from any fees, costs or expenses, to the extent permitted by law, by the Employer(s) to whom the action relates, or by the Plan if the action does not relate to a specific Employer(s).

Article 10

AMENDMENT, DURATION, TERMINATION AND MERGER

10.1 - Amendment and Duration of the Plan

Each Employer reserves the right to amend, discontinue or terminate participation in the Plan at any time or from time to time in whole or in part and in any respect or respects whatsoever, in accordance with rules established by the Sponsor, which also reserves the right to amend the Plan from time to time with notice to Employers.

No such action will operate to recapture for any Employer any part of the Fund or, except to the extent necessary to meet the requirements of the Internal Revenue Service or any other governmental authority, to adversely affect any vested rights under the Plan.

10.2 - Allocation of Assets on Termination of the Plan

Upon the termination of the Plan, or discontinuation of participation by an Employer, the Administrator may, subject to provision for expense of administration and liquidation and unless otherwise directed by the Plan Sponsor, (a) continue to hold the remaining assets of the Fund until distribution to the Participants and Beneficiaries entitled thereto under the terms of the Plan, (b) make distributions to those Participants affected by the termination of their Account Balances, or (c) deal with the assets of the Plan in any other manner permitted by the Code.

The rights of all Participants and Beneficiaries of that Employer to their Account Balances as of the date of termination shall become 100% vested and shall not thereafter be subject to forfeiture. No termination of the Plan shall result in any assets being diverted to any other purpose of the Employer or the State of Maine.

Article 11

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

11.1 - Maximum Annual Additions

a. Definitions.

For purposes of this Section, the following terms shall have the following meanings:

- (1) "Annual Additions" means, with respect to any Participant, the sum, for any Limitation Year of:
 - (A) Employer contributions (for this purpose, Employee Mandatory Contributions are considered Employer Contributions);

(B) Employee pre-tax contributions under any defined contribution plan of the Employer, exclusive of rollover contributions;

(C) Employee after-tax contributions under any defined contribution plan or any defined benefit plan of the Employer, exclusive of rollover contributions;

(D) Amounts allocated to an individual medical account defined in Code §415(1)(2), which is part of a pension or annuity plan maintained by the Employer; and

(E) Amounts derived from contributions attributable to post-retirement medical benefits allocated to the separate account of a Key Employee under a §419(e) welfare benefit plan maintained by the Employer.

(2) "415 Compensation" means, with respect to any Participant, wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the plan to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treasury Regulation §1.62-2(c)), and excluding the following:

(A) Employer contributions to a plan of deferred compensation that are not includable in the employee's gross income for the taxable year in which contributed, including any picked up contributions as described in Code §414(h)(2) or employer contributions under a simplified employee pension plan, or any distributions from a plan of deferred compensation;

(B) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(C) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(D) Other amounts that received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in Code §403(b) (whether or not the contributions are actually excludable from the gross income of the employee).

In general, for purposes of applying the limitations of this article, compensation for a limitation year is the compensation actually paid or made available in gross income during such limitation year. Notwithstanding the preceding sentence, compensation for a Participant in a defined contribution plan who is permanently and totally disabled (as defined in Code §22(e)(3)) is the compensation such Participant would have received for the limitation year if the Participant had been paid at the rate of compensation paid immediately before becoming permanently and totally disabled. Compensation paid or made available during such limitation year shall include any elective deferral (as defined in Code §402(g)(3)), and any amount which is contributed or deferred by the employer at the election of the employee and which is not includible in the gross income of the employee by reason of Code §§125, 132(f)(4) or 457.

For limitation years beginning in 2005, payments made within 2 1/2 months after severance from employment (within the meaning of Code §401(k)(2)(B)(i)(I)) will be compensation within the meaning of Code §415(c)(3) if they are payments that, absent a severance from employment, would have been paid to the employee while the employee continued in employment with the employer and are regular compensation for services during the employee's regular working hours, compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar compensation, and payments for accrued bona fide sick, vacation or other leave, but only if the employee would have been able to use the leave if employment had continued. Any payments not described above are not considered compensation if paid after severance from employment, even if they are paid within 2 1/2

months following severance from employment, except for payments to an individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Code §414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

An Employee who is in qualified military service (within the meaning of Code §414(u)(1)) shall be treated as receiving compensation from the Employer during such period of qualified military service equal to (i) the compensation the Employee would have received during such period if the Employee were not in qualified military service, determined based on the rate of pay the Employee would have received from the Employer but for the absence during the period of qualified military service, or (ii) if the compensation the Employee would have received during such period was not reasonably certain, the Employee's average compensation from the Employer during the twelve month period immediately preceding the qualified military service (or, if shorter, the period of employment immediately preceding the qualified military service).

(3) “Limitation Year” means a twelve (12) month period beginning on a January 1st.

b. Basic Limitation.

Notwithstanding any provision in this Plan to the contrary, in no event shall the maximum Annual Additions credited to a Participant's Employee Account for any Limitation Year exceed the lesser of (1) \$40,000 (as adjusted pursuant to Code §415(d)(1)(C)) or (2) one hundred percent of the Participant's "415 Compensation" for such Limitation Year. For any short Limitation Year, the dollar limitation in (1) above shall be reduced by a fraction, the numerator of which is the number of full months in the short Limitation Year and the denominator of which is 12.

c. Deemed Single Employer

If the Employer is a member of a controlled group of corporations (as defined in Code §414(b) as modified by §415(b)) or trades or businesses which are under common control (as

defined in Code §414(c) as modified by §414(h)), or an “affiliated service group” (as defined in Code §§414(b), (c), or (m) and 415(g) and (h)), all employees of such employers shall be considered to be Employees of a single employer for purposes of all limitations described in this Article.

d. Multiple Plans

If a Participant participates in more than one defined contribution plan maintained by the Employer that have different Limitation Years, the maximum Annual Additions under this Plan shall equal the maximum Annual Additions for the Limitation Year minus any Annual Additions previously credited to such Participant’s accounts during the Limitation Year.

In addition, all qualified defined contribution plans (whether terminated or not) ever maintained by the Employer shall be treated as one defined contribution plan.

11.2 - Adjustment for Excessive Annual Additions

If as of any allocation date, the Annual Additions allocated to any Participant’s Employee Account exceed the limitations of this Section 11.2, the excess Annual Additions will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).

11.3 - Compliance with Code §415

Notwithstanding anything contained in this Article to the contrary, the limitations, adjustments, and other requirements contained in this Article shall at all times comply with the provisions of Code §415 and the Treasury Regulations thereunder, insofar as they apply to governmental plans, which are specifically incorporated herein by reference.

Article 12

MISCELLANEOUS

12.1 - Inalienability of Benefits

Except as provided in Section 12.2, distribution payments shall be made only to Participants and Beneficiaries entitled to benefits under the Plan and persons designated under Section 7.8. No right or claim to payment distributions from the Fund or assets of the Fund shall be assignable or alienable, nor may any such rights or claims be taken by attachment, execution, levy or other legal or

equitable proceedings, except as required by Federal and State law and as allowed under Code §401(a)(13).

12.2 - Transfers and Distributions under Domestic Relations Orders

To the extent required under a final judgment, decree, or order (including approval of a property settlement agreement) made pursuant to state law and regulatory provisions governing a qualified domestic relations order under Code §§401(a)(13) and 414(p) (“QDRO”) as they are applicable to governmental plans, any portion of a Participant’s Account may be paid or set aside for payment to a spouse, former spouse, or child of the Participant. Where necessary to carry out the terms of such an order, a separate account shall be established with respect to the spouse, former spouse, or child who shall be entitled to choose Investment Options in the same manner as the Participant. Any amount so set aside for a spouse, former spouse, or child shall be paid out in a lump sum at the earliest date that benefits may be paid to a Participant, unless the judgment, decree or order directs a different form of payment. Effective April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a QDRO will not fail to be a QDRO: (a) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (b) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant’s death; a domestic relations order described in this sentence is subject to the same requirements and protections that apply to all QDROs. Nothing in this Section 12.2 shall be construed to authorize any amount to be distributed under the Plan at a time or in a form that is not permitted under the Plan.

12.3 - Rights of Employees

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge such Employee at any time, nor shall any provision of the Plan interfere with the Employee’s right to terminate the Employee’s service at any time.

12.4 - No Diversion

It is impossible and shall remain impossible, at any time prior to the satisfaction of all liabilities with respect to Participants and Beneficiaries under the Plan, for any part of the corpus or income of the

Trust Fund to be used for, or diverted to, purposes other than for the exclusive benefit of such Participants or Beneficiaries under the Plan, or to be used in any way that would constitute a prohibited transaction under Code §503(b).

12.5 - No Other Rights

No Participant, Beneficiary or any other person shall be entitled to any benefits under the Plan except as otherwise specifically provided in the Plan.

12.6 - Number

The singular number whenever used shall include the plural, and the plural the singular unless the context clearly indicates a different meaning.

12.7 - Notices.

Any notice provided for hereunder shall be deemed satisfactorily given if such notice is mailed by registered mail, return receipt requested, to the last known address of the person entitled to the same as reflected on the records of either the Employer, the Administrator or the Trustee. The foregoing sentence shall not preclude notice from effectively being given, if actually received, in any other way.

12.8. - Veteran's Rights

Effective as of December 12, 1994, notwithstanding any provisions of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code §414(u) and, effective January 1, 2007, with the Heroes Earnings Assistance and Relief Tax Act of 2008 ("HEART").

a. An Employee whose employment is interrupted by qualified military service under Code §414(u) or who is on a leave of absence for qualified military service under Code §414(u) may elect to make additional contributions upon resumption of employment with the Employer equal to the maximum contributions that the Employee would have made during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the contributions, if any, actually made for the Employee during the period of the interruption or leave). This right applies to five years following the resumption of employment, if sooner, for a period equal to three times the period of the interruption or leave).

b. Beginning January 1, 2009, to the extent required by Code Section 414(u)(12), an

Employee whose employment is interrupted by qualified military service or who is on leave of absence for qualified military service and who is receiving differential wage payment (as defined under Code Section 3401(h)(2)) from an employer shall be treated as employed by that employer, and the differential wage payment shall be treated as Compensation for purposes of applying the limits on annual additions under Code Section 415(c). This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

c. Effective January 1, 2007, death benefits payable under the Plan shall be paid in accordance with Code §401(a)(37), which provides that in the case of a Participant who dies while performing qualified military service (as defined in Code §414(u)), the Participant shall be treated for purposes of Section 5.5 as if the Participant resumed employment with the Employer and then terminated employment with the Employer on account of death. Moreover, the Plan will credit the Participant's qualified military service as service for vesting purposes, as though the Participant had resumed employment under USERRA immediately prior to the Participant's death.

IN WITNESS WHEREOF, the Sponsor and the Trustee have caused the restated Plan and Trust Agreement to be executed this ___ day of _____, 2024~~0~~.

Maine Public Employees Retirement System

By _____

Michael Colleran

Its Chief Operating Officer and General Counsel

**AMENDMENT NUMBER 2024-1
TO THE
MAINEPERS 457 DEFERRED COMPENSATION PLAN**

Maine Public Employees Retirement System (“MainePERS”) hereby adopts this Amendment Number 2024-1 to the MainePERS 457 Deferred Compensation Plan (the “Plan”) on the date noted below.

WHEREAS, MainePERS previously adopted the Plan; and

WHEREAS, MainePERS reserves the right to amend said Plan from time to time; and

WHEREAS, MainePERS desires to amend the Plan to revise language and update the Plan.

NOW, THEREFORE, effective January 1, 2024 (unless otherwise indicated), the Plan is amended by replacing the Basic Plan and Trust Agreement with the amended and restated Basic Plan and Trust Agreement attached hereto and incorporated herein by reference and replacing the Adoption Agreement sections as noted below with the following language:

**ARTICLE IV
TIMING AND METHOD OF
PAYMENT OF BENEFITS**

4.05 DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT. A Participant prior to Severance of Employment (except as specified in 4.05(b) below) may elect to receive a distribution of their Vested Account under the following distribution options (*Choose (a) or choose one or more of (b) through (j) as applicable*):

(a) **None:** A Participant may not receive a distribution prior to Severance from Employment.

(b) **Unforeseeable Emergency:** A Participant may elect a distribution from their Account in accordance with Plan Section 4.05(A). For purposes of this Subsection 4.03(b) only, a Participant who has incurred a Severance from Employment but will not begin to receive payments until some future date will be considered a Participant who has not incurred a Severance from Employment.

(c) **De minimis exception:** [Plan Section 4.05(B)] If the Participant: (i) has an Account that does not exceed \$7,000; (ii) has not made or received an allocation of any Deferral Contributions under the Plan during the two-year period ending on the date of distribution; and (iii) has not received a prior Plan distribution under this de minimis exception, then (*Choose one of (1), (2), or (3)*):

(1) **Participant election:** The Participant may elect to receive all or any portion of their Account.

(2) **Mandatory distribution:** The Plan Administrator will distribute the Participant’s entire Account.

(3) **Hybrid:** The Plan Administrator will distribute a Participant's Account that does not exceed \$ _____ and the Participant may elect to receive all or any portion of their Account that exceeds \$ _____ but that does not exceed \$7,000.

(d) **Distribution of Rollover Contributions:** A Participant (*Choose one of (1) or (2)*):

(1) **Distribution without restrictions:** May elect distribution of their Rollover Contributions Account in accordance with Plan Section 4.05(C) at any time.

(2) **No distribution:** May not elect to receive distribution of their Rollover Contributions Account until the Plan has a distributable event under Plan Section 4.01.

(e) **Qualified Birth or Adoption Distribution:** A Participant may elect a distribution from their Account in accordance with Plan Section 4.05(D).

(f) **Coronavirus-Related Distributions:** A Participant who is a Qualified Individual may elect a distribution from their Account in accordance with Plan Section 4.05(E).

(g) **Qualified Disaster Recovery Distributions:** Commencing September 1, 2024, a Participant may elect a distribution from their Account in accordance with Plan Section 4.05(F).

(h) **Emergency Personal Expense Distributions:** Commencing September 1, 2024, a Participant may elect a distribution from their Account in accordance with Plan Section 4.05(G).

(i) **Domestic Abuse Victim Distributions:** Commencing September 1, 2024, a Participant may elect a distribution from their Account in accordance with Plan Section 4.05(H).

(j) **Qualified Long-Term Care Distributions:** Effective December 29, 2025, a Participant may elect a distribution from their Account in accordance with Plan Section 4.05(I).

[Note: An Employer in an Eligible 457 Plan need not permit any in-service distributions. In an Eligible 457 Plan, any election must comply with the distribution restrictions of Code § 457(d).]

IN WITNESS WHEREOF, MainePERS has executed this Amendment this ____ day of June, 2024.

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

By: _____
Michael J. Colleran
Chief Operating Officer and General Counsel

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Governmental Code Section 457
Basic Plan and Trust Agreement

GOVERNMENTAL CODE SECTION 457
BASIC PLAN AND TRUST AGREEMENT

This Basic Plan and the related Adoption Agreement are intended to be an "eligible deferred compensation plan" as defined in Code § 457(b) of the Internal Revenue Code of 1986, as amended. An Employer establishes a Plan and if applicable, a Trust under this Eligible 457 Plan by executing an Adoption Agreement. If the Employer adopts this Plan as a restated Plan in substitution for, and in amendment of, an existing plan, the provisions of this Plan, as a restated Plan, apply solely to an Employee on or after the restated Effective Date of the Employer's Plan. If an Employee incurs a Severance from Employment prior to the restated Effective Date, that Employee is entitled to benefits under the Plan as the Plan existed on the date of the Employee's Severance from Employment. This Basic Plan is restated effective January 1, 2024, unless otherwise stated herein.

**ARTICLE I
DEFINITIONS**

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

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

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

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

1.05 "**Compensation**" for purposes of allocating Deferral Contributions means W-2 wages plus Elective Contributions. Any reference in this Plan to Compensation is a reference to the definition in this Section 1.05 unless the Plan reference specifies a modification to this definition or the Employer in the Adoption Agreement elects a modification. The Plan Administrator will take into account only Compensation actually paid for the relevant period. A Compensation payment includes Compensation paid by the Employer through another person under the common paymaster provisions in Code §§3121 and 3306. See Section 1.15 as to Compensation for an Independent Contractor. Compensation also includes any amount that the

Internal Revenue Service in published guidance declares to constitute compensation for purposes of a 457 Plan.

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

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

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

1.06 **"Deferral Contributions"** means as the Employer elects in Adoption Agreement Section 3.01, Salary Reduction Contributions, [Roth Elective Deferrals](#), Nonelective Contributions and Matching Contributions. The Plan Administrator in applying the Code §457(b) limit will take into account Deferral Contributions in the Taxable Year in which deferred, or if later, in the Taxable Year in which the Deferral Contributions are no longer subject to a Substantial Risk of Forfeiture. The Plan Administrator in determining the amount of a Participant's Deferral Contributions disregards the net income, gain and loss attributable to Deferral Contributions unless the Deferral Contributions are subject to a Substantial Risk of Forfeiture. If a Deferral Contribution is subject to a Substantial Risk of Forfeiture, the Plan Administrator takes into the Deferral Contribution as adjusted for allocable net income, gain or loss in the Taxable Year in which the Substantial Risk of Forfeiture lapses.

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

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

1.09 "**Employee**" means an individual who provides services for the Employer, as a common law employee of the Employer. The Employer in its Adoption Agreement must elect or specify any Employee, or class of Employees, not eligible to participate in the Plan (an "Excluded Employee"). See Section 1.15 regarding potential treatment of an Independent Contractor as an Employee.

1.10 "**Employer**" means an employer who adopts this Plan by executing an Adoption Agreement.

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

1.12 **Reserved**

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

1.14 "**Includible Compensation**" means, for the Employee's Taxable Year, the Employee's total Compensation within the meaning of Code §415(c)(3) paid to an Employee for services rendered to the Employer. Includible Compensation includes Deferral Contributions under the Plan, compensation deferred under any other plan described in Code §457, and any amount excludible from the Employee's gross income under Code §§401(k), 403(b), 125 or 132(f)(4) or any other amount excludible from the Employee's gross income for Federal income tax purposes. The Employer will determine Includible Compensation without regard to community property laws. Includible Compensation will be subject to a maximum of \$200,000 (or such higher maximum as may apply under Code §401(a)(17)).

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

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

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

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

1.19 "**Normal Retirement Age**" means the age the Employer specifies in the Adoption Agreement consistent with Section 3.05(B).

1.20 **"Participant"** is an Employee other than an Excluded Employee who becomes a Participant in accordance with the provisions of Section 2.01.

1.21 **"Plan"** means the 457 plan established or continued by the Employer in the form of this basic Plan and (if applicable) Trust Agreement, including the Adoption Agreement under which the Employer has elected to participate in this Eligible 457 Plan. The Employer in the Adoption Agreement must designate the name of the Plan. The Plan maintained by each adopting Employer is a separate Plan, independent from the plan of any other Employer adopting this Eligible 457 Plan. All section references within the Plan are Plan section references unless the context clearly indicates otherwise.

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

1.23 **"Plan Entry Date"** means the dates the Employer elects in Adoption Agreement Section 2.01.

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

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

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

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

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

(A) **"Qualified Military Service."** Service includes any qualified military service the Plan must credit for contributions and benefits in order to satisfy the crediting of Service requirements of Code §414(u). A Participant whose employment is interrupted by qualified military service under Code §414(u) or who is on a leave of absence for qualified military service under Code §414(u) may elect to make additional Salary Reduction Contributions upon resumption of employment with the Employer equal to the maximum Deferral Contributions that the Participant

could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the Deferral Contributions, if any, actually made for the Participant during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). The Employer shall make appropriate make-up Nonelective Contributions and Matching Contributions for such a Participant as required under Code §414(u). The Plan shall apply limitations of Article III to all Deferral Contributions under this paragraph with respect to the year to which the Deferral Contribution relates.

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

(C) "Severance from Employment"

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

(2) **Independent Contractor.** An Independent Contractor has a Severance from Employment when the contract(s) under which the Independent Contractor performs services for the Employer expires (or otherwise terminates), unless the Employer anticipates a renewal of the contractual relationship or the Independent Contractor becoming an Employee. The Employer anticipates renewal if it intends to contract for the services provided under the expired contract and neither the Employer nor the Independent Contractor has eliminated the Independent Contractor as a potential provider of such services under the new contract. Further, the Employer intends to contract for services conditioned only upon the Employer's need for the services provided under the expired contract or the Employer's availability of funds. Notwithstanding the preceding provisions of this Section 1.30, the Plan Administrator will consider an Independent Contractor to have incurred a Severance from Employment: (a) if the Plan Administrator or Trustee will not pay any Deferred Compensation to an Independent Contractor who is a Participant before a date which is at least twelve months after the expiration of the Independent Contractor's contract (or the last to expire of such contracts) to render Services to the Employer; and (b) if before the applicable twelve-month payment date, the Independent Contractor performs Service as an Independent Contractor or as an Employee, the Plan Administrator or Trustee will not pay to the Independent Contractor his/her Deferred Compensation on the applicable date.

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

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

1.31 **"Reserved"**

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

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

1.34 **"Trust"** means the Trust created under the adopting Employer's Plan. The Trust created and established under the adopting Employer's Plan is a separate Trust, independent of the trust of any other Employer adopting this Eligible 457 Plan.

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

1.36 **Type of 457 Plan.** The Plan is a governmental Eligible 457(b) Plan and the Employer in the Adoption Agreement must qualify as a State as defined above.

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

ARTICLE II PARTICIPATION IN PLAN

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

2.02 PARTICIPATION UPON RE-EMPLOYMENT. A Participant who incurs a Severance from Employment will re-enter the Plan as a Participant on the date of his/her re-employment. An Employee who satisfies the Plan's eligibility conditions but who incurs a Severance from Employment prior to becoming a Participant will become a Participant on the later of the Plan Entry Date on which he/she would have entered the Plan had he/she not incurred a Severance from Employment or the date of his/her re-employment. Any Employee who incurs a Severance from Employment prior to satisfying the Plan's eligibility conditions becomes a Participant in accordance with Adoption Agreement Section 2.01.

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

ARTICLE III
DEFERRAL CONTRIBUTIONS/LIMITATIONS

3.01 AMOUNT.

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

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

The Trustee will not increase the amount of the Employer contribution returnable under this Section 3.01 for any earnings attributable to the contribution, but the Trustee will decrease the Employer contribution returnable for any losses attributable to it. The Trustee may require the Employer to furnish it whatever evidence the Trustee deems necessary to enable the Trustee to confirm the amount the Employer has requested be returned is properly returnable.

(C) Time of Payment of Contribution. If the Plan has a Trust, the Employer may pay its contributions for each Plan Year to the Trust in one or more installments and at such time(s) as the Employer determines, without interest. The Employer shall deposit Salary Reduction Contributions and Roth Elective Deferrals to the Trust within a period that is not longer than is reasonable for the administration of Participant Accounts.

3.02 SALARY REDUCTION CONTRIBUTIONS. The Employer in the Adoption Agreement must elect whether the Plan permits Salary Reduction Contributions, and also the Plan limitations, if any, which apply to Salary Reduction Contributions. Unless the Employer elects otherwise in the Adoption Agreement, all such limitations apply on a payroll basis.

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

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

(C) Application to Leave of Absence and Disability. Unless a Participant in his/her Salary Reduction Agreement elects otherwise, the Participant's Salary Reduction Agreement shall continue to apply during the Participant's leave of absence or the Participant's disability (as the

Plan Administrator shall establish), if the Participant has Compensation other than imputed compensation or disability benefits and has not had a Severance From Employment.

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

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

- (a) The applicable dollar amount as specified under Code §457(e)(15) (or, beginning January 1, 2006), such larger amount as the Commissioner of the Internal Revenue may prescribe), or
- (b) 100% of the Participant's Includible Compensation for the Taxable Year.

3.05 NORMAL RETIREMENT AGE CATCH-UP CONTRIBUTION. For one or more of the Participant's last three Taxable Years ending before the Taxable Year in which the Participant attains Normal Retirement Age, the Participant's maximum Deferral Contributions may not exceed the lesser of:

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

(A) Underutilized Limitation. A Participant's underutilized limitation is equal to the sum of: (i) the normal limitation for the Taxable Year, and (ii) the normal limitation for each of the prior Taxable Years of the Participant commencing after 1978, and before January 1, 2002, during which the Participant was eligible to participate in the Plan (determined without regard to Sections 3.04 and 3.05) and the Participant's Deferral Contributions were subject to the normal limitation or any other Code §457(b) limit, less the amount of Deferral Contributions for each such prior Taxable Year, excluding age 50 catch-up contributions.

However, in no event can the deferred amount be more than the Participant's Compensation for such years, unless the Employer is making Nonelective Contributions. This Section applies only if the Participant has not previously used the three-year-catch-up exception under the Plan or another deferred compensation plan governed by the Code §457.

(B) Normal Retirement Age. Normal Retirement Age is the age the Employer specifies in the Adoption Agreement provided that the age may not be: (i) earlier than the earliest of age 65 or the age at which Participants have the right to retire and receive under the Employer's defined benefit plan (or money purchase plan if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or other reduction because of retirement before a later specified age; or (ii) later than age 70½.

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

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

(3) **Police and Firefighters.** If the Plan includes qualified police or firefighter Participants within the meaning of Code §415(b)(2)(H)(ii)(I), the Employer in the Adoption Agreement may elect (or permit the qualified Participants to elect) a Normal Retirement Age as early as age 40 and as late as age 70½.

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

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

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

3.07 CONTRIBUTION ALLOCATION. The Plan Administrator will allocate to each Participant's Account his/her Deferral Contributions. The Employer will allocate Employer Nonelective and Matching Contributions to the Account of each Participant who satisfies the allocation conditions in Section 3.08 in the following manner:

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

(b) **Discretionary match.** To the extent the Employer makes Matching Contributions under a discretionary Adoption Agreement formula, the Plan Administrator will allocate the Matching Contributions to a Participant's Account in the same proportion that each Participant's

Salary Reduction Contributions taken into account under the formula bear to the total Salary Reduction Contributions of all Participants.

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

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

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

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

3.09 ROLLOVER CONTRIBUTIONS. For taxable years beginning after December 31, 2001, an Employer may permit Rollover Contributions.

(A) **Operational Administration.** The Employer, operationally and on a nondiscriminatory basis, may elect to permit or not to permit Rollover Contributions to this Plan or may elect to limit an eligible Employee's right or a Participant's right to make a Rollover Contribution. If the Employer permits Rollover Contributions, any Participant (or as applicable, any eligible Employee), with the Employer's written consent and after filing with the Trustee the form prescribed by the Plan Administrator, may make a Rollover Contribution to the Trust. Before accepting a Rollover Contribution, the Trustee may require a Participant (or eligible Employee) to furnish satisfactory evidence the proposed transfer is in fact a "Rollover Contribution" which the Code permits an employee to make to a eligible retirement plan. The Trustee, in its sole discretion, may decline to accept a Rollover Contribution of property which could: (1) generate unrelated business taxable income; (2) create difficulty or undue expense in storage, safekeeping or valuation; or (3) create other practical problems for the Trust.

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

becoming a Participant in the Plan, the Trustee will distribute his/her Rollover Contributions Account to the limited Participant in accordance with Article IV.

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

3.10 DISTRIBUTION OF EXCESS DEFERRALS. In the event that a Participant has Excess Deferrals, the Plan will distribute to the Participant the Excess Deferrals and allocable net income, gain or loss, as soon as is reasonably practicable following the Plan Administrator's determination of the amount of the Excess Deferral.

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

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

3.11 DEEMED IRA CONTRIBUTIONS. An Employer may elect to permit Participants to make IRA contributions to this Plan in accordance with the Code §408(q) deemed IRA rules, commencing for Plan Years beginning after December 31, 2002. If the Employer elects to permit deemed IRA contributions to the Plan, the Employer will amend the Plan to add necessary IRA language and either the Rev. Proc. 2003-13 sample deemed IRA language or an appropriate substitute.

3.12 DOLLAR LIMITS. The applicable dollar amount described in paragraph 3.04(a) (pursuant to Code §457(e)(15)) for 2024~~1~~ is \$~~23,000~~~~19,500~~, and the limitation on age 50 catch-up contributions described in Section 3.06 (pursuant to Code §414(v)) for 2024~~1~~ is \$~~7,500~~~~6,500~~. These dollar amounts are adjusted for cost-of-living to the extent permitted under Code § 457(e)(15)(B), Code § 414(v)(2)(C), and Code §415(d).

ARTICLE IV TIME AND METHOD OF PAYMENT OF BENEFITS

4.01 DISTRIBUTION RESTRICTIONS. Except as the Plan provides otherwise, the Plan Administrator or Trustee may not distribute to a Participant his/her Account prior to one of the following events:

- (a) The Participant's attaining age 59 ½ (for plan years beginning after December 31, 2019, or as provided in the Adoption Agreement).
- (b) The Participant's Severance from Employment; or

- (c) The Participant's death.

4.02 TIME AND METHOD OF PAYMENT OF ACCOUNT. The Plan Administrator, or Trustee at the direction of the Plan Administrator, will distribute to a Participant who has incurred a Severance from Employment the Participant's Vested Account under one or any combination of payment methods and at the time(s) the Adoption Agreement specifies. If the Adoption Agreement permits more than one time or method, the Plan Administrator, in the absence of a Participant election described below, will determine the time and method applicable to a particular Participant. In no event will the Plan Administrator direct (or direct the Trustee to commence) distribution, nor will the Participant elect to have distribution commence, later than the Participant's required beginning date, or under a method that does not satisfy Section 4.03.

(A) Participant Election of Time and Method. The Employer in the Adoption Agreement must elect whether to permit Participants to elect the timing and method of distribution of their Account in accordance with this Section 4.02. The Plan Administrator must consent to the specific terms of any such Participant election and the Plan Administrator in its sole discretion may withhold consent. Subject to the foregoing conditions, a Participant: (1) may elect to postpone distribution of his/her Account beyond the time the Employer has elected in its Adoption Agreement, to any fixed or determinable date including, but not beyond, the Participant's required beginning date; and (2) may elect the method of payment. A Participant may elect the timing and method of payment of his/her Account no later than 30 days before the date the Plan Administrator or Trustee first would commence payment of the Participant's Account in accordance with the Adoption Agreement. The Plan Administrator must furnish to the Participant a form for the Participant to elect the time and a method of payment.

(B) Number of Initial Elections/Subsequent Elections. A Participant may make any number of elections or revoke any prior election under Section 4.02(A) within the election period. Once the initial election period expires, a Participant, before payment would commence under the Participant's initial election, may make one additional election to defer (but not to accelerate) the timing of payment of his/her Account and as to the method of payment.

(C) No Election/Default. If the Participant does not make a timely election regarding the time and method of payment, the Plan Administrator will pay or direct the Trustee to pay the Participant's Account in accordance with the Adoption Agreement.

4.03 REQUIRED MINIMUM DISTRIBUTIONS. The Plan Administrator may not distribute nor direct the Trustee to distribute the Participant's Account, nor may the Participant elect any distribution of his/her Account, under a method of payment which, as of the ~~Required~~ ~~Beginning~~ ~~Date~~, does not satisfy a reasonable, good faith interpretation of the minimum distribution requirements of Code §401(a)(9) or which is not consistent with applicable and the Treasury Regulations thereunder, as applicable to governmental plans.

(A) General Rules.

(1) **Effective Date.** Unless the Employer specifies a later effective date in the Adoption Agreement, the provisions of this Section 4.03 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2002 calendar year.

~~(2) — **Coordination with Minimum Distribution Requirements Previously in Effect.** If the effective date of this Section 4.03 is earlier than the 2003 calendar year, required minimum distributions for 2002 under the Plan will be determined as follows. If the total amount of 2002 required minimum distributions under the Plan made to the distributee prior to the effective date of this Section 4.03 equals or exceeds the required minimum distributions determined under this Section 4.03, then no additional distributions will be required to be made for 2002 on or after such date to the distributee. If the total amount of 2002 required minimum distributions under the Plan made to the distributee prior to the effective date of this Section 4.03 is less than the amount determined under this Section 4.03, the required minimum distributions for 2002 on and after such date will be determined so that the total amount of required minimum distributions for 2002 made to the distributee will be the amount determined under this Section 4.03.~~

~~(3)(2) **Precedence.** The requirements of this Section 4.03 will take precedence over any inconsistent provisions of the Plan.~~

~~(4) — **Requirements of Treasury Regulations Incorporated.** All distributions required under this Section 4.03 will be determined and made in accordance with the Treasury regulations under Code §401(a)(9).~~

(B) Time and Manner of Distribution.

(1) **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's ~~r~~**Required** ~~b~~**Beginning** ~~d~~**Date**.

(2) **Death of Participant Before Distribution Begins.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) **Spouse Designated Beneficiary.** If the Participant's surviving spouse is the Participant's sole ~~d~~**Designated Beneficiary**, then, except as the Employer may elect in the Adoption Agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained ~~the a~~**Applicable a**~~Age established under Subsection 4.03(F)–72 (age 70½ if the Participant was born on or before June 30, 1949)~~, if later.

(b) **Non-Spouse Designated Beneficiary.** If the Participant's surviving spouse is not the Participant's sole ~~d~~**Designated Beneficiary**, then, except as the Employer may elect in the Adoption Agreement, distributions to the ~~d~~**Designated Beneficiary** will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(c) **No Designated Beneficiary.** If there is no ~~d~~**Designated Beneficiary** as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) **Death of Spouse.** If the Participant's surviving spouse is the Participant's sole ~~d~~**Designated Beneficiary** and the surviving spouse dies after the Participant but before

distributions to the surviving spouse begin, this Section 4.03(B)(2), other than Section 4.03(B)(2)(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 4.03(B) and Section 4.03(D), unless Section 4.03(B)(2)(d) applies, distributions are considered to begin on the Participant's ~~Required~~ ~~Beginning~~ ~~Date~~. If Section 4.03(B)(2)(d) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's ~~Required~~ ~~Beginning~~ ~~Date~~ (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a)), the date distributions are considered to begin is the date distributions actually commence.

(3) **Forms of Distribution.** Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the ~~Required~~ ~~Beginning~~ ~~Date~~, as of the first ~~Distribution~~ ~~Calendar~~ ~~Year~~ distributions will be made in accordance with Sections 4.03(C) and 4.03(D). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of ~~Section Code § 4.01(a)(9) of the Code~~ and the Treasury ~~Regulations~~ thereunder.

(C) Required Minimum Distributions during Participant's Lifetime.

(1) **Amount of Required Minimum Distribution for Each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each ~~Distribution~~ ~~Calendar~~ ~~Year~~ is the lesser of:

(a) ULT. The quotient obtained by dividing the Participant's ~~Account~~ ~~Balance~~ by the number in the Uniform Life Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's attained age as of the Participant's birthday in the ~~Distribution~~ ~~Calendar~~ ~~Year~~; or

(b) Younger Spouse. If the Participant's sole ~~Designated~~ Beneficiary for the ~~Distribution~~ ~~Calendar~~ ~~Year~~ is the Participant's spouse, the quotient obtained by dividing the Participant's ~~Account~~ ~~Balance~~ by the number in the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the ~~Distribution~~ ~~Calendar~~ ~~Year~~.

~~(2)~~ **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this Section 4.03(C) beginning with the first ~~Distribution~~ ~~Calendar~~ ~~Year~~ and up to and including the ~~Distribution~~ ~~Calendar~~ ~~Year~~ that includes the Participant's date of death.

~~(2)(3)~~ **Roth Elective Deferrals.** Effective for Distribution Calendar Years beginning in 2024, minimum distributions of Roth Elective Deferrals are not required during the lifetime of the Participant.

(D) Required Minimum Distributions after Participant's Death.

(1) Death Prior to January 1, 2022, On or After Distributions Begin.

(a) Participant Survived by Designated Beneficiary. If the Participant dies prior to January 1, 2022, on or after the date distributions begin and there is a dDesignated Beneficiary, the minimum amount that will be distributed for each dDistribution eCalendar yYear after the year of the Participant's death is the quotient obtained by dividing the Participant's aAccount bBalance by the longer of the remaining lLife eExpectancy of the Participant or the remaining lLife eExpectancy of the Participant's dDesignated Beneficiary, determined as follows:

(i) Participant's Life Expectancy. The Participant's remaining lLife eExpectancy is calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(ii) Spouse's Life Expectancy. If the Participant's surviving spouse is the Participant's sole dDesignated Beneficiary, the remaining lLife eExpectancy of the surviving spouse is calculated for each dDistribution eCalendar yYear after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For dDistribution eCalendar yYears after the year of the surviving spouse's death, the remaining lLife eExpectancy of the surviving spouse is calculated using the attained age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii) Non-Spouse's Life Expectancy. If the Participant's surviving spouse is not the Participant's sole dDesignated Beneficiary, the dDesignated Beneficiary's remaining lLife eExpectancy is calculated using the attained age of the Beneficiary as of the Beneficiary's birthday in the calendar year following the calendar year of the Participant's death, reduced by one for each subsequent calendar year.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no dDesignated Beneficiary as of September 30 of the calendar year after the calendar year of the Participant's death, the minimum amount that will be distributed for each dDistribution eCalendar yYear after the calendar year of the Participant's death is the quotient obtained by dividing the Participant's aAccount bBalance by the Participant's remaining lLife eExpectancy calculated using the attained age of the Participant as of the Participant's birthday in the calendar year of death, reduced by one for each subsequent calendar year.

(1 ½) Death on or After January 1, 2022, on or After Date Distributions Begin

(a) Participant Survived by Designated Beneficiary. If the Participant dies on or after January 1, 2022, on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

(i) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the applicable distribution period is measured by the surviving spouse's Life Expectancy using the surviving spouse's birthday for each Distribution Calendar Year after the calendar year of the Participant's death. The surviving spouse's remaining Life Expectancy is redetermined each Distribution Calendar Year using the surviving spouse's age as of the surviving spouse's birthday in that Distribution Calendar Year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary and there is an Eligible Designated Beneficiary, the Eligible Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Eligible Designated Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(iv) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary and there is no Eligible Designated Beneficiary, the entire interest must be distributed by the end of the calendar year that includes the tenth anniversary of the date of the Participant's death. In addition, if there is a Designated Beneficiary but not an Eligible Designated Beneficiary, distributions must begin by December 31st of the calendar year immediately following the calendar year in which the Participant died based on the longer of the Life Expectancy of the Designated Beneficiary or the deceased Participant. However, for the 2021 and 2022 calendar years (or other years pursuant to IRS guidance), distributions are not required.

(b) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of the September 30 of the year after the year of the Participant's death, such as where no individual is named as the Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) Death Prior to January 1, 2022, before Date Distributions Begin.

(a) Participant Survived by Designated Beneficiary. Except as the Employer may elect in the Adoption Agreement, if the Participant dies prior to January 1, 2022 before the date distributions begin and there is a dDesignated Beneficiary, the minimum amount that will be distributed for each dDistribution eCalendar yYear after the year of the Participant's death is the quotient obtained by dividing the Participant's aAccount bBalance by the remaining lLife eExpectancy of the Participant's dDesignated Beneficiary, determined as provided in Section 4.03(D)(1).

(b) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no dDesignated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be

completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(c) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole ~~d~~Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 4.03(B)(2)(a), this Section 4.03(D)(2) will apply as if the surviving spouse were the Participant.

~~(3) **Required Minimum Distributions Upon Participant's Death on or after January 1, 2022, Before Distributions Begin.** Upon the death of a Participant on or after January 1, 2022, the following distribution provisions shall take effect; provided, however, that such provisions shall be subject to any regulations or other guidance issued under the SECURE Act:~~

~~(a) If the Participant dies before the distribution of his/her entire Account (regardless of whether any distributions had begun before the Participant's death) and the Participant has a Designated Beneficiary: If the Participant dies before the date distribution begins and the surviving spouse is the sole Beneficiary, distribution must begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained the Applicable Age, if later.~~

~~(i) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection 4.03(D)(3)(a), this subsection 4.03(D)(3) will apply as if the surviving spouse were the Participant.~~

~~(b) Participant Survived by Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and there is an Eligible Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is determined initially using the Beneficiary's age as of their birthday in the calendar year following the calendar year of the Participant's death. For subsequent calendar years, the Designated Beneficiary's remaining Life Expectancy is determined by reducing that initial Life Expectancy by one for each calendar year that has elapsed after the first calendar year. The entire Account shall be distributed to the Designated Beneficiary by December 31 of the calendar year containing the 10th anniversary of the Participant's death.~~

~~(i) Death of Eligible Designated Beneficiary. If the Participant dies before the date distributions begin and is survived by an Eligible Designated Beneficiary and the surviving Eligible Designated Beneficiary dies or reaches the age of majority before distributions are required to begin to the Eligible Designated Beneficiary under subsection 4.03(D)(3)(b), distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.~~

~~(b) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, distribution of the~~

~~Participant's entire interest will be completed by December 31 of the calendar year containing the tenth anniversary of the Participant's death. Notwithstanding paragraph (a), if the Designated Beneficiary is an Eligible Designated Beneficiary, then the Participant's Account shall be distributed beginning no later than December 31 of the calendar year immediately following the calendar year in which the Participant died, over the life of the Eligible Designated Beneficiary or over a period not exceeding the life expectancy of the Eligible Designated Beneficiary. If the Eligible Designated Beneficiary is the Surviving Spouse, then distributions to the Surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or, if later, by December 31 of the calendar year in which the Participant would have attained age seventy-two (72) (age seventy and one-half (70½) if the Participant was born on or before June 30, 1949).~~

~~(c) _____~~

~~(e) — No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death. Upon either (1) the death of an Eligible Designated Beneficiary before distribution of the Participant's entire Account or (2) the attainment of the age of majority for an Eligible Designated Beneficiary who is a minor child, paragraph (b) shall no longer apply, and the remainder of the Account shall be distributed under paragraph (a).~~

~~(d) If the Participant dies before distributions of his/her Account begins and the Participant has no Designated Beneficiary, the Participant's Account under the Plan shall be distributed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death. If the Participant dies after distribution of his/her Account begins and the Participant has no Designated Beneficiary, any remaining portion of the Account shall continue to be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death.~~

~~(E) **Surviving Spouse Election for Calendar Years after December 31, 2023.** If the Participant's Designated Beneficiary is the Participant's surviving spouse, the surviving spouse may elect to be treated as if the surviving spouse were the Participant, pursuant to Code § 401(a)(9)(B)(iv).~~

~~(E)(F) **Definitions.**~~

~~(1) **Applicable Age.** Applicable Age means the following:~~

~~(a) In the case of an individual who attains age 70 before July 1, 2019, the Applicable Age is 70 ½.~~

~~(b) In the case of an individual who attains age 70 on or after July 1, 2019, the Applicable Age is 72.~~

~~(c) In the case of an individual who attains age 72 after December 31, 2022, and age 73 before January 1, 2033, the Applicable Age is 73.~~

(d) Notwithstanding the above, the otherwise Applicable Age under Code §401(a)(9)(C)(v).

(4)(2) Designated Beneficiary. The individual who is designated as the Beneficiary under the Plan and is the dDesignated bBeneficiary under Code §401(a)(9) and Treas. Reg. §1.401(a)(9)-1, Q&A-4.

(2)(3) Distribution eCalendar yYear. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first dDistribution eCalendar yYear is the calendar year immediately preceding the calendar year which contains the Participant's rRequired bBeginning dDate. For distributions beginning after the Participant's death, the first dDistribution eCalendar yYear is the calendar year in which the distributions are required to begin under Section 4.03(B)(2). The required minimum distribution for the Participant's first dDistribution eCalendar yYear will be made on or before the Participant's rRequired bBeginning dDate. The required minimum distribution for other dDistribution eCalendar yYears, including the required minimum distribution for the dDistribution eCalendar yYear in which the Participant's rRequired bBeginning dDate occurs, will be made on or before December 31 of that dDistribution eCalendar yYear.

(3)(4) Eligible Designated Beneficiary. An EEligible DDesignated BBeneficiary means a DDesignated BBeneficiary who, as of the date of the death of the Participant, is: (i) the SSurviving SSpouse of the Participant; (ii) a child of the Participant who has not reached the age of majority; (iii) disabled within the meaning of Code ~~Section-§~~ 72(m)(7); (iv) chronically ill within the meaning of Code ~~Section-§~~ 7702B(c)(2) (except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature); or (v) any other individual who is not more than 10 years younger than the Participant. Notwithstanding the preceding, a child described in (ii) above shall cease to be an EEligible DDesignated BBeneficiary as of the date the childhe or she reaches the age of majority.

(4)(5) Life expectancy. Life eExpectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9.

(5)(6) Participant's aAccount bBalance. The aAccount bBalance as of the last valuation date in the calendar year immediately preceding the dDistribution eCalendar yYear (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the aAccount bBalance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Participant's aAccount bBalance for the valuation calendar year includes any Rollover Contributions or Transfers to the Plan either in the valuation calendar year or in the dDistribution eCalendar yYear if distributed or transferred in the valuation calendar year.

(6)(7) Required bBeginning dDate. A Participant's rRequired bBeginning dDate is the April 1 of the calendar year following the later of: (1) the calendar year in which the Participant attains the aApplicable aAge-72 (age-70½ if the Participant was born on or before June 30, 1949),

or (2) the calendar year in which the Participant retires or such other date under Code §401(a)(9) by which required minimum distributions must commence.

4.04 DEATH BENEFITS. Upon the death of the Participant, the Plan Administrator must pay or direct the Trustee to pay the Participant's Account in accordance with Section 4.03. Subject to Section 4.03, a Beneficiary may elect the timing and method of payment in the same manner as a Participant may elect under Section 4.02, if such elections apply.

4.05 DISTRIBUTIONS PRIOR TO SEVERANCE FROM EMPLOYMENT. The Employer must elect in the Adoption Agreement whether to permit in-service distributions of a Participant's Vested Account under this Section 4.05, notwithstanding the Section 4.01 distribution restrictions.

(A) Unforeseeable Emergency. In the event of a Participant's unforeseeable emergency, the Plan Administrator may make a distribution to a Participant who has not incurred a Severance from Employment (or who has incurred a Severance but will not begin to receive payments until some future date). In the event of an unforeseeable emergency, the Plan Administrator also may accelerate payments to a Participant or to a Beneficiary. The Plan Administrator will establish a policy for determining whether an unforeseeable emergency exists. With respect to unforeseeable emergency distributions made in Plan Years beginning in 2023, the Plan Administrator may implement Participant self-certification procedures consistent with Code § 457(d)(4) and any applicable IRS guidance. An unforeseeable emergency is a severe financial hardship of a Participant or Beneficiary resulting from: (1) illness or accident of the Participant, the Beneficiary, or the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a), without regard to Code §§152(b)(1), (b)(2), and (d)(1)(B)); (2) loss of the Participant's or Beneficiary's property due to casualty; (3) the need to pay for the funeral expenses of the Participant's or Beneficiary's spouse or dependent (as defined in Code §152(a), without regard to Code §§152(b)(1), (b)(2), and (d)(1)(B)); or (4) other similar extraordinary and unforeseeable circumstances arising from events beyond the Participant's or Beneficiary's control. The Plan Administrator will not pay the Participant or the Beneficiary more than the amount reasonably necessary to satisfy the emergency need, which may include amounts necessary to pay taxes or penalties on the distribution. The Plan Administrator will not make payment to the extent the Participant or Beneficiary may relieve the financial hardship by cessation of deferrals under the Plan, through insurance or other reimbursement, or by liquidation of the individual's assets to the extent such liquidation would not cause severe financial hardship.

The Plan Administrator shall treat a Participant's Beneficiary under the plan the same as the Participant's spouse or dependent in determining whether the Participant has incurred an unforeseeable emergency under the Plan. Such determinations shall be subject to the terms and conditions of IRS Notice 2007-7 and superseding guidance.

(B) De minimis distribution. In accordance with the Employer's Adoption Agreement elections, ~~the Plan Administrator may allow a Participant to elect to receive a distribution or~~ the Plan Administrator will distribute ~~(without a Participant election)~~ any amount of the Participant's Account where: (1) the Participant's Account (disregarding Rollover Contributions) does not exceed \$75,000 (or such other amount as does not exceed the Code §411(a)(11)(A) dollar amount); (2) the Participant has not made or received an allocation of any Deferral Contributions under the

Plan during the two-year period ending on the date of distribution; and (3) the Participant has not received a prior distribution under this Section 4.05(B). In the event a Participant or Beneficiary makes no election regarding how to receive the distribution, the entire amount will automatically be rolled over to an IRA.

(C) Distribution of Rollover Contributions. The Employer in its Adoption Agreement may elect to permit a Participant to request and to receive distribution of the Participant's Account attributable to Rollover Contributions (but not to Transfers) before the Participant has a distributable event under Section 4.01.

(D) Qualified Birth or Adoption Distributions. For purposes of this subsection (D), the following provisions shall apply:

(1) Definitions.

(a) **"Qualified Birth or Adoption Distribution"** means a distribution made to a Participant within the one-year period beginning on the date on which a child of the Participant is born or on which the legal adoption by the Participant of an eligible adoptee is finalized.

(b) **"Eligible Adoptee"** means an individual (other than the child of the Participant's spouse) who has not attained age 18 or is physically or mentally incapable of self-support.

(2) A Participant, regardless of whether ~~the Participant he/she~~ has had a Severance from Employment, may request to receive one or more Qualified Birth or Adoption Distributions from ~~the Participant's his/her~~ Vested Account subject to the provisions of this paragraph (D) and Code § 72(t)(2)(H). Qualified Birth or Adoption Distributions made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed \$5,000 per birth or adoption. A Participant shall certify to the Administrator that ~~the Participant he or she~~ satisfies the criteria to receive a Qualified Birth or Adoption Distribution.

(2)(3) A Participant who received one or more Qualified Birth or Adoption Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distribution in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(E) Coronavirus-Related Distributions. For purposes of this subsection (E), the following provisions shall apply:

(1) Definitions.

(a) **"Coronavirus-Related Distribution"** means a distribution made on or after January 1, 2020, but before December 31, 2020, or such later date as provided in subsequent legislation and/or regulatory guidance, to a Qualified Individual in accordance with subsection (2).

(b) “*Qualified Individual*” means a Participant:

(i) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention;

(ii) whose spouse or dependent (as defined in Code ~~section §~~ 152) is diagnosed with such virus or disease by such a test; or

(iii) who experiences adverse financial consequences as a result of

1. the Participant, the Participant’s spouse, or a person residing in the Participant’s household (1) being quarantined, (2) being furloughed or laid off or having work hours reduced due to such virus or disease, (3) being unable to work due to lack of child care due to such virus or disease, (4) having a reduction in pay (or self-employment income) due to such virus or disease, or (5) having a job offer rescinded or start date for a job delayed due to such virus or disease;

2. closing or reducing hours of a business owned or operated by the Participant, the Participant’s Spouse, or a person residing in the Participant’s household due to such virus or disease; or

3. other factors as determined by the Secretary of the Treasury (or the Secretary’s delegate); or

(iv) any other Participant who satisfies the definition of a Qualified Individual as provided in subsequent legislation and/or regulatory guidance.

For purposes of this subparagraph (b), a person residing in the Participant’s household means someone who shares the Participant’s principal residence.

(2) Notwithstanding any other section to the contrary, a Participant eligible to receive a distribution described in this rule who is a Qualified Individual may request to receive his/her Accounts, in part or in full, as a Coronavirus-Related Distribution on or after January 1, 2020 (or as soon as administratively practicable after January 1, 2020), and before December 31, 2020.

(3) Coronavirus-Related Distributions to a Participant from this Plan and all other plans maintained by a related Employer may not exceed One Hundred Thousand Dollars (\$100,000).

(4) A Participant shall certify that he/she is a Qualified Individual prior to receiving a Coronavirus-Related Distribution.

(F) **Qualified Disaster Recovery Distributions.** For qualified disasters occurring on or after January 1, 2021, a Participant may receive a Qualified Disaster Recovery Distribution as permitted under Code §§ 72(t)(2)(M) and 72(t)(11).

A Participant who received one or more Qualified Disaster Recovery Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution

was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distributions in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(G) Emergency Personal Expense Distributions. For purposes of this subsection (G), the following provisions shall apply:

(1) An "Emergency Personal Expense Distribution" means a distribution for the purpose of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses, as provided under Code § 72(t)(2)(I).

(2) Commencing September 1, 2024, a Participant, regardless of whether the Participant has had a Severance from Employment, may request one Emergency Personal Expense Distribution from the Participant's Vested Account per calendar year, subject to the provisions of this subsection (G) and Code § 72(t)(2)(I). An Emergency Personal Expense Distribution made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed the lesser of (i) \$1,000 or (ii) the Participant's Vested Account in excess of \$1,000. A Participant shall certify to the Administrator that the Participant satisfies the criteria to receive an Emergency Personal Expense Distribution.

(3) A Participant who received one or more Emergency Personal Expense Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distribution on account of an emergency personal expense in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

(H) Domestic Abuse Victim Distributions. For purposes of this subsection (H), the following provisions shall apply:

(1) A "Domestic Abuse Victim Distribution" means a distribution made to a Participant during the one-year period beginning on any date on which the Participant is a victim of domestic abuse by a spouse or domestic partner, as provided under Code § 72(t)(2)(K).

(2) Commencing September 1, 2024, a Participant, regardless of whether the Participant has had a Severance from Employment, may request to receive one or more Domestic Abuse Victim Distributions from the Participant's Vested Account, subject to the provisions of this subsection (H) and Code § 72(t)(2)(K). The aggregate amount that may be treated as Domestic Abuse Victim Distributions made from this Plan and all other plans maintained by the Employer or a related Employer may not exceed the lesser of (i) \$10,000 or (ii) 50% of the present value of the vested portion of the Participant's Account Balance under the Plan. A Participant shall certify to the Administrator that the Participant satisfies the criteria to receive a Domestic Abuse Victim Distribution.

(3) A Participant who received one or more Domestic Abuse Victim Distributions under the Plan is entitled to recontribute the distributions (not to exceed the amount of the distributions) at any time during the 3-year period beginning on the day after the date on which such distribution was received if the Participant is eligible to make a rollover contribution to the Plan at the time of recontribution. A Participant who makes a recontribution to the Plan will be treated as having received the distributions in an eligible rollover distribution and as having transferred the amount to the Plan in a direct trustee-to-trustee transfer within 60 days of the distribution.

~~(F)~~(I) **Qualified Long-Term Care Distributions.** Effective December 29, 2025, a Participant, regardless of whether the Participant has had a Severance from Employment, may request to receive a Qualified Long-Term Care Distribution, pursuant to Code § 401(a)(39) and any applicable IRS guidance.

4.06 DISTRIBUTIONS UNDER QUALIFIED DOMESTIC RELATIONS ORDERS (QDROs). Notwithstanding any other provision of this Plan, the Employer in its Adoption Agreement may elect to apply the QDRO provisions of this Section 4.06. If Section 4.06 applies, the Plan Administrator (and any Trustee) must comply with the terms of a QDRO, as defined in Code §414(p), which is issued with respect to the Plan.

(A) Time and Method of Payment. This Plan specifically permits distribution to an alternate payee under a QDRO at any time, notwithstanding any contrary Plan provision and irrespective of whether the Participant has attained his/her earliest retirement age (as defined under Code §414(p)) under the Plan. A distribution to an alternate payee prior to the Participant's attainment of earliest retirement age is available only if the QDRO specifies distribution at that time or permits an agreement between the Plan and the alternate payee to authorize an earlier distribution. Nothing in this Section 4.06 gives a Participant a right to receive distribution at a time the Plan otherwise does not permit nor authorizes the alternate payee to receive a form of payment the Plan does not permit.

(B) QDRO Procedures. The Plan Administrator must establish reasonable procedures to determine the qualified status of a domestic relations order. Upon receiving a domestic relations order, the Plan Administrator promptly will notify the Participant and any alternate payee named in the order, in writing, of the receipt of the order and the Plan's procedures for determining the qualified status of the order. Within a reasonable period of time after receiving the domestic relations order, the Plan Administrator must determine the qualified status of the order and must notify the Participant and each alternate payee, in writing, of the Plan Administrator's determination. The Plan Administrator must provide notice under this paragraph by mailing to the individual's address specified in the domestic relations order.

(C) Accounting. If any portion of the Participant's Account Balance is payable under the domestic relations order during the period the Plan Administrator is making its determination of the qualified status of the domestic relations order, the Plan Administrator must maintain a separate accounting of the amounts payable. If the Plan Administrator determines the order is a QDRO within 18 months of the date amounts first are payable following receipt of the domestic relations order, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in accordance with the QDRO. If the Plan Administrator does not make its determination

of the qualified status of the order within the 18-month determination period, the Plan Administrator will distribute or will direct the Trustee to distribute the payable amounts in the manner the Plan would distribute if the order did not exist and will apply the order prospectively if the Plan Administrator later determines the order is a QDRO.

To the extent it is not inconsistent with the provisions of the QDRO, the Plan Administrator may segregate or may direct the Trustee to segregate the QDRO amount in a segregated investment account. The Plan Administrator or Trustee will make any payments or distributions required under this Section 4.06 by separate benefit checks or other separate distribution to the alternate payee(s).

4.07 DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.

(A) Participant Election. A Participant (including for this purpose, a former Employee) Plan may elect, at the time and in the manner the Plan Administrator prescribes, to have any portion of his/her eligible rollover distribution from the Plan paid directly to an eligible retirement plan specified by the Participant in a direct rollover election. For purposes of this election, a "Participant" includes as to their respective interests, a Participant's surviving spouse and the Participant's spouse or former spouse who is an alternate payee under a QDRO.

(B) Rollover and Withholding Notice. At least 30 days and not more than 180 days prior to the Trustee's distribution of an eligible rollover distribution, the Plan Administrator must provide a written notice (including a summary notice as permitted under applicable Treasury regulations) explaining to the distributee the rollover option, the applicability of mandatory 20% federal withholding to any amount not directly rolled over, and the recipient's right to roll over within 60 days after the date of receipt of the distribution ("rollover notice").

(C) Default distribution or rollover. Except as provided in Paragraph (D), in the case of a Participant who does not elect timely to roll over or to receive distribution of his/her Account, the Plan Administrator or the Trustee, at the Plan Administrator's direction, may distribute to the Participant or may directly roll over the Participant's Account in accordance with the Plan's rollover notice.

(D) Mandatory default rollover. If (1) the Plan makes a mandatory distribution after the 401(a)(31)(B) Effective Date, greater than \$1,000 and (2) the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

(E) Non-Spouse Rollover. A non-spouse beneficiary who is a designated beneficiary within the meaning of Code ~~section~~ § 401(a)(9)(E) may, after the death of the participant, make a direct rollover of a distribution to an IRA established on behalf of the designated beneficiary; provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution under IRS Notice 2007-7. The IRA will be treated as an inherited IRA referred to in Code §402(c)(11).

(F) Rollover to Roth IRA. Effective for distributions made after December 31, 2007, a distribution from an eligible retirement plan pursuant to Code ~~section~~ § 402(c)(8)(B), other than

clauses (i) and (ii) thereof, shall be considered a "qualified rollover contribution" pursuant to Code ~~section-§~~ 408A(e) to a Roth IRA, provided the rollover contribution meets the requirements of Code ~~sections-§§~~ 402(c), 403(b)(8), 408A(c)(3)(B) or 457(e)(16), as applicable. (Any qualified rollover contribution from an individual retirement account (deductible employee contributions, if applicable) must satisfy the requirements of Code ~~section-§~~ 408(d)(3).)

(G) Definitions. The following definitions apply to this Section:

(1) **Eligible rollover distribution.** An eligible rollover distribution is any distribution of all or any portion of a Participant's Account, except an eligible rollover distribution does not include: (a) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a specified period of ten years or more; (b) any Code §401(a)(9) required minimum distribution; (c) any unforeseeable emergency distribution; and (d) any distribution which otherwise would be an eligible rollover distribution, but where the total distributions to the Participant during that calendar year are reasonably expected to be less than \$200.

(2) **Eligible retirement plan.** An eligible retirement plan is an individual retirement account described in Code §408(a), an individual retirement annuity described in Code §408(b), an annuity plan described in Code §403(a), a qualified plan described in Code §401(a), an annuity contract (or custodial agreement) described in Code §403(b), an eligible deferred compensation plan described in Code §457(b) and maintained by an Employer described in Code §457(e)(1)(A), or a Roth IRA described in Code §408A on and after January 1, 2008, which accepts the Participant's, the Participant's spouse or alternate payee's eligible rollover distribution. Effective for distributions after December 18, 2015, a SIMPLE IRA as described in Code §408(p), provided that the rollover contribution to the SIMPLE IRA is made after the two-year period beginning on the date the distribute first participated in any qualified salary reduction arrangement maintained by the distributee's employer under Code §408(0)(2), as described in Code §72(t)(6).

(3) **Direct rollover.** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee or to the inherited IRA specified by the non-spouse beneficiary. A direct rollover of an eligible rollover distribution or any portion thereof from a Roth Elective Deferral account shall only be made to another designated Roth account under an applicable retirement plan described in Code §402A(e)(1) or to a Roth IRA described in Code §408A, and only to the extent the rollover is permitted under Code §402(c).

~~(4)~~ **Mandatory distribution.** A mandatory distribution is an eligible rollover distribution without the Participant's consent before the Participant attains the later of age 62 or Normal Retirement Age (see paragraph 3.05 (B)). A distribution to a ~~b~~Beneficiary is not a mandatory distribution.

~~(5)(4) **401(a)(31)(B) Effective Date.** The 401(a)(31)(B) Effective Date is the date of the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after January 1, 2006.~~

4.08 QUALIFIED HEALTH INSURANCE PREMIUMS FOR RETIRED PUBLIC SAFETY OFFICERS.

The Plan Administrator may allow retired public safety officers to elect to have distributions used to pay for qualified health insurance premiums as provided in Code §402(l). Such distributions shall be subject to the terms and conditions of IRS Notice 2007-7 and superseding guidance.

ARTICLE V
PLAN ADMINISTRATOR – DUTIES WITH RESPECT TO PARTICIPANTS' ACCOUNTS

5.01 TERM / VACANCY. The Plan Administrator will serve until his/her successor is appointed. In case of a vacancy in the position of the Plan Administrator, the Employer will exercise any and all of the powers, authority, duties and discretion conferred upon the Plan Administrator pending the filling of the vacancy.

5.02 POWERS AND DUTIES. The Plan Administrator will have the following powers and duties:

- (a) To select a Committee to assist the Plan Administrator;
- (b) To select a Secretary for the Committee, who need not be a member of the Committee;
- (c) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Account;
- (d) To adopt rules and procedures and to create administrative forms necessary for the proper and efficient administration of the Plan provided the rules, procedures and forms are not inconsistent with the terms of the Plan;
- (e) To construe and enforce the terms of the Plan and the rules and regulations the Plan Administrator adopts, including interpretation of the Plan documents and documents related to the Plan's operation;
- (f) To direct the distribution of a Participant's Account;
- (g) To review and render decisions respecting a claim for (or denial of a claim for) a benefit under the Plan;
- (h) To furnish the Employer with information which the Employer may require for tax or other purposes;
- (i) To establish a policy in making distributions for unforeseeable emergencies;
- (j) To establish policies regarding the receipt of Rollover Contributions and default rollover distributions;

- (k) To establish a policy regarding the making and the receipt of Transfers;
- (l) To establish a policy regarding Participant or Beneficiary direction of investment;
- (m) To engage the services of any person to invest any Account under this Plan and to direct such person to make payment to a Participant of his/her Vested Account;
- (n) To establish a policy (see Section 5.02(A)) which the Trustee must observe in making loans, if any, to Participants and Beneficiaries;
- (o) To undertake correction of any Plan failures as necessary to preserve Eligible Plan status; and
- (p) To undertake any other action the Plan Administrator deems reasonable or necessary to administer the Plan.

The Plan Administrator shall have total and complete discretion to interpret and construe the Plan and to determine all questions arising in the administration, interpretation and application of the Plan. Any determination the Plan Administrator makes under the Plan is final and binding upon any affected person.

(A) Loan Policy. The Plan Administrator, in its sole discretion, may establish, amend or terminate from time to time, a nondiscriminatory policy which the Trustee must observe in making Plan loans, if any, to Participants and to Beneficiaries. If the Plan Administrator adopts a loan policy, the loan policy must be a written document and must include: (1) the identity of the person or positions authorized to administer the participant loan program; (2) the procedure for applying for a loan; (3) the criteria for approving or denying a loan; (4) the limitations, if any, on the types and amounts of loans available; (5) the procedure for determining a reasonable rate of interest; (6) the types of collateral which may secure the loan; and (7) the events constituting default and the steps the Plan will take to preserve Plan assets in the event of default. A loan policy the Plan Administrator adopts under this Section 5.02(A) is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.01.

(B) QDRO Policy. If the QDRO provisions of Section 4.06 apply, the Plan Administrator will establish QDRO procedures.

5.03 COMPENSATION. The Plan Administrator and the members of the Committee will serve without compensation for services, but the Employer will pay all expenses of the Plan Administrator and Committee.

5.04 AUTHORIZED REPRESENTATIVE. The Plan Administrator may authorize any one of the members of the Committee, if any, or the Committee's Secretary, to sign on the Plan Administrator's behalf any Plan notices, directions, applications, certificates, consents, approvals, waivers, letters or other documents.

5.05 INDIVIDUAL ACCOUNTS / RECORDS. The Plan Administrator will maintain a separate Account in the name of each Participant to reflect the value of the Participant's Deferred Compensation under the Plan. The Plan Administrator will maintain records of its activities.

5.06 VALUE OF PARTICIPANT'S ACCOUNT. The value of each Participant's Account consists of his/her accumulated Deferred Compensation, as of the most recent Accounting Date or any later date as the Plan Administrator may determine.

5.07 ALLOCATION OF NET INCOME, GAIN OR LOSS. As of each Accounting Date (and each other valuation date determined under Section 5.06), the Plan Administrator will adjust Accounts to reflect net income, gain or loss, if any, since the last Accounting Date or Account valuation. The Employer in the Adoption Agreement will elect whether the adjustment for net income gain or loss reflects actual Account earnings or an interest credit. The Plan Administrator will continue to allocate net income, gain and loss to a Participant's Account subject to an installment distribution, until the Account is fully distributed.

5.08 ACCOUNT CHARGED. The Plan Administrator will charge all distributions made to a Participant or to his/her Beneficiary, or transferred under Section 9.03 from his/her Account, against the Account of the Participant when made.

5.09 RESERVED

5.10 PARTICIPANT DIRECTION OF INVESTMENT. Subject to the terms of the Plan Administrator's adopted policy, if any, and also to written consent of the Trustee, if the Plan has a Trust, a Participant will have the right to direct the investment or re-investment of the assets comprising the Participant's Account. The Plan Administrator will account separately for the Participant-directed Accounts. The Participant's right to direct investment does not give the Participant any vested interest or secured or preferred position with respect to assets over which he/she has investment responsibility.

5.11 VESTING / SUBSTANTIAL RISK OF FORFEITURE. The Employer in the Adoption Agreement may elect to apply a vesting schedule or to specify any other Substantial Risk of Forfeiture applicable to any or all Deferral Contributions, provided that Salary Reduction Contributions and Roth Elective Deferrals are always 100% immediately Vested.

(A) Forfeiture Allocation. The Employer in its Adoption Agreement must elect the method the Plan Administrator will use to allocate any Participant forfeitures, including those related to lost Participants under Section 5.14. The Plan Administrator will allocate a forfeiture in the Plan Year in which the forfeiture occurs or in the next following Plan Year.

5.12 PRESERVATION OF ELIGIBLE PLAN STATUS. The Plan Administrator may elect to sever from this Plan and to treat as a separate 457 plan, the Accounts of any Participants who have Excess Deferrals that the Plan Administrator has not corrected in accordance with Section 3.10 or in the case of any other Code §457(b) failure that the Employer may not otherwise correct, and which failure would result in the Plan ceasing to be an Eligible 457 Plan. In such event, the Plan Administrator will take any necessary or appropriate action consistent with the Employer's maintenance of separate 457 plans and with preservation of Eligible 457 Plan status of this Plan.

5.13 LIMITED LIABILITY. The Employer will not be liable to pay pPlan benefits to a Participant in excess of the value of the Participant's Account as the Plan Administrator determines in accordance with the Plan terms. Neither the Employer nor the Plan Administrator

will be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

5.14 **LOST PARTICIPANTS.** If the Plan Administrator is unable to locate any Participant or Beneficiary whose Account becomes distributable (a "lost Participant"), the Plan Administrator will apply the provisions of this Section 5.14.

(A) Attempt to Locate. Consistent with the IRS Employee Plans Compliance Resolution System ("EPCRS") (Revenue Procedure 2021-30 or subsequently issued guidance), the Plan Administrator will attempt to locate a lost Participant by providing a distribution notice via a mailing to the individual's last known address using certified mail, and, if that is unsuccessful, an additional search method, such as the use of a commercial locator service, a credit reporting agency, or internet search tools. The Plan Administrator may also conduct a search of Plan and related Plan, sponsor and publicly available records or directories for alternate contact information. Depending on the facts and circumstances, the use of more than one of these additional search methods may be appropriate. and may use one or more of the following methods: (1) provide a distribution notice to the lost Participant at his/her last known address by certified or registered mail; (2) use a commercial locator service, the internet, a credit reporting agency search or other general search method; (3) use the PBGC search program; (4) conduct a search of Plan and related plan, sponsor and publically available records or directories for alternative contact information; or (5) use such other methods as the Plan Administrator believes prudent.

(B) Failure to Locate. If a lost Participant remains unlocated for 6 months following the date the Plan Administrator first attempts to locate the lost Participant using one or more of the methods described in Section 5.14(A), the Plan Administrator may forfeit the lost Participant's Account. If the Plan Administrator forfeits the lost Participant's Account, the forfeiture occurs at the end of the above-described 6-month period and the Plan Administrator will allocate the forfeiture in accordance with Section 5.11. The Plan Administrator under this Section 5.14(B) will forfeit the entire Account of the lost Participant, including Salary Reduction Contributions.

If a lost Participant whose Account was forfeited thereafter at any time but before the Plan has been terminated makes a claim for his/her forfeited Account, the Plan Administrator will restore the forfeited Account to the same dollar amount as the amount forfeited, unadjusted for net income, gains or losses occurring subsequent to the forfeiture. The Plan Administrator will make the restoration in the Plan Year in which the lost Participant makes the claim, first from the amount, if any, of Participant forfeitures the Plan Administrator otherwise would allocate for the Plan Year, then from the amount, if any, of Trust net income or gain for the Plan Year and last from the amount or additional amount the Employer contributes to the Plan for the Plan Year. The Plan Administrator will distribute the restored Account to the lost Participant not later than 60 days after the close of the Plan Year in which the Plan Administrator restores the forfeited Account.

(C) Nonexclusivity and Uniformity. The provisions of this Section 5.14 are intended to provide permissible but not exclusive means for the Plan Administrator to administer the Accounts of lost Participants. The Plan Administrator may utilize any other reasonable method to locate lost Participants and to administer the Accounts of lost Participants, including the default rollover under Section 4.07(C) and such other methods as the Internal Revenue Service or the U.S. Department of Labor ("DOL") may in the future specify. The Plan Administrator will apply

Section 5.14 in a reasonable manner, but may in determining a specific course of action as to a particular Account, reasonably take into account differing circumstances such as the amount of a lost Participant's Account, the expense in attempting to locate a lost Participant, the Plan Administrator's ability to establish and the expense of establishing a rollover IRA, and other factors, consistent with EPCRS and subsequent guidance. The Plan Administrator may charge to the Account of a lost Participant the reasonable expenses incurred under this Section 5.14 and which are associated with the lost Participant's Account.

5.15 PLAN CORRECTION. The Plan Administrator, in conjunction with the Employer and Trustee as appropriate, may undertake such correction of Plan errors as the Plan Administrator deems necessary, including but not limited to correction to maintain the Plan's status as an Eligible 457 Plan. The Plan Administrator under this Section 5.15 also may undertake Plan correction in accordance with any correction program that the Internal Revenue Service makes applicable to 457 plans.

ARTICLE VI PARTICIPANT ADMINISTRATIVE PROVISIONS

6.01 BENEFICIARY DESIGNATION. A Participant from time to time may designate, in writing, any person(s) (including a trust or other entity), contingently or successively, to whom the Plan Administrator or Trustee will pay the Participant's Account (including any life insurance proceeds payable to the Participant's Account) in the event of death. A Participant also may designate the method of payment of his/her Account. The Plan Administrator will prescribe the form for the Participant's written designation of Beneficiary and, upon the Participant's filing the form with the Plan Administrator, the form revokes all designations filed prior to that date by the same Participant. A divorce decree, or a decree of legal separation, revokes the Participant's designation, if any, of his/her spouse as his/her Beneficiary under the Plan unless: (a) the decree or a QDRO provides otherwise; or (b) the Employer provides otherwise in an Addendum to its Adoption Agreement. The foregoing revocation provision (if applicable) applies only with respect to a Participant whose divorce or legal separation becomes effective on or following the date the Employer executes the Adoption Agreement, unless the Employer in its Adoption Agreement specifies a different effective date.

6.02 NO BENEFICIARY DESIGNATION. If a Participant fails to name a Beneficiary in accordance with Section 6.01, or if the Beneficiary named by a Participant predeceases the Participant, then the Plan Administrator will pay the Participant's remaining Account in accordance with Article IV in the following order of priority, to:

- (a) The Participant's surviving spouse; or
- (b) The Participant's children (including adopted children), in equal shares by right of representation (one share for each surviving child and one share for each child who predeceases the Participant with living descendants); and if none to
- (c) The Participant's estate.

If the Beneficiary survives the Participant, but dies prior to distribution of the Participant's entire Account, the Trustee will pay the remaining Account to the Beneficiary's estate unless:

(1) the Participant's Beneficiary designation provides otherwise; or (2) the Beneficiary has properly designated a beneficiary. A Beneficiary only may designate a beneficiary for the Participant's Account Balance remaining at the Beneficiary's death, if the Participant has not previously designated a successive contingent beneficiary and the Beneficiary's designation otherwise complies with the Plan terms. The Plan Administrator will direct a Trustee if applicable as to the method and to whom the Trustee will make payment under this Section 6.02.

6.03 SALARY REDUCTION AGREEMENT.

(A) General. A Participant must elect to make Salary Reduction Contributions on a Salary Reduction Agreement form the Plan Administrator provides for this purpose. The Salary Reduction Agreement must be consistent with the Employer's Adoption Agreement elections and the Plan Administrator in a Salary Reduction Agreement may impose such other terms and limitations as the Plan Administrator may determine.

(B) Election Timing. A Participant's Salary Reduction Agreement may not take effect earlier than the first day of the calendar month following the date the Participant executes the Salary Reduction Agreement and as to Compensation paid or made available in such calendar month. However, if an Employee is eligible to become a Participant during the Employee's calendar month of hire, the Employee may execute a Salary Reduction Agreement on or before the date he/she becomes an Employee, effective for the month in which he/she becomes an Employee. For Salary Reduction Agreements made in taxable years beginning after December 29, 2022, the Plan Administrator may treat such Salary Reduction Agreements as effective as soon as administratively practicable after filing the Salary Reduction Agreement with the Plan Administrator.

(C) Sick, Vacation and Back Pay. If the Employer under Adoption Agreement Section 3.02 permits Participants to make Salary Reduction Contributions from accumulated sick pay, from accumulated vacation pay or from back pay, a Participant who will incur a Severance from Employment may execute a Salary Reduction Agreement before such amounts are paid or made available provided: (i) such amounts are paid or made available before the Participant incurs the Severance; and (ii) the Participant is an Employee in that month.

(D) Modification of Salary Reduction Agreement. A Participant's Salary Reduction Agreement remains in effect until a Participant modifies it or ceases to be eligible to participate in the Plan. A Participant may modify his/her Salary Reduction Agreement by executing a new Salary Reduction Agreement. Any modification will become effective no earlier than the beginning of the calendar month commencing after the date the Participant executes the new Salary Reduction Agreement. Filing a new Salary Reduction Agreement will revoke all Salary Reduction Agreements filed prior to that date. The Employer or Plan Administrator may restrict the Participant's right to modify his/her Salary Reduction Agreement in any Taxable Year. For modification of a Salary Reduction Agreement made in taxable years beginning after December 29, 2022, the Plan Administrator may treat such modified Salary Reduction Agreement as effective as soon as administratively practicable after filing the modified Salary Reduction Agreement with the Plan Administrator.

6.04 PERSONAL DATA TO PLAN ADMINISTRATOR. Each Participant and each Beneficiary of a deceased Participant must furnish to the Plan Administrator such evidence, data or information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan, including, without limitation, whether the Participant is a participant in any other eligible plan under Code §457(b). The provisions of this Plan are effective for the benefit of each Participant upon the condition precedent that each Participant will furnish promptly full, true and complete evidence, data and information when requested by the Plan Administrator, provided the Plan Administrator advises each Participant of the effect of his failure to comply with its request.

6.05 ADDRESS FOR NOTIFICATION. Each Participant and each Beneficiary of a deceased Participant must file with the Plan Administrator from time to time, in writing, his/her address and any change of address. Any communication, statement or notice addressed to a Participant, or Beneficiary, at his/her last address filed with the Plan Administrator, or as shown on the records of the Employer, binds the Participant, or Beneficiary, for all purposes of this Plan.

6.06 PARTICIPANT OR BENEFICIARY INCAPACITATED. If, in the opinion of the Plan Administrator or of the Trustee, a Participant or Beneficiary entitled to a Plan distribution is not able to care for his/her affairs because of a mental condition, a physical condition, or by reason of age, the Plan Administrator or at the direction of the Plan Administrator, the Trustee, may make the distribution to the Participant's or Beneficiary's guardian, conservator, trustee, custodian (including under a Uniform Transfers or Gifts to Minors Act) or to his/her attorney-in-fact or to any other legal representative upon furnishing evidence of such status satisfactory to the Plan Administrator and to the Trustee. The Plan Administrator and the Trustee do not have any liability with respect to payments so made and neither the Plan Administrator nor the Trustee has any duty to make inquiry as to the competence of any person entitled to receive payments under the Plan. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

ARTICLE VII MISCELLANEOUS

7.01 NO ASSIGNMENT OR ALIENATION. A Participant or Beneficiary does not have the right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments under the Plan or Trust and the Plan Administrator and the Trustee will not recognize any such anticipation, assignment, or alienation. The payments and the rights under this Plan are nonassignable and nontransferable. Furthermore, a Participant's or Beneficiary's interest in the Trust is not subject to attachment, garnishment, levy, execution or other legal or equitable process.

7.02 EFFECT ON OTHER PLANS. This Plan does not affect benefits under any other retirement, pension, or benefit plan or system established for the benefit of the Employer's Employees, and participation under this Plan does not affect benefits receivable under any such plan or system, except to the extent provided in such plan or system.

7.03 WORD USAGE. Words used in the masculine will apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural will be read as the singular and the singular as the plural.

7.04 STATE LAW. The laws of the state of the Employer's principal place of business will determine all questions arising with respect to the provisions of this Plan, except to the extent Federal law supersedes State law.

7.05 EMPLOYMENT NOT GUARANTEED. Nothing contained in this Plan, or any modification or amendment to the Plan, or in the creation of any Account, or the payment of any benefit, gives any Employee, Participant or Beneficiary any right to continue employment, or any legal or equitable right against the Employer, the Plan Administrator, the Trustee, any other Employee of the Employer, or any agents thereof except as expressly provided by the Plan.

7.06 NOTICE, DESIGNATION, ELECTION, CONSENT AND WAIVER. All notices under the Plan and all Participant or Beneficiary designations, elections, consents or waivers must be in writing and made in a form the Plan Administrator specifies or otherwise approves. To the extent permitted by Treasury regulations or other applicable guidance, any Plan notice, election, consent or waiver may be transmitted electronically. Any person entitled to notice under the Plan may waive the notice or shorten the notice period except as otherwise required by the Code.

ARTICLE VIII TRUST PROVISIONS

8.01 SUBSTITUTE TRUST. The Employer in the Adoption Agreement may elect to substitute another trust (attached to this Plan as "Appendix A") or to modify any provision of Article VIII, consistent with Code §457(g) and applicable Treasury regulations.

8.02 ACCEPTANCE / HOLDING. The Trustee accepts the Trust created under the Plan and agrees to perform the duties and obligations imposed. The Trustee must hold in trust under this Article VIII, all Deferred Compensation until paid in accordance with the Plan terms.

8.03 RECEIPT OF CONTRIBUTIONS. The Trustee is accountable to the Employer for the funds contributed to it by the Employer or the Plan Administrator, but the Trustee does not have any duty to see that the contributions received comply with the provisions of the Plan.

8.04 FULL INVESTMENT POWERS. The Trustee has full discretion and authority with regard to the investment of the Trust, except with respect to a Trust asset under Participant direction of investment, in accordance with Section 8.12. The Trustee is authorized and empowered, but not by way of limitation, to exercise and perform the following powers, rights and duties:

(a) To invest any part or all of the Trust in any common or preferred stocks, open-end or closed-end mutual funds, put and call options traded on a national exchange, United States retirement plan bonds, corporate bonds, debentures, convertible debentures, commercial paper, U. S. Treasury bills, U. S. Treasury notes and other direct or indirect obligations of the United States Government or its agencies, improved or unimproved real estate situated in the United States, limited partnerships, insurance contracts of any type, mortgages, notes or other property of

any kind, real or personal, and to buy or sell options on common stock on a nationally recognized options exchange with or without holding the underlying common stock, as a prudent person would do under like circumstances. Any investment made or retained by the Trustee in good faith will be proper but must be of a kind constituting a diversification considered by law suitable for trust investments;

(b) To retain in cash so much of the Trust as it may deem advisable to satisfy liquidity needs of the Plan and to deposit any cash held in the Trust in a bank account at reasonable interest;

(c) To invest, if the Trustee is a bank or similar financial institution supervised by the United States or by a State, in any type of deposit of the Trustee (or a bank related to the Trustee within the meaning of Code §414(b)) at a reasonable rate of interest or in a common trust fund as described in Code §584, or in a collective investment fund, the provisions of which the Trust incorporates by this reference, which the Trustee (or its affiliate, as defined in Code §1504) maintains exclusively for the collective investment of money contributed by the bank (or its affiliate) in its capacity as Trustee and which conforms to the rules of the Comptroller of the Currency;

(d) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustee decides;

(e) To credit and distribute the Trust as directed by the Plan Administrator of the Plan. The Trustee will not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making any payment or distribution. The Trustee will be accountable only to the Plan Administrator for any payment or distribution made by it in good faith on the order or direction of the Plan Administrator;

(f) To borrow money, to assume indebtedness, extend mortgages and encumber by mortgage or pledge;

(g) To compromise, contest, arbitrate or abandon claims and demands, in the Trustee's discretion;

(h) To have with respect to the Trust all of the rights of an individual owner, including the power to exercise any and all voting rights associated with Trust assets, to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, to tender shares and to exercise or sell stock subscriptions or conversion rights;

(i) To lease for oil, gas and other mineral purposes and to create mineral severances by grant or reservation; to pool or unitize interest in oil, gas and other minerals; and to enter into operating agreements and to execute division and transfer orders;

(j) To hold any securities or other property in the name of the Trustee or its nominee, with depositories or agent depositories or in another form as it may deem best, with or without disclosing the trust relationship;

(k) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management, investment and distribution of the Trust;

(l) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until a court of competent jurisdiction makes a final adjudication;

(m) To file all tax returns required of the Trustee;

(n) To furnish to the Employer and the Plan Administrator an annual statement of account showing the condition of the Trust and all investments, receipts, disbursements and other transactions effected by the Trustee during the Plan Year covered by the statement and also stating the assets of the Trust held at the end of the Plan Year, which accounts will be conclusive on all persons, including the Employer and the Plan Administrator, except as to any act or transaction concerning which the Employer or the Plan Administrator files with the Trustee written exceptions or objections within 90 days after the receipt of the accounts; and

(o) To begin, maintain or defend any litigation necessary in connection with the administration of the Trust, except that the Trustee will not be obliged or required to do so unless indemnified to its satisfaction.

(A) Nondiscretionary Trustee. The Employer in the Adoption Agreement may elect to appoint a Nondiscretionary Trustee, subject to this Section 8.04(A). The Nondiscretionary Trustee does not have any discretion or authority with regard to the investment of the Trust, but must act solely as a directed Trustee hereunder. The Nondiscretionary Trustee is authorized and empowered to exercise and perform the above Section 8.04 powers, rights and duties provided that the Trustee shall act solely as a directed Trustee and only in accordance with the written direction of the Employer, the Plan Administrator or of a Participant as applicable. The Nondiscretionary Trustee is not liable for making, retaining or disposing of any investment or for taking or failing to take any other action, in accordance with proper Employer, Plan Administrator or Participant direction.

8.05 RECORDS AND STATEMENTS. The records of the Trustee pertaining to the Trust will be open to the inspection of the Plan Administrator and the Employer at all reasonable times and may be audited from time to time by any person or persons as the Employer or Plan Administrator may specify in writing. The Trustee will furnish the Plan Administrator whatever information relating to the Trust the Plan Administrator considers necessary.

8.06 FEES AND EXPENSES FROM FUND. The Trustee will receive reasonable annual compensation in accordance with its fee schedule as published from time to time. The Trustee will pay from the Trust all fees and expenses the Trustee reasonably incurs in its administration of the Trust, unless the Employer pays the fees and expenses.

8.07 PROFESSIONAL AGENTS. The Trustee may employ and pay from the Trust reasonable compensation to agents, attorneys, accountants and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant or other person selected by it any non-Trustee power or duty vested in it by the Trust, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant or other person so selected.

8.08 DISTRIBUTION OF CASH OR PROPERTY. The Trustee may make distribution under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

8.09 RESIGNATION AND REMOVAL. The Trustee or the Custodian may resign its position by giving written notice to the Employer and to the Plan Administrator. The Trustee's notice must specify the effective date of the Trustee's resignation, which date must be at least 30 days following the date of the Trustee's notice, unless the Employer consents in writing to shorter notice.

The Employer may remove a Trustee or a Custodian by giving written notice to the affected party. The Employer's notice must specify the effective date of removal which date must be at least 30 days following the date of the Employer's notice, except where the Employer reasonably determines a shorter notice period or immediate removal is necessary to protect Plan assets.

8.10 SUCCESSOR TRUSTEE.

(A) Appointment. In the event of the resignation or the removal of a Trustee, where no other Trustee continues to service, the Employer must appoint a successor Trustee if it intends to continue the Plan. If two or more persons hold the position of Trustee, in the event of the removal of one such person, during any period the selection of a replacement is pending, or during any period such person is unable to serve for any reason, the remaining person or persons will act as the Trustee. If the Employer fails to appoint a successor Trustee as of the effective date of the Trustee resignation or removal and no other Trustee remains, the Trustee will treat the Employer as having appointed itself as Trustee and as having filed the Employer's acceptance of appointment as successor Trustee with the former Trustee.

(B) Automatic Successor. Any corporation which succeeds to the trust business of the Trustee, or results from any merger or consolidation to which the Trustee is a party, or is the transferee of substantially all the Trustee's assets, will be the successor to the Trustee under this Trust. The successor Trustee will possess all rights, duties and powers under this Trust as if the successor Trustee were the original Trustee. Neither the Trustee nor the successor Trustee need provide notice to any interested person of any transaction resulting in a successor Trustee. The successor Trustee need not file or execute any additional instrument or perform any additional act to become successor Trustee.

8.11 VALUATION OF TRUST. The Trustee will value the Trust as of each Accounting Date to determine the fair market value of the Trust assets. The Trustee will value the Trust on such other date(s) the Plan Administrator may direct.

8.12 PARTICIPANT DIRECTION OF INVESTMENT. Consistent with the Plan Administrator's policy adopted under Section 5.02(1), the Trustee may consent in writing to permit Participants in the Plan to direct the investment to the Trust assets. The Plan Administrator will advise the Trustee of the portion of the Trust credited to each Participant's Account under the Plan, and subject to such Participant direction. As a condition of Participant direction, the Trustee may impose such conditions, limitations and other provisions as the Trustee may deem appropriate and as are consistent with the Plan Administrator's policy. The Trustee will report to the Plan Administrator the net income, gain or losses incurred by each Participant directed Account separately from the net income, gain or losses incurred by the general Trust during the Trust Year.

8.13 THIRD PARTY RELIANCE. No person dealing with the Trustee will be obliged to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Trust. Each person dealing with the Trustee may act upon any notice, request or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and will not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Trust will be conclusive in favor of any person relying on the certificate.

8.14 INVALIDITY OF ANY TRUST PROVISION. If any clause or provision of this Article VIII proves to be or is adjudged to be invalid or void for any reason, such void or invalid clause or provision will not affect any of the other provisions of this Article VIII and the balance of the Trust provisions will remain operative.

8.15 EXCLUSIVE BENEFIT. The Trustee will hold all the assets of the Trust for the exclusive benefit of the Participants and their Beneficiaries and neither the Employer nor the Trustee will use or divert any part of the corpus or income of the Trust for purposes other than the exclusive benefit of the Participants and Beneficiaries of the Plan. The Employer will not have any right to the assets held by the Trustee and the Trust assets will not be subject to the claims of the Employer's creditors or, except as provided in Section 4.06, of the creditors of any Participant or Beneficiary. No Participant or Beneficiary shall have any right to sell, assign, transfer or otherwise convey ~~an~~~~his or her~~ Account or any interest in ~~his or her~~ Deferred Compensation. Notwithstanding the foregoing, the Plan Administrator may pay from a Participant's or Beneficiary's Account the amount the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary. The Trust created under the Employer's Plan is irrevocable and its assets will not inure to the benefit of the Employer.

8.16 SUBSTITUTION OF CUSTODIAL ACCOUNT OR ANNUITY CONTRACT. The Employer in the Adoption Agreement may elect to use one or more custodial accounts or annuity contracts in lieu of or in addition to the Trust established in this Article VIII. Any such custodial account or annuity contract must satisfy the requirements of Code §457(g)(3) and applicable Treasury regulations.

8.17 GROUP TRUST AUTHORITY. Notwithstanding any contrary provision in this Plan, the Trustee may, unless restricted in writing by the Plan Administrator, transfer assets of the Plan to a group trust meeting the requirements of Internal Revenue Service Revenue Ruling 81-100, Revenue Ruling 2011-1, and Revenue Ruling 2014-24, or successor rulings or guidance of similar import, and that is operated or maintained exclusively for the commingling and collective investment of monies, provided that the funds in the group trust consist exclusively of trust assets held under plans qualified under Code §401(a) that are exempt under Code §501(a); individual retirement accounts that are exempt under Code §408(e); eligible governmental plan trusts or custodial accounts under Code §457(b) that are exempt under Code §457(g); custodial accounts under Code §403(b)(7) (but only provided all assets of the group trust, including the 403(b)(7) custodial accounts, are solely permitted to be invested in stock of regulated investment companies); retirement income accounts under Code §403(b)(9); and governmental retiree benefit plans under Code §401(a)(24) that are not subject to federal income taxation. For these purposes, a trust includes a custodial account that is treated as a trust under Code §§401(f), 403(b)(7), 408(h) or 457(g)(3). For purposes of valuation, the value of the interest maintained by the Plan in such group trust shall be the fair market value of the portion of the group trust held for Plan, determined in accordance with generally recognized valuation procedures.

ARTICLE IX AMENDMENT, TERMINATION, TRANSFERS

9.01 AMENDMENT BY EMPLOYER / SPONSOR. The Employer has the right at any time and from time to time:

- (a) To amend this Plan and Trust Agreement and its Adoption Agreement in any manner it deems necessary or advisable in order to continue the status of this Plan as an Eligible 457 Plan; and
- (b) To amend this Plan and Trust Agreement and its Adoption Agreement in any other manner, including deletion, substitution or modification of any Plan, Trust or Adoption Agreement provision.

The Employer must make all amendments in writing. The Employer may amend the Plan by an Adoption Agreement election, by addenda, by separate amendment, or by restatement of the Adoption Agreement or Plan. Each amendment must state the date to which it is either retroactively or prospectively effective. The Employer also may not make any amendment that affects the rights, duties or responsibilities of the Trustee or the Plan Administrator without the written consent of the affected Trustee or the Plan Administrator.

The Plan Sponsor also may amend the Plan and Trust in writing (including adoption of a substitute Plan and Trust) without any adopting Employer being required to re-execute its Adoption Agreement, provided that the Sponsor considers the amendment necessary or advisable to continue the Plan as an Eligible 457 Plan and the amendment does not modify or affect any Employer's Adoption Agreement elections.

9.02 TERMINATION / FREEZING OF PLAN. The Employer has the right, at any time, to terminate this Plan or to cease (freeze) further Deferral Contributions to the Plan. Upon

termination or freezing of the Plan, the provisions of the Plan (other than provisions permitting continued Deferral Contributions) remain operative until distribution of all Accounts. Upon Plan termination, the Plan Administrator or Trustee shall distribute to Participants and Beneficiaries all Deferred Compensation as soon as is reasonably practicable following termination.

9.03 TRANSFERS. The Employer may enter into a Transfer agreement with another employer under which this Plan: (a) may accept a Transfer of a Participant's Account in the other employer's Eligible 457 Plan; or (b) may Transfer a Participant's (or Beneficiary's) Account in this Plan to the other employer's Eligible 457 Plan. The plan sponsors of the plans involved in the Transfer both must be States and the plans must provide for Transfers and be eligible governmental plans within the meaning of Code §457(b) and Treas. Reg. §1.457-2(f). The Participant or Beneficiary, after the Transfer, will have Deferred Compensation in the recipient plan at least equal to ~~the his or her~~ Deferred Compensation in the transferring plan immediately before the Transfer. Any Transfer also must comply with applicable Treasury regulations, and in particular Treas. Reg. §§1.457-10(b)(2) as to post-severance transfers between Governmental Eligible 457 Plans; 1.457-10(b)(3) as to transfers of all assets between Governmental Eligible 457 Plans; and 1.457-10(b)(4) as to transfers between Governmental Eligible 457 Plans of the same Employer. The Plan Administrator will credit any Transfer accepted under this Section 9.03 to the Participant's Account and will treat the transferred amount as a Deferral Contribution for all purposes of this Plan, except the Plan Administrator will not treat such Transfer as a Deferral Contribution subject to the limitations of Article III.

With respect to plan-to-plan Transfer from the Plan, an in-service Transfer is permitted under this Section 9.03 only if the Participant is transferring to another eligible governmental plan maintained by the Employer. In all other circumstances, a Transfer is permitted under this paragraph of Section 9.03 for a Participant only if the Participant has had a Severance from Employment with the Employer and is an employee of the entity that maintains the other eligible governmental plan. Further, a Transfer is permitted under this paragraph only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the Transfer at least equal to the amount transferred.

The Plan's Transfer of any Participant's or Beneficiary's Account under this Section 9.03 completely discharges the Employer, the Plan Administrator, the Trustee and the Plan from any liability to the Participant or Beneficiary for any Plan benefits.

9.04 PURCHASE OF PERMISSIVE SERVICE CREDIT. A Participant before otherwise incurring a distributable event under Article IV, may direct the Trustee to transfer (as of January 1, 2002, or later) all or a portion of his/her Account to a governmental defined benefit plan (under Code §414(d)) for: (a) the purchase of permissive service credit (under Code §415(n)(3)(A)) under such plan, or (b) the repayment of contributions and earnings previously refunded with respect to a forfeiture of service credited under the plan (or under another governmental plan within the same State) to which Code §415 does not apply by reason of Code §415(k)(3).

**ARTICLE X
MILITARY SERVICE AND HEART ACT PROVISIONS**

10.01 DEATH BENEFITS. Effective January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code §414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service, subject to Section 10.03 below) provided under the Plan had the Participant resumed and then terminated employment on account of death pursuant to Code ~~section-§~~ 401(a)(37).

10.02 DIFFERENTIAL MILITARY PAY. Effective for Plan Years beginning after December 31, 2008, pursuant to Code ~~section-§~~ 414(u)(12), (i) a Participant receiving differential wage payments (as defined in Code ~~section-§~~ 3401(h)(2)) shall be treated as an Employee of the Employer making the payment, and (ii) the differential wage payments shall be treated as Compensation under the Plan. This provision shall be applied to all similarly situated employees in a reasonably equivalent manner.

10.03 DEATH OR DISABILITY DURING QUALIFIED MILITARY SERVICE. If selected in Section 3.05(a) of the Optional Provisions of the Adoption Agreement, a Participant that dies or becomes disabled while performing qualified military service (as defined in Code ~~section-§~~ 414(u)) will be treated as if he had been re-employed by the Employer on the day preceding death or disability and terminated employment on the day of death or disability and receive benefit accruals related to the period of qualified military service as provided under Code ~~section-§~~ 414(u)(8).

~~10.03~~ 10.04 SEVERANCE FROM EMPLOYMENT

a. For purposes of Code ~~section-§~~ 457(d)(1)(A)(ii), a Participant shall be treated as having a Severance from Employment during any period the Participant is performing services described in Code ~~section-§~~ 3401(h)(2)(A).

b. If a Participant elects to receive a distribution by reason paragraph 10.4a, the Participant may not make a Salary Reduction Contribution during the 6-month period beginning on the date of distribution.

~~10.04~~ 10.05 DETERMINATION OF BENEFITS

(a) All Participants eligible for benefits under the Plan by reason of this section shall be provided benefits on reasonably equivalent terms.

(b) For the purposes of applying Code ~~section-§~~ 414(u)(8)(C), a Participant's contributions shall be determined based on the Participant's average actual contributions for:

- i. the 12-month period of service with the Employer immediately prior to qualified military service, or
- ii. if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.

ARTICLE XI WAIVER OF 2009 REQUIRED DISTRIBUTIONS

11.01 SUSPENSION OF RMDs UNLESS OTHERWISE ELECTED BY PARTICIPANT. This paragraph does not apply if the Employer elected Section 4.02(e)1, 2, or 3 of the Adoption Agreement. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

11.02 CONTINUATION OF RMDs UNLESS OTHERWISE ELECTED BY PARTICIPANT. This paragraph applies if Amendment Section 4.02(e) of the Adoption Agreement is selected. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code §401(a)(9)(H) ("2009 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will receive those distributions for 2009 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

11.03 DIRECT ROLLOVERS. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2009, as elected by the Employer in the Adoption Agreement will be treated as eligible rollover distributions. If no

election is made by the Employer in the Adoption Agreement, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(H).

ARTICLE XII ROTH ELECTIVE DEFERRALS

12.01 ROTH ELECTIVE DEFERRALS ARE PERMITTED. If selected in the Adoption Agreement, the Plan's definitions and terms shall be amended as follows to allow for Roth Elective Deferrals. Roth Elective Deferrals shall be treated in the same manner as Salary Reduction Contributions for all Plan purposes. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.

12.02 ROTH ELECTIVE DEFERRALS. "Roth Elective Deferrals" means a Participant's Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Participant in ~~the Participant's his or her~~ deferral election. A Participant's Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed). Roth Elective Deferrals are not considered Employee Contributions for Plan purposes.

12.03 ORDERING RULES FOR DISTRIBUTIONS. The Administrator operationally may implement an ordering rule procedure for withdrawals (including, but not limited to, hardship or other in-service withdrawals) from a Participant's accounts attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals. Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.

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

12.05 OPERATIONAL COMPLIANCE. The Plan Administrator will administer Roth Elective Deferrals in accordance with applicable regulations or other binding authority not reflected in this amendment. Any applicable regulations or other binding authority shall supersede any contrary provisions of this amendment.

ARTICLE XIII WAIVER OF 2020 REQUIRED DISTRIBUTIONS

13.01 SUSPENSION OF RMDS UNLESS OTHERWISE ELECTED BY PARTICIPANT. This paragraph does not apply if the Employer elected Section 4.02(f)1, 2, or 3 of the Adoption Agreement. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been

required to receive required minimum distributions for 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code §401(a)(9)(I) ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2020 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will not receive those distributions for 2020 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

13.02 CONTINUATION OF RMDs UNLESS OTHERWISE ELECTED BY PARTICIPANT. This paragraph applies if Amendment Section 4.02(f) of the Adoption Agreement is selected. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), a Participant or Beneficiary who would have been required to receive required minimum distributions for 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code §401(a)(9)(I) ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2020 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2020 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2020 RMDs"), will receive those distributions for 2020 unless the Participant or Beneficiary chooses not to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to stop receiving the distributions described in the preceding sentence.

13.03 DIRECT ROLLOVERS. Notwithstanding the provisions of the Plan relating to required minimum distributions under Code §401(a)(9), and solely for purposes of applying the direct rollover provisions of the Plan, certain additional distributions in 2020, as elected by the Employer in the Adoption Agreement will be treated as eligible rollover distributions. If no election is made by the Employer in the Adoption Agreement, then a direct rollover will be offered only for distributions that would be eligible rollover distributions without regard to Code §401(a)(9)(I).

* * * * *

**SUPPLEMENTAL RETIREMENT PLAN FOR ELIGIBLE EMPLOYEES OF
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Established Effective as of January 1, 2018
Restated Effective as of January 1, 2024

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The Board of Trustees of Maine Public Employees Retirement System ("Board") hereby establishes the Supplemental Retirement Plan for Eligible Employees of Maine Public Employees Retirement System ("Plan"), effective January 1, 2018. The Plan is restated effective January 1, 2024 (unless otherwise stated herein) to incorporate required laws as prescribed by the Internal Revenue Code and make other changes.

Background

A. The Board wishes to establish a qualified retirement plan, effective January 1, 2018, to provide additional retirement benefits for certain eligible employees of the Maine Public Employees Retirement System ("Employer").

B. The Board intends for the Plan to be a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"), that is a governmental plan as defined under Code Section 414(d) and Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

C. The Board intends for the Plan to be funded through one or more qualified trusts under Code Section 501(a), custodial accounts treated as qualified trusts under Code Section 401(f), and/or annuity contracts treated as qualified trusts under Code Section 401(f), all in accordance with the qualification requirements of the Code.

In consideration of the premises, pursuant to its authority under 5 M.R.S. §17103(7) and (12), the Board hereby establishes the Plan, effective January 1, 2018; and restated effective January 1, 2024, to be and read as follows:

ARTICLE I
GENERAL PROVISIONS

The Supplemental Retirement Plan for Eligible Employees of Maine Public Employees Retirement System is hereby established, effective as of January 1, 2018, for the purpose of providing retirement benefits for Eligible Employees. The Plan shall be a profit sharing plan within the meaning of Code Section 401(a)(27), provided, however, that contributions shall be made without regard to profits.

ARTICLE II
DEFINITIONS AND RULES OF CONSTRUCTION

Section 2.01 Rules of Construction and Governing Law.

(a) The Plan shall be construed, enforced, and administered and the validity thereof determined in accordance with the Code and, when not inconsistent with the Code, the laws of the State of Maine.

(b) Words used herein in the masculine gender shall be construed to include the feminine gender, where appropriate, and words used herein in the singular or plural shall be construed as being in the plural or singular, where appropriate.

(c) In resolving any conflict between provisions of the Plan and in resolving any other uncertainty as to the meaning or intention of any provision of the Plan, the interpretation that causes the Plan to (i) constitute a qualified plan under the provisions of Code Section 401 with the earnings of the Trust exempt from income tax under Code Section 501, (ii) be a "governmental" plan as defined in ERISA Section 3(32) and Code Section 414(d), and (iii) comply with all applicable requirements of the Code shall prevail over any different interpretation.

(d) The headings and subheadings in the Plan are inserted for convenience of reference only and are not to be considered in the construction of any provision of the Plan.

(e) If any provision of the Plan shall be held to violate the Code or be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise impair or affect the Plan.

Section 2.02 Definitions. When the initial letter of a word or phrase is capitalized herein, the meaning of such word or phrase shall be as follows:

(a) "Account" means, with respect to a Participant, the bookkeeping account maintained to reflect the Participant's interest under the Plan attributable to Employer Contributions. Where the context so permits, "Account" also refers to the amount credited thereto.

(b) "Administrator" means the Employer and, to the extent that the Employer has delegated any of its duties as Administrator pursuant to Section 10.03, the person, including a committee, to whom such duty has been delegated.

(c) "Affiliated Employer" means the Employer and any other entity that is required to be aggregated with an Employer under Code Section 414(b), (c) or (m), as determined pursuant to the following sentence. The Board shall determine the entities that are Affiliated Employers based on a reasonable good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654, or successor guidance issued by the United States Treasury or Internal Revenue Service.

(d) "Applicable Form" means the appropriate form as designated and furnished by the Administrator or Vendor to make the election or provide the notice required by the Plan. In those circumstances where a written election or consent is not required by the Plan or the Code, the Administrator or Vendor may prescribe an electronic or telephonic form in lieu of or in addition to a written form to the extent otherwise permitted by applicable law.

(e) "Attachment A" means Attachment A hereto, as amended from time to time. Attachment A shall list (i) all Participant Categories, (ii) the name or position of all Eligible Employees in each category, and (iii) the Entry Date for each such name or position.

(f) "Beneficiary" means the person or persons determined eligible to receive any benefits payable under the Plan in the event of a Participant's death, as determined pursuant to Section 8.03.

(g) "Board" means the Board of Trustees of the Employer.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(i) "Cost of Living Adjustment" means the cost of living adjustment prescribed by the Secretary of the Treasury under Code Section 415(d) or 401(a)(17), as applicable for any year.

(j) "Effective Date" means January 1, 2018.

(k) "Eligible Employee" means an Employee whose name or position is listed on Attachment A.

(l) "Employee" means a common law employee the Employer.

(m) "Employer" means the Maine Public Employees Retirement System, an incorporated public instrumentality of the State of Maine created by 5 M.S.R. §17101.

(n) "Employer Contribution" means a contribution made by an Employer on behalf of a Participant pursuant to the terms of the Plan.

(o) "Entry Date" means the date as of which an Eligible Employee becomes a Participant. A Participant's Entry Date shall be (i) the date specified in Appendix A, if the Participant's name appears in Appendix A, or (ii) the later of (A) the date specified in Appendix A or (B) the date on which the Participant assumes the position listed in Appendix A, if the

Participant's position (and not ~~the Participant's his or her~~ name) is listed in Appendix A. Notwithstanding the preceding provisions, under no circumstances shall Appendix A be interpreted to include an individual or position as covered before the first day of the Plan Year in which Appendix A first includes such individual or position.

(p) "Investment Option" means an investment option selected by the Administrator and made available to the Participants under the Plan pursuant to Section 6.04.

(q) "Participant" means an Eligible Employee or former Eligible Employee who has become a Participant pursuant to Section 3.01 and whose Participation has not ceased pursuant to Section 3.02.

(r) "Participant Category" means, with respect to a Participant, the applicable category designated in Appendix A.

(s) "Plan" means the plan created and embodied herein, as amended from time to time, known as the "Supplemental Retirement Plan for Eligible Employees of Maine Public Employees Retirement System."

(t) "Plan Compensation" means, with respect to a Participant for a Plan Year, the remuneration paid to the Employee by the Employer during such Plan Year as ~~his~~ base wage or salary, plus bonuses and overtime paid, but excluding living or other allowances, premium payments, compensation in kind, payments made to any employee pension or welfare benefit plan, or any other special or unusual form of compensation; provided, however, Plan Compensation includes any amount contributed by the Employer pursuant to a salary reduction agreement between the Employer and the Employee that is excludable from gross income of the Employee pursuant to Code Section 125, 132(f)(4), 403(b), or 414(h)(2) or amounts deferred under an eligible deferred compensation plan within the meaning of Code Section 457(b).

Notwithstanding any other provision of the Plan to the contrary, the annual Plan Compensation of an Employee taken into account under the Plan shall not exceed the limitation specified by Code Section 401(a)(17), as adjusted to reflect increases in the cost of living pursuant to Code Section 401(a)(17)(B).

(u) "Plan Year" means the calendar year.

(v) "Section" means a section of this Plan, unless it is immediately preceded by the word "Code."

(w) "Severance from Employment" means a Participant's severance from employment with the Employer and all Affiliated Employers for any reason. A Participant shall be deemed to have severed from employment for purposes of the Plan when, in accordance with the established personnel practices of the Employer and/or Affiliated Employer, the employment relationship is treated as terminated. An authorized leave of absence, including a leave pursuant to the Family and Medical Leave Act, is not a Severance from Employment.

(x) "Spouse" means the person to whom the Participant is married as of the relevant date pursuant to the law of any state or other jurisdiction, as recognized for federal tax purposes.

(y) "Trust" means a trust, a custodial account treated as a qualified trust under Code Section 401(f), and/or an annuity contract treated as a qualified trust under Code Section 401(f), established under the Plan to hold Plan assets.

(z) "Trust Fund" means all the cash, securities, or other property, together with income therefrom, held by the Trustee pursuant to the terms of the Plan and Trust.

(aa) "Trustee" means the entity or person(s) designated by the Board as trustee of a Trust, and includes the entity or person(s) holding the assets of a custodial account or holding an annuity contract in accordance with Code Section 401(f).

(bb) "Vendor" means a service provider designated by the Administrator to serve as third party administrator and/or recordkeeper for the Plan and/or to offer Investment Options to Participants under the Plan.

(cc) "Vested" refers to the portion of an Account in which the interest of the Participant or Beneficiary is nonforfeitable, except as otherwise expressly provided herein.

ARTICLE III **ELIGIBILITY**

Section 3.01 Participation Standards. An Employee shall become a Participant as of ~~the Employee's~~ ~~his or her~~ applicable Entry Date.

Section 3.02 Cessation of Participation. A Participant shall cease to be such upon the earlier of (i) distribution of ~~the Participant's~~ ~~his or her~~ entire Account or (ii) ~~the Participant's~~ ~~his or her~~ ~~Severance from Employment~~ ~~Separation from Service~~ with no Account.

Section 3.03 Completion of Forms by Participants and Beneficiaries. A Participant and any Beneficiary eligible to receive, or claiming a right to receive, any benefit under the Plan must complete such Applicable Forms and furnish such proofs and information as may reasonably be required at any time by the Administrator or Vendor.

ARTICLE IV **CONTRIBUTIONS AND VESTING**

Section 4.01 Employer Contributions.

(a) The Employer shall make such contributions to the Plan for a Plan Year as determined by the Board in its sole discretion, ~~in the case of the Chief Executive Officer's Account, or by the Chief Executive Officer in her sole discretion in the case of other Participant Accounts.~~ Contributions for a Plan Year must be approved before the end of such Plan Year. At the time ~~it authorizes~~ a contribution ~~is authorized~~, the Board ~~or Chief Executive Officer~~ shall

specify the portion or amount of such contribution to be made on account of each Participant Category.

(b) Contributions for a Participant Category for a Plan Year shall be allocated among the Participants in that Participant Category who are Employees on ~~November 30~~ December 31 of that Plan Year in (i) equal amounts or (ii) in proportion to their relative Plan Compensation for the Plan Year, as determined ~~by the Board~~ at the time the contribution is approved.

(c) The Employer shall make contributions for a Plan Year within the period required by law, and such contribution shall be allocated ~~to~~ among eligible Participants' Accounts as of the last day of the Plan Year; provided, however, an eligible Participant shall not be entitled to earnings with respect to a contribution until such contribution is made to the Trust and allocated to the Participant's Account.

Section 4.02 Vesting. A Participant's interest in ~~the Participant's his or her~~ Account shall be one hundred percent (100%) Vested at all times.

Section 4.03 Rollover Contributions. The Plan does not accept any rollover contributions.

ARTICLE V LIMITATIONS ON CONTRIBUTIONS

Section 5.01 Code Section 415(c) Limitations.

(a) To the extent required by Code Section 415(c), in no event shall the "annual addition" for any Participant for any Plan Year exceed the lesser of:

(1) The amount specified in Code Section 415(c)(1)(A), increased thereafter by the Cost of Living Adjustment; or

(2) One hundred percent (100%) of the "compensation" the Participant received from the Employer or an Affiliated Employer during the Plan Year.

(b) For purposes of this Article, "annual addition" has the meaning specified in Code Section 415(c), as modified in Code Section 415(l)(1) and 419A(d)(2). In general, Code Section 415(c) defines the annual addition as the sum of (i) employer contributions and (ii) forfeitures credited to the Participant's Account for the Plan Year under this Plan and any other Code Section 401(a) plan sponsored by the Employer or by an Affiliated Employer. Amounts allocated after March 31, 1984, to an individual medical account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer or an Affiliated Employer are treated as annual additions to a defined contribution plan. Also, amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee, as defined in Code Section 419A(d)(3), under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer or an Affiliated Employer are treated as annual additions to a defined contribution plan.

(c) For purposes of this Article, "compensation" means compensation as defined in Code Section 415(c)(3). In general, Code Section 415(c)(3) defines compensation as all of a Participant's wages as defined in Code Section 3401(a) for the purposes of income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)); provided, however, compensation shall also include the amount of any elective deferrals, as defined in Code Section 402(g)(3), and any amount contributed or deferred by the Employer at election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 403(b), 132(f)(4), or 457(b). Compensation under this paragraph for a Plan Year shall not

include any compensation for the year greater than the limit established under Code Section 401(a)(17) as of the first day of the year, increased by the Cost of Living Adjustment.

Compensation for a Plan Year includes compensation paid by the later of (i) two and one-half (2½) months after an Employee's Severance from Employment, or (ii) the end of the Plan Year that includes the date of the Employee's Severance from Employment, if: (I) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (*e.g.*, overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been paid to the Employee prior to a Severance from Employment if the Employee had continued in employment with the Employer; or (II) the payment is for unused accrued *bona fide* sick, vacation, or other leave, but only if the Employee would have been able to use the leave if the Employee had continued in employment; or (III) received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment with the Employer and only to the extent that the payment is includible in the Employee's gross income.

Compensation shall also include compensation after a Severance from Employment if the compensation is paid because of either (i) qualified military service or (ii) permanent and total disability.

(d) If a Participant has annual additions for a Plan Year under this Plan and another plan of an Employer or Affiliated Employer for such Plan Year, and such annual additions (before application of this Article) would exceed the limitations of this Article, the adjustment to comply with this Article shall be made pursuant to this Plan.

(e) Pursuant to Section 1.415(j)-1(a) of the Treasury Regulations, the "limitation year" for the Plan under Section 415 is the calendar year (which is the same as the Plan Year).

ARTICLE VI

INVESTMENTS AND ACCOUNTING

Section 6.01 Participant's Account. An Account shall be maintained by the Administrator or Vendor for each Participant pursuant to the terms of the Plan. The Account shall reflect the Participant's interest under the Plan attributable to contributions and the earnings and losses thereon. The maintenance of individual accounts is for accounting and recordkeeping purposes only, and a segregation of Plan assets to each Account is not required.

Section 6.02 Statement of Account. The Administrator or Vendor shall provide each Participant with a statement of the value of the Participant's Account as of the end of the Plan Year and as of such other dates as the Employer may request in writing.

Section 6.03 Value of Account. The value of a Participant's Account as of any determination date is the value of the balance of the Account as determined by the Administrator or Vendor. All transactions and Account records shall be based on fair market value.

Section 6.04 Investment Options.

(a) The Administrator shall select the Investment Options available to Participants under the Plan, and it may add and delete Investment Options at any time.

(b) Each Participant shall have sole authority and responsibility for directing the investment of future contributions on ~~the Participant's his or her~~ behalf and ~~the Participant's his or her~~ Account among the available Investment Options. Each Participant shall elect Investment Options in which ~~the Participant's his or her~~ Account and/or future contributions shall be invested by completing the Applicable Form in accordance with the procedure established by the Vendor.

To the maximum extent permitted by law, the Board, Employer, and Administrator shall have no responsibility or liability for any investment made pursuant to the Participant's election.

(c) If a Participant does not have a valid and complete investment direction on file with the Vendor on the Applicable Form, contributions may be invested in a default fund selected by the Administrator, in its sole discretion, until the Participant makes an affirmative election regarding the investment of the Participant's his or her Account.

ARTICLE VII **NONALIENATION OF BENEFITS**

No benefit under the Plan, prior to actual receipt thereof by the Participant or the Participant's his or her Beneficiary, shall be liable for any debt, liability, contract, engagement, or tort of the Participant or his or her Beneficiary, nor subject to anticipation, sale, assignment, transfer, encumbrance, pledge, charge, attachment, garnishment, execution, alienation, or other voluntary or involuntary alienation or other legal or equitable process, nor transferable by operation of law.

ARTICLE VIII **BENEFITS**

Section 8.01 Benefits.

(a) If a Participant incurs a Severance from Employment for any reason other than death, the Participant shall be entitled to the value of the Participant's his or her Account payable in a single cash lump sum or in any other form of benefit offered by the Vendor. Payment of benefits shall commence as soon as practicable, but not later than the sixtieth (60th) day after the close of the Plan Year in which the Participant becomes eligible for a payment of ahis benefit; provided, however, that the Participant or Beneficiary, if applicable, may elect a later distribution date in writing directed to the Administrator or Vendor, subject to the limitations set out in Subsection (b).

(b) Notwithstanding any provision of the Plan to the contrary, the distribution of a Participant's Account shall be made in accordance with the following requirements and shall otherwise comply with a reasonable good faith interpretation of the requirements under Code Section 401(a)(9) and the Treasury Regulations thereunder, as applicable to governmental plans (including Treasury Regulation Section 1.401(a)(9)-2), the provisions of which are incorporated herein by reference:

(1) The Participant's benefits shall be distributed to him not later than April 1 of the calendar year following the later of (i) the calendar year in which the Participant reaches the Applicable Age ~~seventy and one half (70½)~~ or (ii) the calendar year in which the Participant has a Severance from Employment. For purposes of this Section 8.01, "Applicable Age" means (i) age 70½ (if the Participant was born before July 1, 1949); (ii) age 72 (if the Participant was born after June 30, 1949, but before January 1, 1951); or (iii) age 73 or the otherwise applicable age under Code Section 401(a)(9)(C)(v) (if the Participant was born on or after January 1, 1951).

(2) Distributions to the Participant and the Participant's ~~his or her~~ Beneficiaries shall be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G) and the Treasury Regulations thereunder.

(c) No required minimum distribution payments under Code Section 401(a)(9) were required for calendar year 2020 under the Plan. Therefore, the provisions for a waiver of 2020 required minimum distributions under the Coronavirus Aid, Relief, and Economic Security Act of 2020 ("CARES Act") are not applicable to the Plan.

(d) For calendar years beginning after December 31, 2023, if the Participant's designated Beneficiary is the Participant's surviving spouse, the surviving spouse may elect to be

treated as if the surviving spouse were the Participant, pursuant to Code Section 401(a)(9)(B)(iv).

Section 8.02 Death Benefits.

(a) If a Participant dies after distribution of the Participant's his or her entire Account, no benefit is payable under the Plan.

(b) If a Participant dies before the Participant's his or her entire Account is distributed, the his remaining Account balance shall be distributed to the Participant's his or her Beneficiary as a single lump sum payment as soon as administratively feasible after the Participant's death.

Section 8.03 Beneficiaries.

(a) The primary Beneficiary of a Participant is the Participant's Spouse, unless the Participant designates a different primary Beneficiary pursuant to Subsection (b).

(b) The Participant may designate on the form provided by the Administrator or Vendor one or more primary and contingent Beneficiaries to receive any death benefits payable under the Plan upon the Participant's his or her death. Each such designation may be revoked, amended, or changed by the Participant by notice in writing to the Administrator or Vendor on the Applicable Form.

(c) In the absence of a designation by the Participant pursuant to Subsection (b), or if all designated Beneficiaries predecease the Participant, the benefits, if any, shall be paid to the Participant's Spouse, if living at the time of the Participant's death, or if such Spouse does not survive the Participant, to the Participant's estate.

Section 8.04 Survivor Rights. After distribution of the Participant's Account, neither the Participant nor ~~the Participant's his or her~~ Beneficiary shall be entitled to any further benefit from this Plan.

Section 8.05 No Loans or Hardship Distributions. No Participant loans or distributions for financial hardship shall be allowed or available under the Plan.

Section 8.06 Charge or Discount. Notwithstanding anything contained herein to the contrary, any surrender charge assessed against a Participant's Account by any Investment Option shall reduce the amount of the benefit payable to the Participant.

Section 8.07 Persons Under Legal Disability. If any benefit under the Plan is payable to a minor or other person under legal disability, the Administrator shall direct that such payment be made to the legal guardian of such person or to such other person or organization as a court of competent jurisdiction may direct. None of the Employer, the Board, the Administrator, the Trustee, or the Plan shall be responsible for the application of such payment.

Section 8.08 Payments at Direction of the Administrator. Any benefit payable under the Plan shall be paid only at the written direction of the Administrator following completion of appropriate form or forms, as determined by the Administrator. Benefits under the Plan shall be paid only if the Administrator decides in its discretion that the Participant is entitled to them.

ARTICLE IX **ROLLOVERS FROM PLAN**

Section 9.01 Definitions for this Article. For purposes of this Article, the following definitions shall apply.

(a) "Direct Rollover" means an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Distributee.

(b) "Distributee" means the Participant when eligible to receive a distribution from the Plan, or the Participant's surviving Spouse who is eligible to receive a distribution from the Plan, or the Participant's non-Spouse Beneficiary who is eligible to receive a distribution from the Plan.

(c) "Eligible Retirement Plan," as defined under Code Section 402(c)(8)(B), means:

- (1) an individual retirement account described in Code Section 408(a);
- (2) an individual retirement annuity described in Code Section 408(b);
- (3) an annuity plan described in Code Section 403(a);
- (4) a contract described in Code Section 403(b);
- (5) a qualified plan described in Code Section 401(a);
- (6) an eligible deferred compensation plan described in Code Section 457(b)

which is maintained by an eligible employer described in Code Section 457(e)(1)(A); ~~and~~

~~(7)~~ a Roth individual retirement account described in Code Section 408A(e), provided the Distributee's adjusted gross income does not exceed any limit applicable under federal law for the tax year to which the distribution occurs, ~~and~~

~~(7)(8) a SIMPLE IRA described in Code Section 408(p)(1), provided that he rollover contribution is made after the 2-year period described in Code Section 72(t)(6)~~

that accepts the Distributee's Eligible Rollover Distribution; provided, however, that for purposes of the Participant's non-Spouse Beneficiary, Eligible Retirement Plan has the meaning in item (1) or (2), to the extent consistent with the provisions of Code Section 402(c)(11) and any successor provisions thereto or additional guidance issued thereunder.

(d) "Eligible Rollover Distribution," as defined in Code Section 402(f)(2)(A), means any distribution of all or any portion of the balance to the credit of the Distributee under this Plan, excluding the following:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made over the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more;

(2) any distribution to the extent to which such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation described in Code Section 402(e)(4));

(4) any distribution which is made upon hardship of the employee; and

(5) other items designated by regulations, or by the commissioner in revenue rulings, notices, or other guidance, as items that do not constitute an eligible rollover distribution.

Section 9.02 Direct Transfer of Eligible Rollover Distribution. A Distributee may elect on an Applicable Form to have an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan as specified by the Distributee in a Direct Rollover, at the time and in the manner prescribed by the Administrator. An Eligible Rollover Distribution that is paid to an Eligible Retirement Plan in a Direct Rollover is excludable from the Distributee's gross income under Code Section 402; provided, however, if any portion of such Eligible Rollover

Distribution is subsequently distributed from the Eligible Retirement Plan, that portion shall be included in gross income to the extent required under Code Section 402, 403, or 408.

Section 9.03 Mandatory Withholding of Eligible Rollover Distributions.

(a) If the Distributee of an Eligible Rollover Distribution does not elect to have the Eligible Rollover Distribution paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover pursuant to Code Section 401(a)(31), the Eligible Rollover Distribution shall be subject to a mandatory twenty percent (20%) federal income tax withholding under Code Section 3405(c). Only that portion of the Eligible Rollover Distribution that is not paid directly from the Plan to an Eligible Retirement Plan in a Direct Rollover shall be subject to the mandatory withholding requirement under Code Section 3405(e).

(b) If a Distributee elects to have an Eligible Rollover Distribution paid to the Distributee, the distribution may be excluded from gross income of the Distributee provided that said distribution is contributed to an Eligible Retirement Plan no later than the sixtieth (60th) day following the day on which the Distributee received the distribution.

(c) If the Plan distribution is not an Eligible Rollover Distribution, said distribution shall be subject to the elective withholding provisions of Code Section 3405(a) and (b).

Section 9.04 Explanation of Plan Distribution and Withholding Requirements.

Each Distributee shall be provided, within a reasonable period of time before making an Eligible Rollover Distribution, a written explanation which explains the rules:

(a) under which a Distributee may elect to have an Eligible Rollover Distribution paid in a Direct Rollover to an Eligible Retirement Plan;

(b) that require the withholding of tax on an Eligible Rollover Distribution if it is not paid in a Direct Rollover to an Eligible Retirement Plan;

(c) that provide that a distribution shall not be subject to tax if the distribution is rolled over to an Eligible Retirement Plan within sixty (60) days after the date the Distributee receives the distribution; and

(d) if applicable, certain special rules regarding taxation of the distribution as described in Code Sections 402(d) and (e).

ARTICLE X **ADMINISTRATION OF THE PLAN**

Section 10.01 Administrator. The Employer is the Plan's Administrator. The Administrator shall have authority to control and manage the operation and administration of the Plan and shall be the named fiduciary of the Plan. The Administrator shall have all powers necessary or convenient to enable it to exercise such authority. In connection therewith, the Administrator may provide rules and regulations, not inconsistent with the provisions hereof, for the operation and management of the Plan and may from time to time amend or rescind such rules or regulations. The Administrator is authorized to accept service of legal process for the Plan.

Section 10.02 Powers of the Administrator. Except as may be otherwise specifically provided in the Plan, the Administrator shall have the power to construe and interpret the Plan and to determine all questions of fact or law arising hereunder. The Administrator may correct any defect, supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as it may deem expedient and, subject to provisions of the Plan regarding claims to benefits, the Administrator should be the sole and final judge of such expediency.

Section 10.03 Delegation by Administrator. The Employer may delegate some or all of its duties or responsibilities as Administrator to a committee; provided, however, the Employer may revoke such delegated authority at any time without cause or advance notice. To

the extent of such delegation, the committee shall have the same power and authority with respect to such delegated duties or responsibilities as the Employer would have in the absence of such delegation..

Section 10.04 Advice to Administrator. The Administrator may employ or contract with one or more persons to render advice with regard to its duties, responsibilities, and authority under the Plan.

Section 10.05 Fiduciary Insurance. The Administrator may purchase fiduciary liability insurance for any employees of the Administrator to cover liability or losses occurring by reason of the act or omission of an employee with respect to the Plan.

Section 10.06 Limitation on Recovery. To the extent permitted by law, a Participant and any Beneficiary may not seek recovery against the Board, Employer, or Administrator, or any employee, contractor, or agent of the Board, Employer, or Administrator, for any loss sustained by the Participant or Beneficiary due to the nonperformance of their duties, negligence, or any other misconduct of the above named persons.

Section 10.07 Benefit Payments. The Administrator, if in doubt regarding the correctness of its action with respect to a benefit payment, may direct suspension of payment until satisfied as to the correctness of the payment or the person to receive the payment. Alternatively, the Administrator may file, in any state court of competent jurisdiction, a suit, in the form it deems appropriate, for legal determination of the benefits to be paid and the persons to receive them. The Administrator may also bring a suit, or take other action as it deems appropriate, to resolve questions involving investment directions. The Administrator shall comply with the final order of the court in any such suit, and any affected Participant or

Beneficiary, and the Administrator shall be bound by such an order, insofar as it affects the benefits payable under this Plan, or the method or manner of payment.

Section 10.08 Unclaimed Benefit Payments. If any payment of a benefit hereunder, which has been mailed by regular United States first-class mail to the last address of the payee furnished to the Trustee by the Administrator is returned unclaimed, the Trustee shall notify the Administrator and shall discontinue further payments to such payee until they receive the further instructions of the Administrator, subject to any applicable Unclaimed Property Act provisions.

Section 10.09 Payment of Expenses. All expenses and costs associated with the administration and investments of the Plan shall be assessed against Plan assets and the Participant's Account unless otherwise agreed in writing by the Administrator.

ARTICLE XI **CLAIMS PROCEDURE**

Section 11.01 Claims. Any person who believes that he is entitled to any benefits under the Plan shall present such claim in writing to the Administrator. The Administrator shall within ninety (90) days provide adequate notice in writing to any claimant as to the decision on any such claim. If such claim has been denied, in whole or in part, such notice shall set forth (i) the specific reasons for such denial, (ii) the specific reference to any pertinent provisions of the Plan on which denial is based, (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (iv) an explanation of the review procedure for the Plan. Such notice shall be written in a manner calculated to be reasonably understood by the claimant. Within sixty (60) days after receipt by the claimant of notification of denial, the claimant shall have the right to present a written appeal to the Administrator. If such appeal is not filed within said sixty (60) day period, the decision of the Administrator shall be final and binding. The Administrator shall

act as a fiduciary in making a full and fair review of such denial. The claimant or ~~the claimant's his or her~~ duly authorized representative may review any Plan documents that are pertinent to the claim and may submit issues and comments to the Administrator in writing. A decision by the Administrator shall be made promptly, and in any event not later than sixty (60) days after its receipt of the appeal.

Section 11.02 Questions of Interpretation. The Administrator shall have the power to construe this Plan and to determine all questions of fact or law arising thereunder. It may correct any defect, supply any omission or reconcile any inconsistency in this Plan in such manner and to such extent as they may deem expedient.

Section 11.03 Reliance. If the Administrator or any other fiduciary with respect to the Plan acts in reliance on an election, consent, or revocation made pursuant to this Plan, the election, consent, or revocation shall be treated as valid for purposes of discharging the Plan from liability to the extent of payments made pursuant to such acts.

Section 11.04 Disputes. In the event there is a dispute over any terms and conditions of this Plan affecting any individual, such individual shall notify the Administrator in writing of ~~the claimant's his or her~~ position. The decision of the Administrator shall be final and binding on all parties, and this appeal shall be the sole and exclusive remedy in any such dispute.

ARTICLE XII **PLAN AMENDMENT AND TERMINATION**

Section 12.01 Amendment for Qualification of Plan. It is the intent of the Board that the Plan shall be and remain qualified for tax purposes under the Code. The Administrator may submit the Plan for approval under the Code, and all expenses incident thereto shall be borne by the Employers. The Board may adopt any Plan amendments necessary to obtain and retain approval of the Secretary of Treasury or ~~his~~ delegate as may be necessary to establish and

maintain the tax-qualified status of the Plan under the Code, as now in effect or hereafter enacted. Any amendment of the Plan adopted in accordance with this Section may be adopted retroactively, if necessary or appropriate, and all persons shall be bound thereby.

Section 12.02 Other Plan Amendments. The Board reserves the right, in its sole and final discretion, to amend the Plan at any time; provided, however, that no such amendment shall reduce any Participant's Vested Account balance or violate any other applicable provision of the Code.

Section 12.03 Termination of Plan. The Board reserves the right, in its sole and final discretion, to terminate the Plan in whole or in part at any time. Following such termination, Participants' Accounts shall be distributed in accordance with the applicable provisions of the Plan.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 13.01 Nondiversion. The assets of the Plan shall never inure to the benefit of the Board or any Employer and shall be held for the exclusive purposes of providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Plan; provided, however, that

(a) in the case of a contribution made by an Employer under a mistake of fact, such contribution shall be returned to the Employer, upon demand, within one year after the payment of the contribution; and

(b) Contributions by the Employer are conditioned on the initial qualification of the Plan under the Code and the continued qualification of the Plan as a result of Plan amendment, and if the Plan does not so qualify initially or as a result of amendment, then such contributions

shall be returned to the Employer, upon demand, within one year after the date of denial of qualification of the Plan.

Section 13.02 Military Leave.

(a) Notwithstanding any provisions of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), Code Section 414(u), and Code Section 401(a)(37), as amended from time to time.

(b) For purposes of this Section, "qualified military service" means any service in the uniformed services as defined in USERRA by any individual if such individual is entitled to reemployment rights under USERRA with respect to such service.

(c) If a Participant timely resumes employment with the Employer in accordance with USERRA, the Employer shall make the contributions that would have been made if the Participant had remained employed during the Participant's qualified military service. Contributions must be made no later than ninety (90) days after the date of reemployment or when the contributions are normally due for the year in which the qualified military service was performed, if later.

(d) To the extent provided under Code Section 401(a)(37), in the case of a Participant whose employment is interrupted by qualified military service and who dies while performing qualified military service, the survivor of such Participant shall be entitled to any additional benefit (other than benefit accruals) provided under the Plan as if the Participant timely resumed employment in accordance with USERRA and then terminated employment on account of death.

(e) A Participant whose employment is interrupted by qualified military service or who is on a leave of absence for qualified military service and who receives a differential wage payment within the meaning of Code Section 414(u)(12)(D) from the Employer, shall be treated as an Employee of the Employer and the differential wage payment shall be treated as Plan Compensation. This provision shall be applied to all similarly situated individuals in a reasonably equivalent manner.

Section 13.03 Merger, Consolidation of Plans or Transfer of Plan Assets. In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, the each Participant shall be entitled to a benefit (as if the Plan had been terminated) immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (as if the Plan had been terminated).

Section 13.04 Allocation of Fiduciary Responsibilities. Each fiduciary under the Plan shall be responsible only for the specific duties assigned under the Plan and shall not be directly or indirectly responsible for the duties assigned to another fiduciary. No fiduciary of the Plan shall be liable for any act or omission in appropriately carrying out ~~the fiduciary's his or her~~ responsibilities under the Plan.

Section 13.05 Limitation of Rights and Obligations. Neither the establishment nor maintenance of the Plan nor any amendment thereof, nor the purchase of any insurance contract, nor any act or omission under the Plan or resulting from the operation of the Plan shall be construed:

(a) As conferring upon the Participant or Beneficiary, or any other person any right or claim against the Board, Employer, Administrator, or Trustee except to the extent that such right or claim shall be specifically expressed and provided in the Plan.

(b) As an agreement, consideration, or inducement of employment or as effecting in any manner or to any extent whatsoever the rights or obligations of the Employer or any Employee to continue or terminate the employment relationship at any time.

(c) As creating any responsibility or liability for any taxes or tax consequences on the accrual or payment of benefits under this Plan or the Excess Benefit Arrangement.

Section 13.06 Counterparts. This Plan may be executed in any number of counterparts, each of which shall be deemed to be an original. All counterparts shall constitute but one and the same instrument and shall be sufficiently evidenced by any one counterpart.

IN WITNESS WHEREOF, the Board of Trustees of the Maine Public Employees Retirement System has caused this Plan to be established as of the Effective Date.

BOARD OF TRUSTEES OF MAINE PUBLIC
EMPLOYEES RETIREMENT SYSTEM

By: _____

Title: _____

Date: _____

**ATTACHMENT A
PARTICIPANT INFORMATION**

This Attachment A lists each Participant Category and identifies the name or position of each Eligible Employee included in such category, and the Entry Date for such name or position.

Participant Category	Position/Name	Entry Date
A	Chief Investment Officer	1/1/18
B	Deputy Chief Investment Officer	1/1/19
C	Managing Directors	1/1/19
D	Chief Executive Officer	8/30/21
E	Chief Operating Officer and General Counsel	1/1/2 3 4
F	Chief Services Officer	1/1/2 3 4
G	Chief Financial Officer	1/1/2 3 4

The undersigned affirms that the Employer has approved the above Participant Categories, Covered Positions/Employees, and Entry Dates.

Dr. Rebecca M. Wyke
Chief Executive Officer

Date: _____

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
JAMES BENNETT, CHIEF INVESTMENT OFFICER
CHIP GAVIN, CHIEF SERVICES OFFICER

SUBJECT: MAINESTART QUARTERLY REVIEW

DATE: JUNE 5, 2024

Following this memo is the MaineSTART Quarterly Review for the quarter ending 3/31/2024.

POLICY REFERENCE

[Board Policy 2.1-C – DC Plans Investment Policy Statement](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communication and Support to the Board](#)

RECOMMENDATION

No Board action is required.



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

MaineSTART Quarterly Review

For the Quarter Ending 03/31/2024

MAINE
START

MaineSTART Review

Overview of MaineSTART

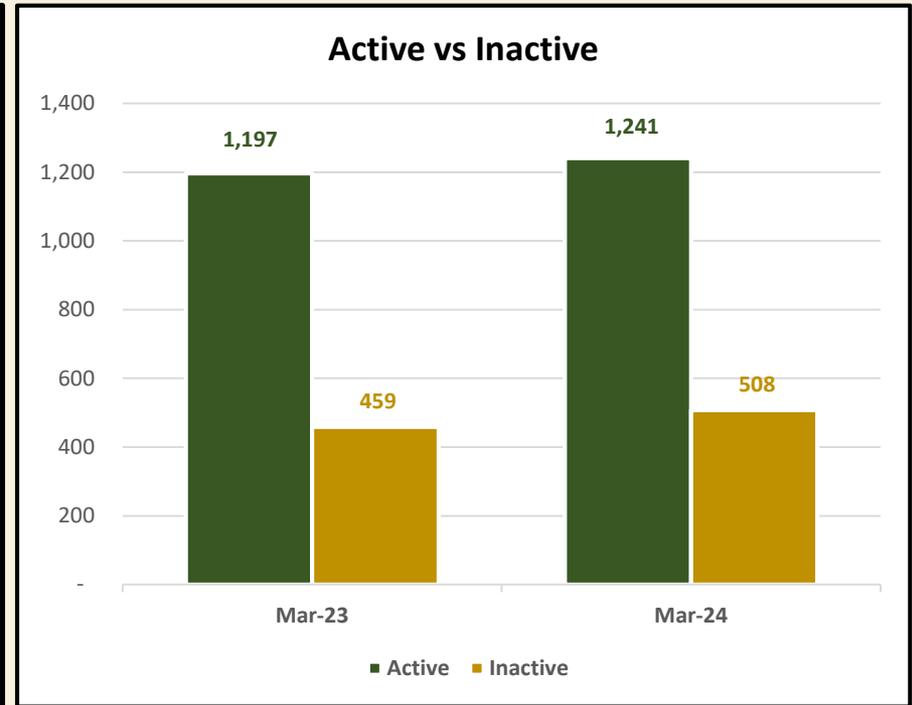
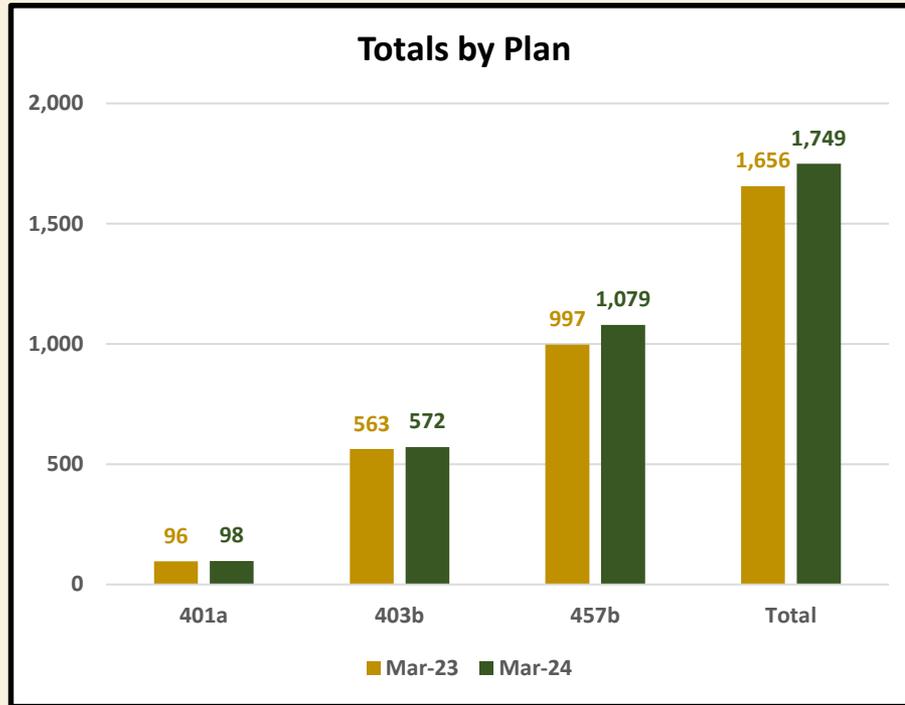
- ▶ **401(a) Defined Contribution Plan**
 - ▶ **Qualified Plan**
 - ▶ **Higher Contribution Limits**
 - ▶ **Inflexible**
- ▶ **403(b) Tax-Sheltered Annuity Plan**
 - ▶ **Only for Educational and Certain Non-Profit Organizations**
 - ▶ **Flexible**
- ▶ **457(b) Deferred Compensation Plan**
 - ▶ **Flexible**

MaineSTART Fiduciary Responsibilities

- ▶ **Basic Fiduciary Duties – Duty of Loyalty and Duty of Prudence**
 - ▶ **Duty of Loyalty – Act solely in the interests of the participants and beneficiaries**
 - ▶ **Duty of Prudence – Exercise reasonable care, skill, and caution**
- ▶ **Duties Apply to Discretionary Plan Functions.**
 - ▶ **For example, providing investment options**
- ▶ **Employers Acting as Employers Do Not Have Fiduciary Duties.**

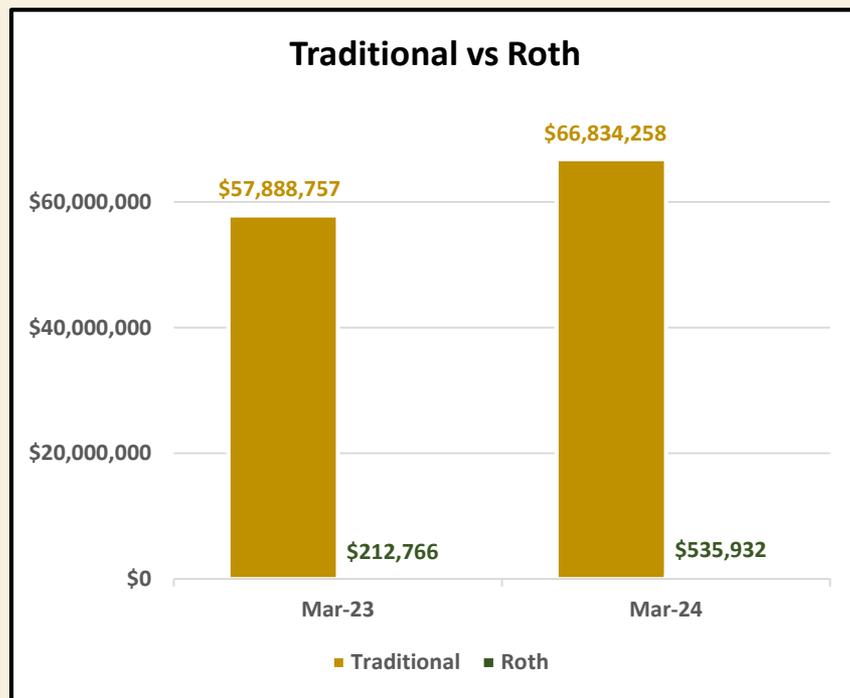
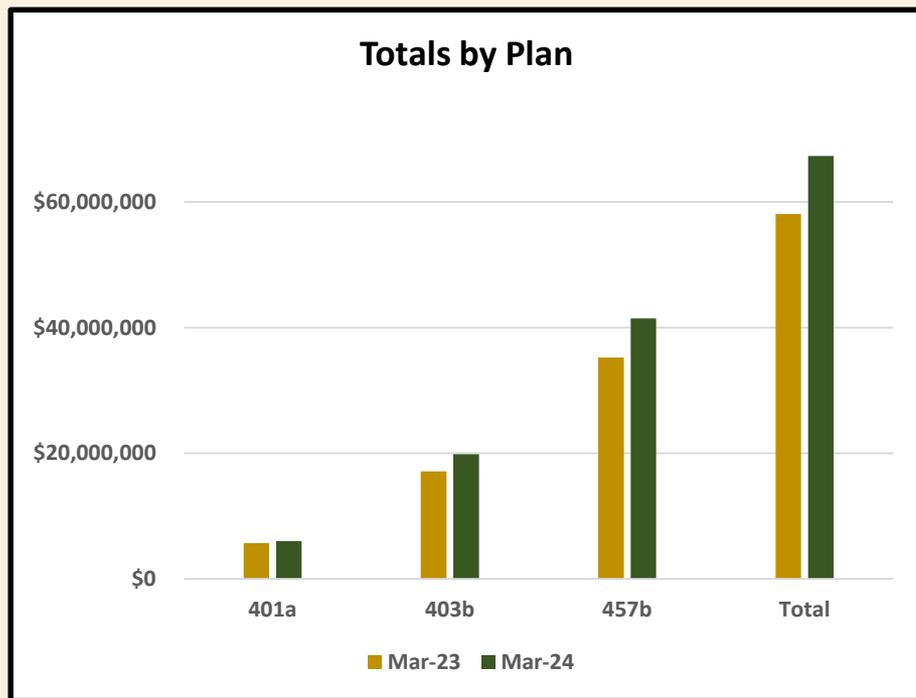
MaineSTART Review 1Q 2024

Participants



MaineSTART Review 1Q 2024

Market Value



MaineSTART Review 1Q 2024

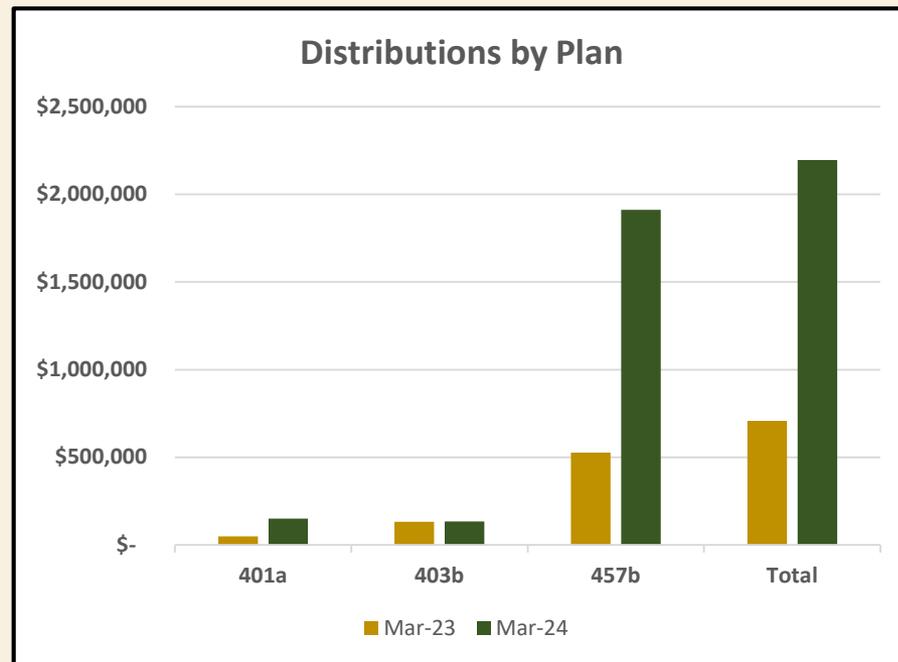
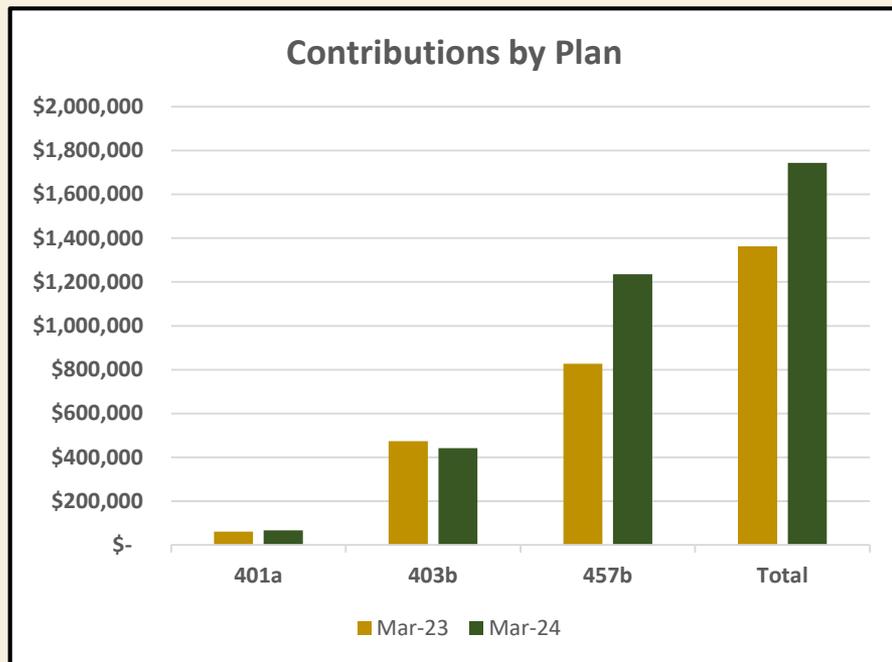
Participation and Values as of 03/31/2024

	401(a)	403(b)	457(b)	Total	Change from 03/31/2023
Participating Employers	7	1	80	88*	6
Participating Employees	98	572	1079	1,749	93
Total Market Value	\$6,023,338	\$19,862,405	\$41,484,379	\$67,370,123	\$9,268,600

*26% of PLDs

MaineSTART Review 1Q 2024

Cash Flows



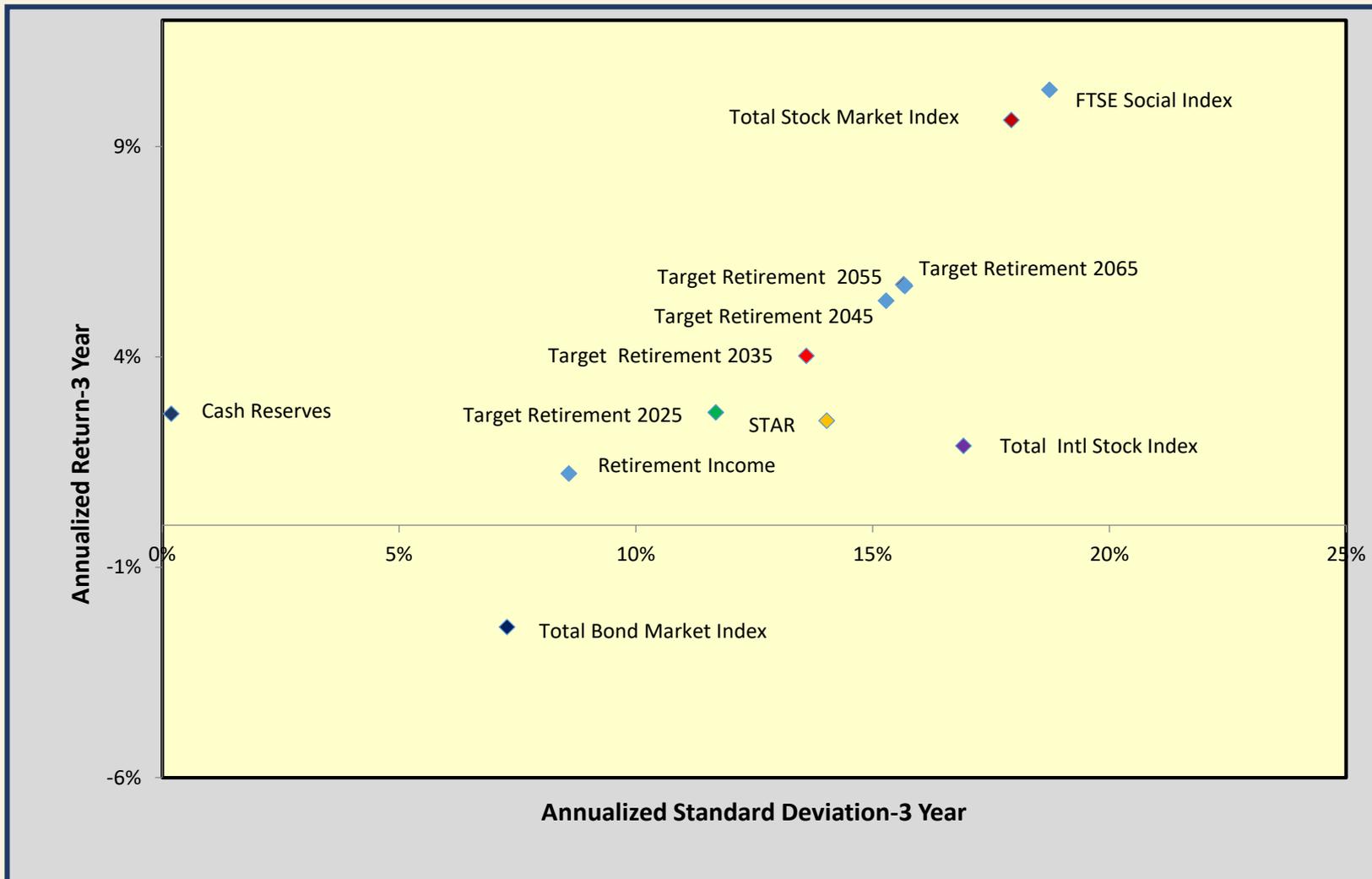
Note: One 457 distribution in Feb-2024 was \$1.2 million

MaineSTART Review 1Q 2024

MaineSTART Investment Options

Fund	Expense Ratio
Target Retirement	
Vanguard Target Retirement 2025	0.08%
Vanguard Target Retirement 2035	0.08%
Vanguard Target Retirement 2045	0.08%
Vanguard Target Retirement 2055	0.08%
Vanguard Target Retirement 2065	0.08%
Vanguard Target Retirement Income	0.08%
US Equity	
Vanguard Total Stock Market Index	0.03%
Vanguard FTSE Social Index	0.14%
Non-US Equity	
Vanguard Total International Stock Index	0.11%
Balanced	
Vanguard STAR	0.31%
Fixed Income	
Vanguard Total Bond Market Index	0.05%
Cash	
Vanguard Cash Reserves Federal Money Market	0.10%

MaineSTART Review 1Q 2024



MaineSTART Review 1Q 2024

Performance of Target Date Funds

Total Fund	\$ 67,370,123	% Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
Target Retirement Funds							
Target Retirement 2025	\$ 15,595,985	23.1%	3.8%	13.0%	2.7%	6.6%	6.3%
Target Retirement 2025 Benchmark			3.8%	13.2%	3.0%	7.0%	6.6%
Target Retirement 2035	\$ 12,977,682	18.1%	5.2%	16.4%	4.0%	8.2%	7.4%
Target Retirement 2035 Benchmark			5.1%	16.6%	4.4%	8.5%	7.8%
Target Retirement 2045	\$ 8,044,293	11.6%	6.5%	19.5%	5.3%	9.7%	8.4%
Target Retirement 2045 Benchmark			6.4%	19.7%	5.7%	10.1%	8.7%
Target Retirement 2055	\$ 2,048,632	2.8%	6.9%	20.4%	5.7%	10.0%	8.5%
Target Retirement 2055 Benchmark			6.8%	20.8%	6.0%	10.4%	8.9%
Target Retirement 2065	\$ 278,490	0.3%	6.9%	20.4%	5.7%	10.0%	
Target Retirement 2065 Benchmark			6.8%	20.8%	6.0%	10.4%	
Target Retirement Income	\$ 4,011,955	7.2%	2.1%	8.5%	1.2%	4.1%	4.1%
Target Retirement Income Benchmark			2.2%	8.7%	1.4%	4.4%	4.4%
Tracking Error for all funds remains within expected ranges given market volatility.							

MaineSTART Review 1Q 2024

Performance of Index and Balanced Funds

Total Fund	\$ 67,370,123	% of Total	Quarter	1 Yr	3 Yrs	5 Yrs	10 Yrs
US Equity							
Total Stock Market Index	\$ 13,178,853	19.6%	10.0%	29.4%	9.6%	14.2%	12.3%
Dow Jones Total Stock Market Index			10.1%	29.3%	9.6%	14.3%	12.3%
FTSE Social Index	\$ 1,255,514	1.9%	10.2%	32.2%	10.4%	15.2%	13.3%
FTSE4Good US Select Index			10.2%	32.3%	10.5%	15.3%	13.4%
Non-US Equity							
Total International Stock Index	\$ 2,618,115	3.9%	4.3%	13.0%	1.9%	6.2%	4.5%
Total International Stock Index			4.3%	13.5%	2.1%	6.3%	4.6%
Balanced							
STAR	\$ 2,431,106	3.6%	4.6%	14.9%	2.5%	8.3%	7.4%
STAR Composite Index			5.1%	15.9%	4.4%	8.3%	7.2%
Fixed Income							
Total Bond Market Index	\$ 1,753,895	2.6%	-0.8%	1.7%	-2.4%	0.4%	1.5%
Barclays Capital Aggregate Bond Index			-0.7%	1.8%	-2.4%	0.4%	1.6%
Total Cash							
Cash Reserves Federal Money Market	\$ 3,175,603	4.7%	1.3%	5.3%	2.7%	2.0%	1.5%
Citigroup 90 Day T-Bill Index			1.2%	4.8%	2.4%	1.7%	1.2%

Tracking Error for all funds remains within expected ranges.

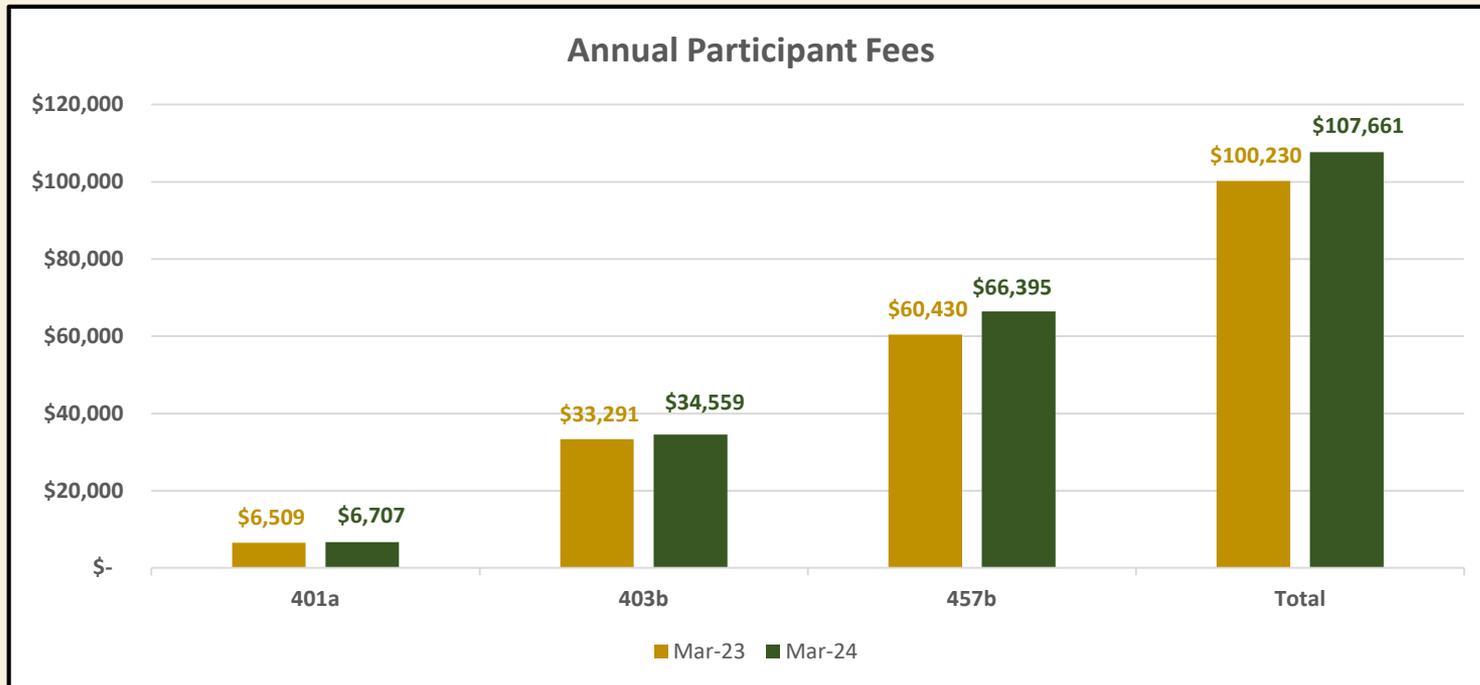
MaineSTART Review 1Q 2024

Investment Option Fees

Fund Name	Ticker	Market Value	MaineSTART	Next	Next
			Expense Ratio	Threshold Amount	Expense Ratio
Vanguard Total Stock Market Index	VITSX	\$13,178,853	0.03%	\$100,000,000	0.02%
Vanguard Total International Stock Index	VTIAX	\$2,618,115	0.11%	\$5,000,000	0.10%
Vanguard STAR	VGSTX	\$2,431,106	0.31%	N/A	0.31%
Vanguard FTSE Social Index	VFTAX	\$1,255,514	0.14%	\$5,000,000	0.12%
Vanguard Target Retirement 2025	VTTVX	\$15,595,985	0.08%	N/A	0.08%
Vanguard Target Retirement 2035	VTTHX	\$12,977,682	0.08%	N/A	0.08%
Vanguard Target Retirement 2045	VTIVX	\$8,044,293	0.08%	N/A	0.08%
Vanguard Target Retirement 2055	VFFVX	\$2,048,632	0.08%	N/A	0.08%
Vanguard Target Retirement 2065	VLXVX	\$278,490	0.08%	N/A	0.08%
Vanguard Retirement Income	VTINX	\$4,011,955	0.08%	N/A	0.08%
Vanguard Total Bond Market Index	VBTLX	\$1,753,895	0.05%	N/A	0.05%
Vanguard Cash Reserves Federal MM	VMRXX	\$3,175,603	0.10%	N/A	0.10%
Newport Group charges \$50 annually and 3 bps on assets.			\$67,370,123		

MaineSTART Review 1Q 2024

Fees



Notes:

- Participants pay an annual fee of \$50 and 3 bps on assets to the Newport Group
- Investment management fees vary depending on the fund selection
- Annual Administrative Fees of \$271,000 are assessed through PLD payrolls at 0.04%

MaineSTART Outreach Statistics 1Q 2024

- ▶ **Participant Meetings: 314**
 - ▶ In-Person -129
 - ▶ Remote - 34
 - ▶ Phone Calls -151
- ▶ **Teacher Employer Outreach: 73**
 - ▶ Emails – 10
 - ▶ Phone calls – 33
 - ▶ Remote – 30
- ▶ **PLD Employer Outreach: 59**
 - ▶ Emails – 14
 - ▶ Phone calls – 11
 - ▶ Remote – 34
- ▶ **Participant Outreach Calendar Year 2023: 1,514***
- ▶ **Participant Outreach Calendar Year 2022: 1,094**

*Elimination of STAR Fund contributed to uptick in participant outreach

MaineSTART Review 1Q 2024

Operations

- ▶ **Defined benefit personnel and defined contribution personnel are collaborating on joint presentations when possible.**
- ▶ **The identification of the available defined contribution universe and the presence of an existing defined contribution program will direct future outreach efforts.**
- ▶ **The MaineSTART program will have a webinar available for prospective and existing employers in the third quarter of 2024.**

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: DR. REBECCA M. WYKE, CEO
SUBJECT: CEO REPORT
DATE: JUNE 6, 2024

Board Self-evaluation

The Board's governance consultant, Amy McDuffee of Mosaic Governance Advisors, will be conducting the Board self-evaluation survey June 13 – 24, 2024. The findings will be included in the materials for the August 8, 2024, Board Meeting and Amy will be in attendance to deliver governance education and facilitate the Board in a discussion of the survey results.

Stakeholder Concerns

Board Chair Brian Noyes, CIO Jim Bennett, COO/General Counsel Mike Colleran and I met with a coalition of folks supporting fossil fuel divestment. This meeting occurred in response to a request from the Labor and Housing Committee's Senate Chair and the purpose was to discuss concerns related to the divestment law. We are conducting some research following the meeting, in particular into recent CalSTRS investment decisions. We will report back to the Board with our findings.

Pension Administration System (PAS)

Nine vendors completed a statement of minimum requirements and intent to bid by the May 14th deadline, bids are due June 14, 2024. We expect to select a vendor and begin contract negotiations by the end of summer. Additionally, the bids for change management consulting services related to the PAS project have been submitted and we expect to award a contract soon.

Fiscal Year 2025 Budget

At the May Board meeting Sherry Vandrell, Chief Financial Officer, and myself presented the FY2025 Administration and Investment Operations Budgets to the full Board. The Board memorandum and draft budgets for your consideration appear under separate cover in the Board materials.

In addition to addressing the ongoing operational needs of MainePERS, the draft budgets were developed to address the priorities reflected in the goals of the 5-Year Strategic Plan. In particular, the draft consolidated budget includes \$2.14 million to support the new pension administration system (PAS) project, including continued efforts to address backlogs in Member Services and Employer Reporting. This dollar amount is consistent with the PAS Briefing presentation the Board received at its meeting in April. Please note there is some uncertainty about the cost and timing of some key efforts in the development of the PAS that will not be known until a vendor is selected and a contract negotiated. I will keep the Board informed as this develops.

The Finance and Audit Committee reviewed the proposed budgets at their April 11th meeting and voted to recommend adoption of the proposed FY2025 Administration and Investment Operations Budgets to the full Board at their May 16, 2024, meeting.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: BOARD RESOLUTION – AUTHORITY TO SIGN CHECKS
DATE: JUNE 5, 2024

MainePERS holds several accounts at Bangor Savings Bank. Bangor Savings Bank requires a resolution of the Board to make changes to the authorized signatories on these accounts. A draft resolution to make changes to add the Assistant Director of Accounting and Finance is included in your packet.

RECOMMENDATION

Adopt a resolution to add Jennifer Lidback to the list of authorized signers on the accounts of MainePERS held at Bangor Savings.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS
FROM: SHERRY VANDRELL, CHIEF FINANCIAL OFFICER
SUBJECT: AUTHORITY TO OPEN NEW ACCOUNTS AT BANGOR SAVINGS BANK
DATE: JUNE 5, 2024

MainePERS holds several accounts at Bangor Savings Bank, including two overnight repurchase accounts. Bangor Savings Bank is working to phase out these repurchase accounts and is offering a similar product to replace the current one. The new accounts are Insured Cash Sweep, or ICS, accounts. Similar to the current repurchase accounts, cash in excess of the FDIC insurance limits would be placed in the ICS accounts where balances would be insured and would earn a rate of interest currently set at 95% of the secured overnight financing rate, or SOFR.

RECOMMENDATION

Approve the establishment of two new Insured Cash Sweep (ICS) accounts to be held by Bangor Savings Bank and authorize the Chief Executive Officer and Chief Financial Officer as signatories to execute documents in connection with establishing these accounts.

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: MICHAEL J. COLLERAN, CHIEF OPERATING OFFICER & GENERAL COUNSEL
CHIP GAVIN, CHIEF SERVICES OFFICER
SHERRY VANDRELL, CHIEF FINANCIAL OFFICER

SUBJECT: MEMBER SERVICES, FINANCE, AND OPERATIONS REPORT

DATE: JUNE 5, 2024

Content in the following paragraphs was selected to provide noteworthy information regarding the System's member services, finance, and operations.

POLICY REFERENCE

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

MEMBER SERVICES

1. MEMBER CENTRIC PHONE SYSTEM UPDATE: MainePERS this month launched an updated design of its phone system. The intent behind this change is to decrease the frequency of transfers, shorten wait times and to connect our members, beneficiaries, retirees and employers more expediently with the individuals best suited to answer their questions. The changes involved updating the prompts heard by callers. These prompts now use clearer language from a caller's point of view rather than prompts which reference internal work unit names. MainePERS is actively monitoring performance and reviewing caller and staff feedback to determine whether additional adjustments are necessary. This change helps to fulfill Goal IV of the Strategic Plan, which is a commitment to cultivating a member centric organization.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT: A solicitation for proposals for MainePERS to obtain a new or upgraded Pension Administration System is now open to potential bidders. The Request for Proposals (RFP) was publicly advertised and posted beginning May 1. The deadline for proposals to be submitted is June 14, 2024.

Evaluations are anticipated to be completed and a selection made by the August-September 2024 period. The PAS project supports Goals III and IV and other elements of the Strategic Plan.

Linea reports the overall PAS project status is green, indicating overall stability and progress toward the completion of the procurement process. MainePERS agrees.

In last month’s Trustee report, two of the four major monitoring areas reported by Linea were coded green by Linea. This month, three of the four areas are coded green. The difference is the schedule, which was shown as yellow last month in connection with a 12-day adjustment in the release of the RFP. With that schedule adjustment completed and the RFP released back on May 1, the schedule is now again green. This means three of the four major monitoring areas again green, per Linea’s report. Below is an excerpt of Linea’s most recent bi-weekly status report:

Overall		Scope	
Schedule		Resources	
Project Lead	Denise Myers	Project Sponsor	CEO Rebecca Wyke
Project Start	July 17, 2023	Project End	Sep 20, 2024
Reporting Period	May 15 to May 31, 2024	Reporting Date	May 30, 2024
Audience	Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Lauren Fowler, Domna Giatas, Timothy Poulin, Sherry Vandrell	Next Core Team Meeting with Linea	May 31, 2024

FINANCE

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at a 95% rate in May. This compares to a rate of 96% for the same period last year. The number of accounts now fully reconciled through March data is now 527, or 81.2%. This is an increase of 8 accounts since I reported last month.

The aging of the remaining 122 accounts breaks down as follows as of May 31, 2024. The one account with transactions dating back to 2017 is being actively worked now.

	Oldest Unreconciled Transactions							
Year	2024	2023	2022	2021	2020	2019	2018	2017
# of Accts	36	32	10	11	12	20	-	1

MainePERS staff began receiving corrected data for Portland Public Schools employees beginning with July of 2022 and work has begun to process that data. We expect to receive corrected data for August through December 2022 in June, followed shortly by January, February and March of 2023. Planning is underway for how BerryDunn will compile the necessary data for April 2023 through December 2023 so that we can begin updating member records for that time period.

We have received several test files from the new ADP platform utilized by Portland Public Schools and staff are working with the District to test and make adjustments as needed. To date, we have not had a successful test but the number of issues detected has declined.

During the months of May and June, several MainePERS staff joined Portland Public Schools staff to deliver a series of Q&A sessions for employees of the District. These sessions were hosted by the District and MainePERS staff were available to address questions specific to MainePERS reporting and the status of member accounts.

2. EMPLOYER AUDITING. Two audits were opened during the month of May and one audit was closed. The percentage of resolved findings to date remains at 96%.
3. ACCOUNTING AND FINANCE. CliftonLarsonAllen (CLA) has completed the review covering member estimates and statements of account and a draft report is being reviewed now. The report will be presented to the Finance and Audit Committee in August.

OPERATIONS

1. INFORMATION TECHNOLOGY: Our IT staff have released the redesign of our call routing system as discussed in the Member Services update above. The redesign provides faster access for members and employers to reach the proper resource and reduces hold and wait times. Early planning has begun on two initiatives: (1) replacement of our Augusta data center Storage Area Network (SAN), which is closing in on end of life; and (2) modernization of our backup storage utilizing the Extragrid technology instead of tapes. IT staff continue to be heavily involved in the PAS replacement and data cleansing projects, and work on implementing the full Mimecast suite and O365 continues.
2. FACILITIES: We entered into a contract with Regional Electric LLC for acquisition and installation of a generator for our Augusta facility following a competitive procurement process. We expect the project to take approximately 10 months. We conducted fire extinguisher training and completed a review of our safety readiness by SafetyWorks!, a program of the Maine Department of Labor. They found two minor items, expired first aid kits and missing electrical panel fillers, both of which have been corrected. They also recommended that we provide training on handling bloodborne pathogens, which we are considering.
3. LEGAL: We entered into a contract with Ice Miller to continue as our pension counsel following a competitive procurement process and receipt of Attorney General approval. We have issued a request for proposals for collective bargaining counsel and expect to issue a request for proposals for securities litigation and monitoring services later this month.
4. HUMAN RESOURCES: We completed our annual benefits open enrollment process and conducted a voluntary Lunch & Learn session on Social Security benefits, which 70 employees attended. We filled two positions in May and had no departures. We currently are recruiting eight positions.

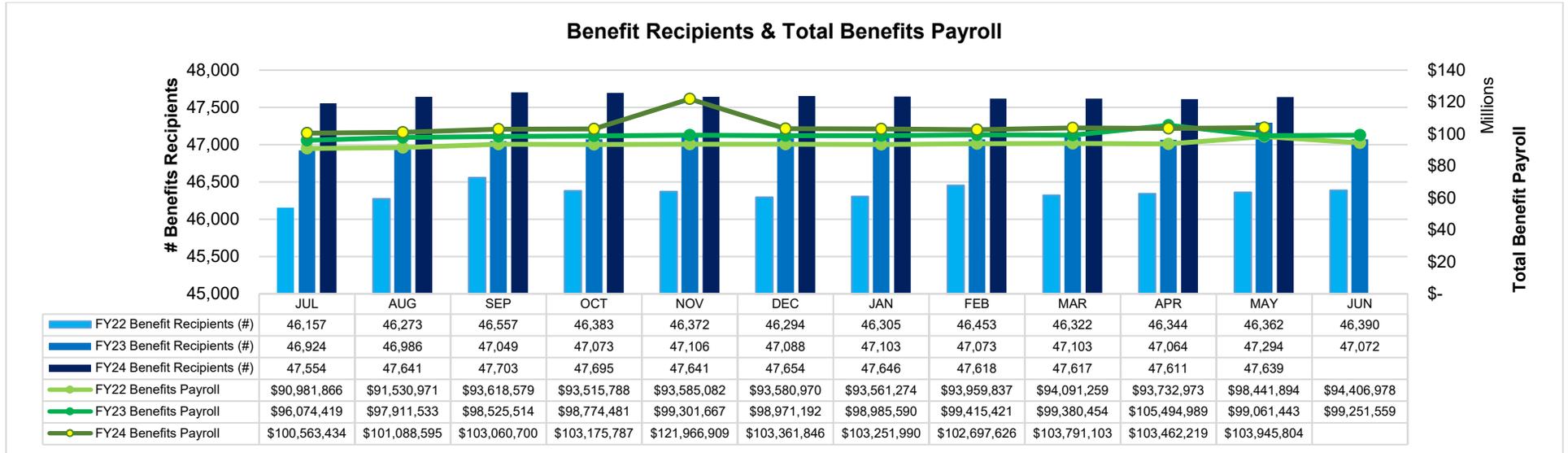
RECOMMENDATION

No Board action is recommended at this time.

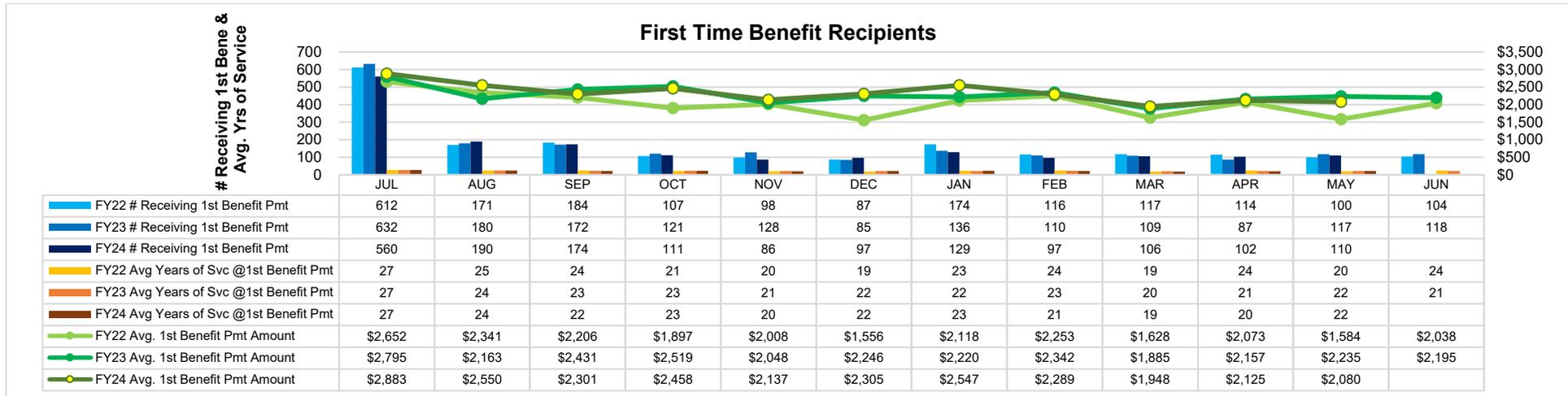
MAY 2024 BOARD OF TRUSTEES OPERATIONS – MEMBER SERVICES SUPPLEMENTAL NUMBERS

RETIREMENT SERVICES

BENEFITS PAYROLL: Regular monthly pension benefit payments were made to 47,639 recipients in May, totaling \$103,945,804. Note: Special payments paid outside of the regular payroll run are not reflected in the “Benefits Payroll” total.



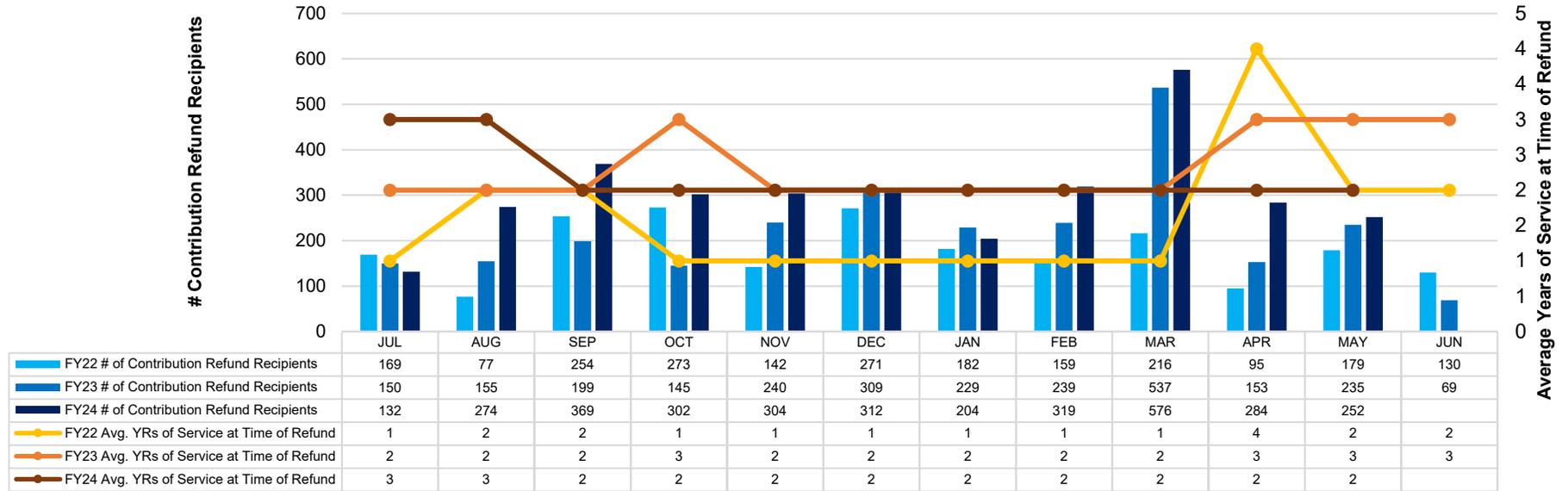
FIRST TIME BENEFIT RECIPIENTS: One-hundred-ten (110) individuals received their first benefit payment in May. The average benefit amount was \$2,080. First time recipients averaged twenty-two (22) years of service. The count of new recipients, payment amount, and service are comparable to data seen during the same month in recent prior years.



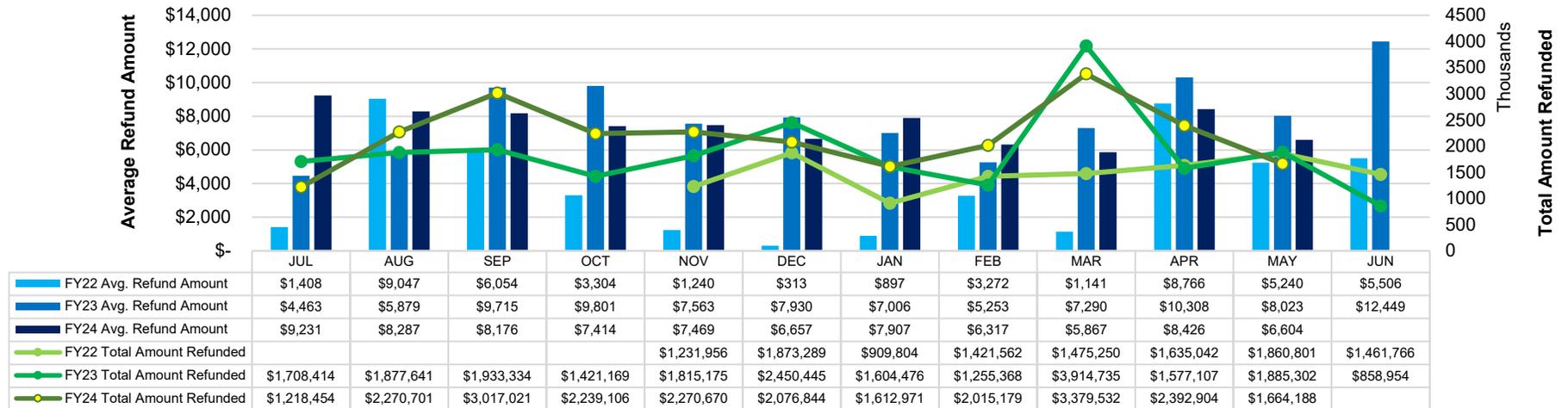
RETIREMENT SERVICES: continued

CONTRIBUTION REFUNDS: Two hundred fifty-two (252) former members received a refund of their contributions in May. The average refund was \$6,604 as the result of an average two (2) years of service. The aggregate amount refunded was \$1,664,188.

Contribution Refunds Issued: Total Number & Average Years of Service

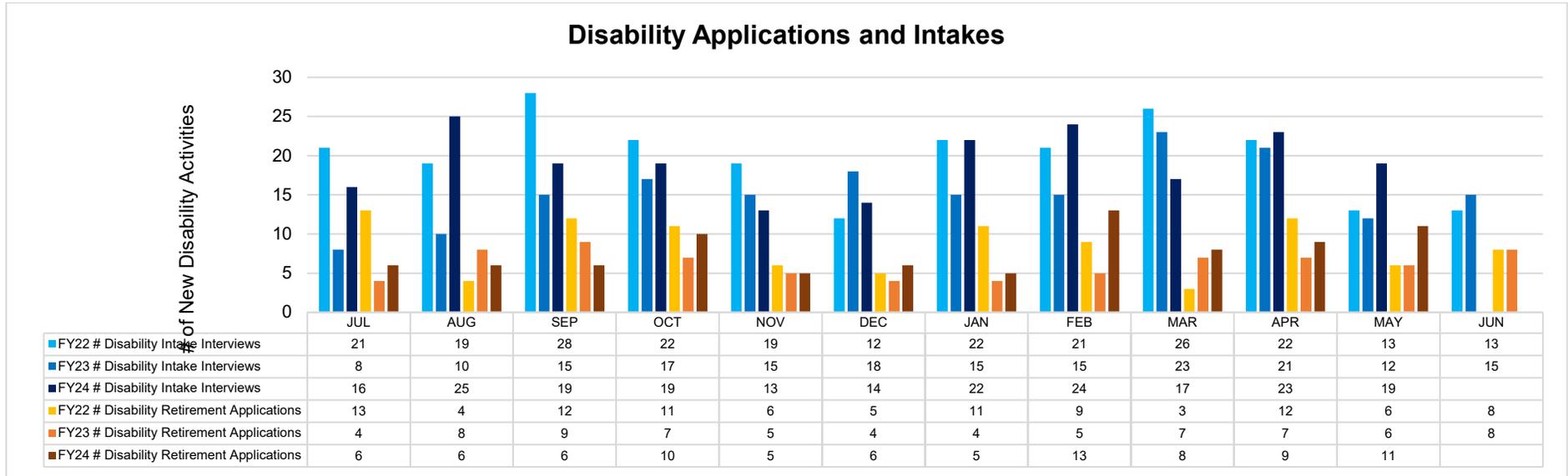


Contribution Refund Average Amount and Total Amount Refunded



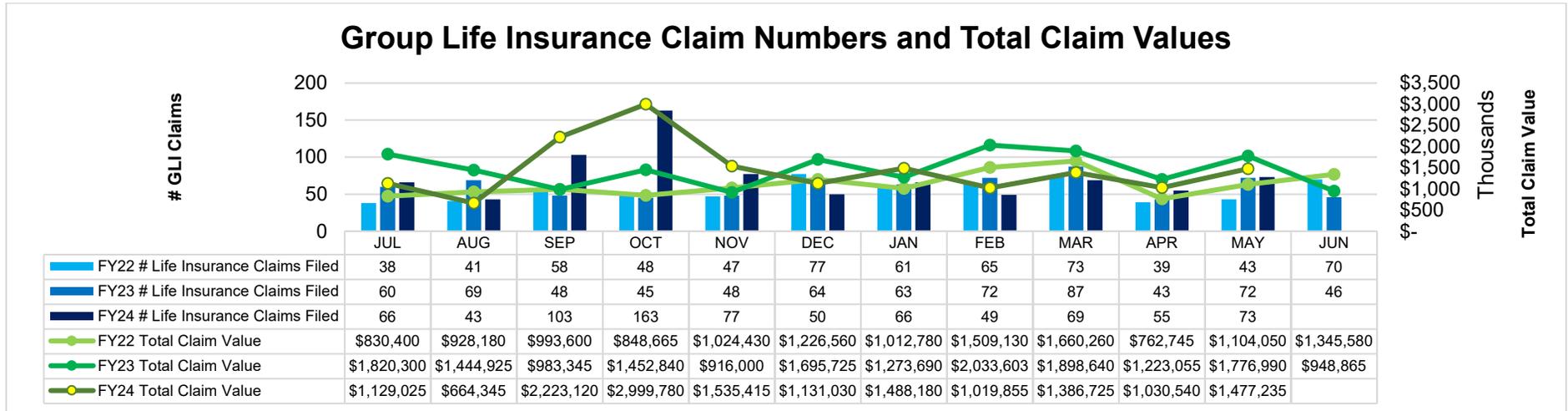
DISABILITY SERVICES

Nineteen (19) intake interviews were completed in May with varying levels of detail and duration. Intakes included six (6) State members, nine (9) Teacher members, and four (4) PLD members. Eleven (11) new disability retirement applications were received in May.



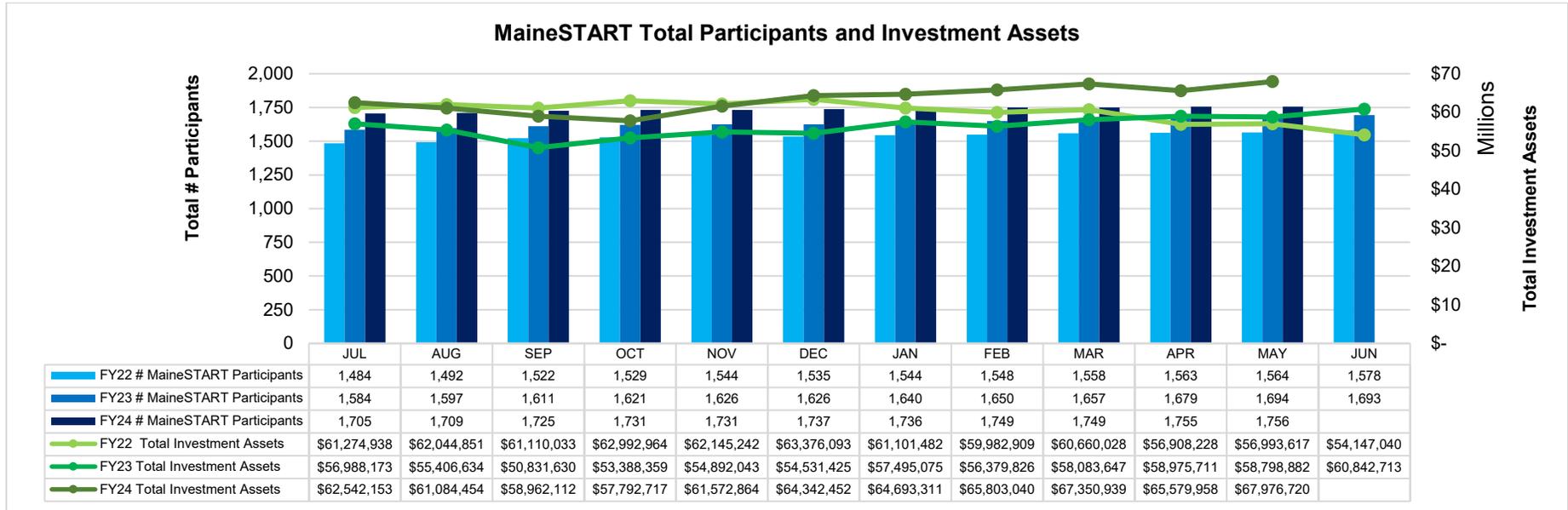
SURVIVOR SERVICES

Seventy-three (73) life insurance claims were sent to our carrier (The Hartford) in May with a total value of \$1,477,235 in payments due to beneficiaries. Of the claims, sixty-eight (68) were retirees claims and five (5) were active members claims including one (1) dependent claim.



DEFINED CONTRIBUTION PLAN SERVICES

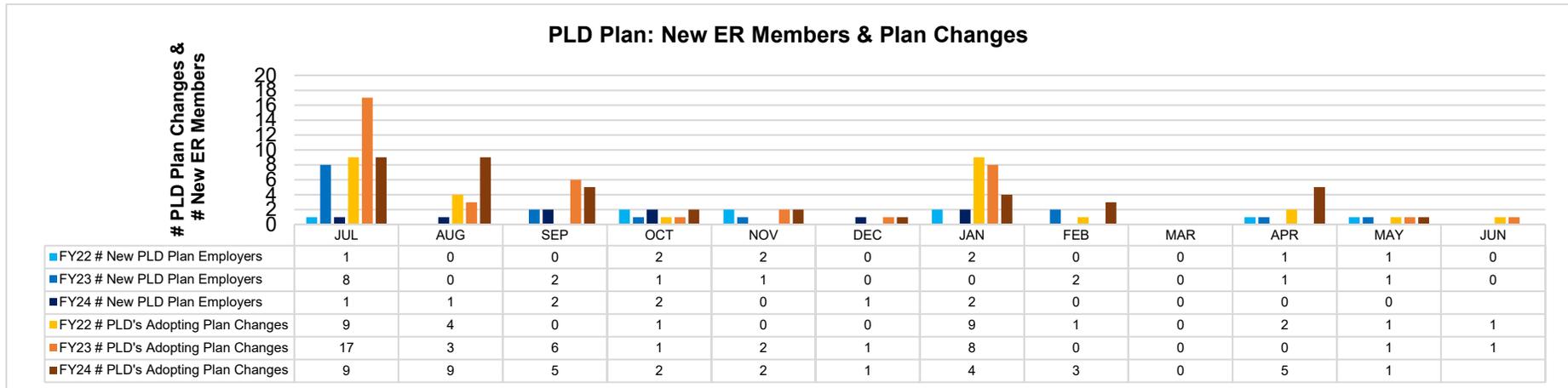
MaineSTART had one thousand seven hundred fifty-five (1,756) participants at the end of May with \$67,976,720 of investment assets in the program.



PLD PLAN ADMINISTRATION

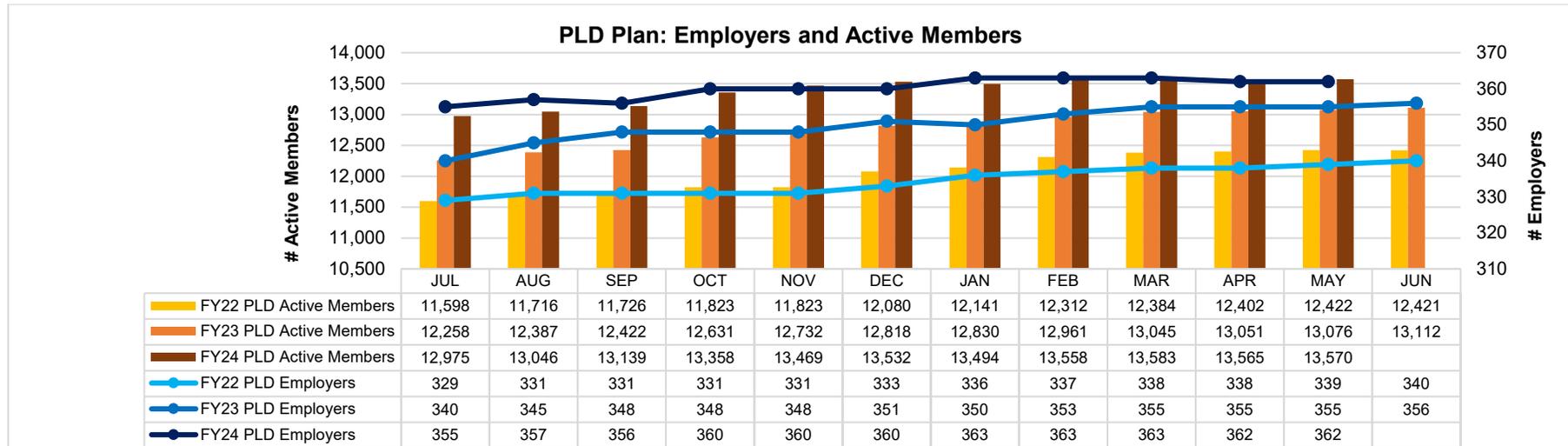
No new employers joined the PLD Retirement Program effective May 1, 2024. There was one (1) employer plan changes effective May 1, 2024.

Note: This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.



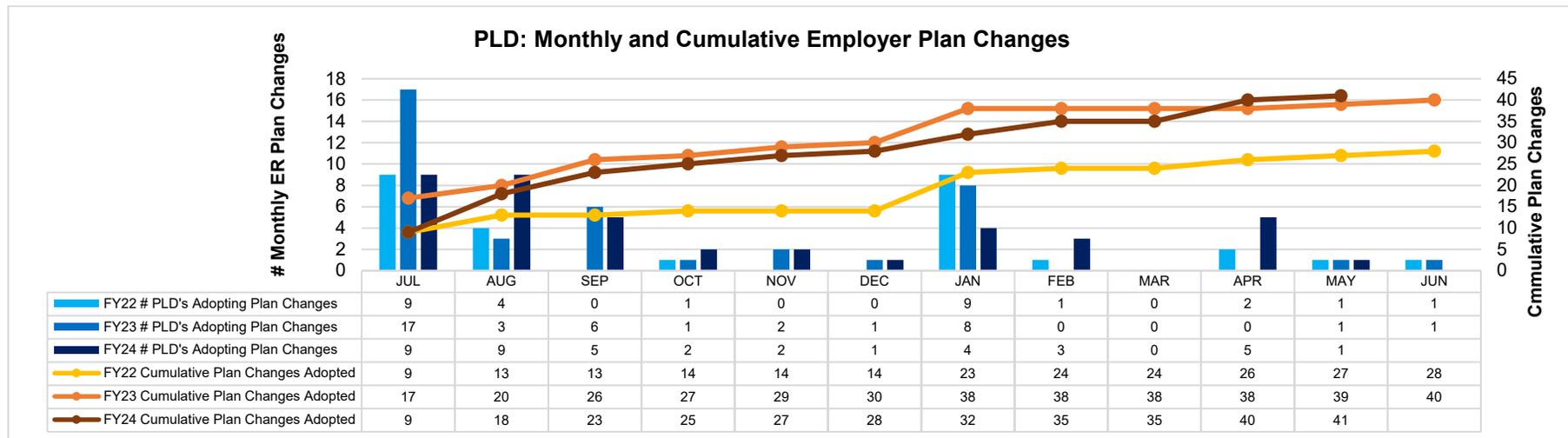
PLD PLAN ADMINISTRATION – Continued
PLD Plan - Cumulative Employer and Member Numbers

PLD employers remained at 363 from February to March but decreased to 362 in April and May; PLD Employee numbers fluctuated in March and April and landed on 13,570 in May. This data will be reported quarterly; the next update will be included in the September 2024 report.



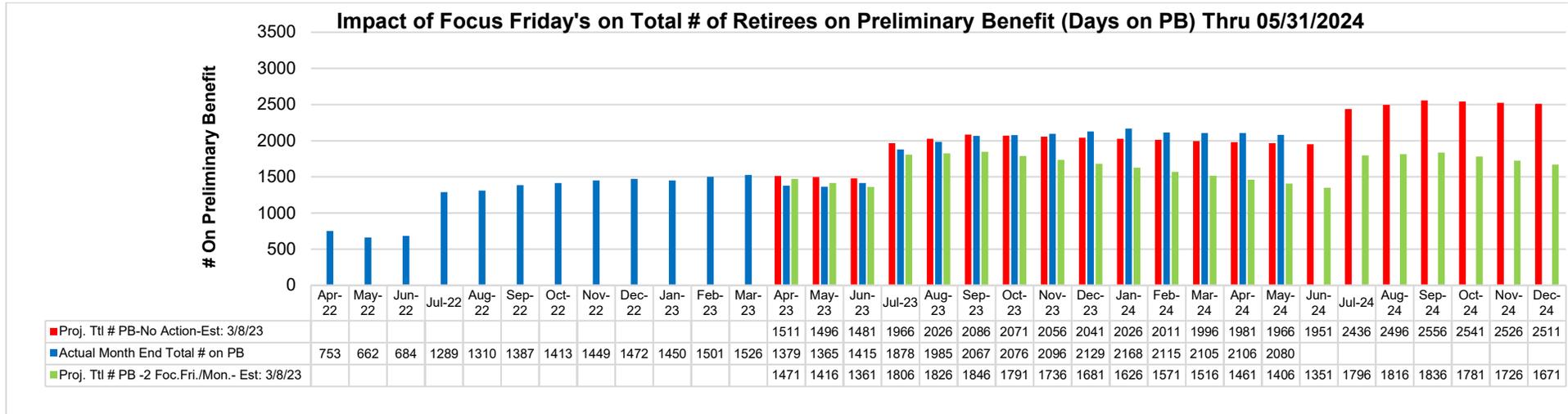
PLD PLAN - MONTHLY AND CUMULATIVE EMPLOYER PLAN CHANGES

There were no new employers joining the PLD Retirement Program. There were one (1) employer plan changes effective May 1, 2024. Total plan changes this FY is forty-one (41). *Note:* This metric reflects PLD employer changes (joining, returning, adopting plan changes) in the month of their implementation. This format is consistent with MainePERS activity reporting to our actuary.

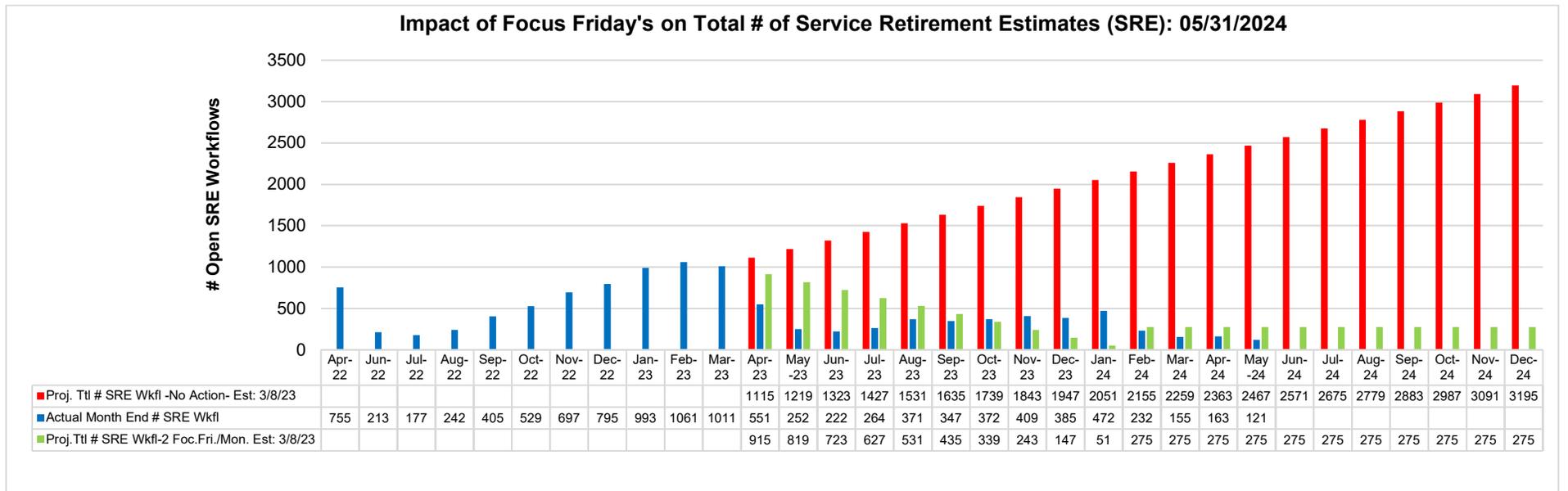


FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH MAY 31, 2024: The backlog projections and reporting below are based on a data point that counts days since an initial Preliminary Benefit disbursement date (Days on PB) occurred.



SERVICE RETIREMENT ESTIMATE BACKLOG THROUGH MAY 31, 2024: The backlog projections and reporting below are based on data that count the total number of open Service Retirement Estimate workflows.



MAINEPERS

BOARD OF TRUSTEES LEGISLATIVE MEMORANDUM

TO: BOARD MEMBERS
FROM: KATHY MORIN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS
SUBJECT: LEGISLATIVE UPDATE
DATE: JUNE 6, 2024

The Second Regular Session of the 131st Legislature convened on January 3, 2024 and adjourned on May 10, 2024.

This memo provides the status of the bills on which we have reported throughout the session. Although the Legislature has adjourned, it could return for a Special Session to consider any carry over bills, as noted below.

POLICY REFERENCE

[Board Policy 3.1 – Reporting](#)

[Board Policy 3.2 – Legislation](#)

[Board Policy 4.5 – Board/Staff Relations](#)

[Board Policy 4.6 – Communications and Support to the Board](#)

BILL HELD BY GOVERNOR

L.D. 1152 – LONG-TERM DISABILITY INSURANCE

This bill requires the Board to offer long-term disability insurance coverage to participating employers and requires employers to pay the full cost of that coverage. This bill is the version of the proposed legislation included in the November 2022 Long-Term Disability Insurance Implementation Plan that was favored by the labor members of the stakeholder group. This bill was voted majority ought to pass as amended, and the amendment requires the State to pay the full cost of premiums and other carrier fees.

BILLS CARRIED OVER – SPECIAL APPROPRIATIONS TABLE**L.D. 70 – COLA BASE**

This bill, as amended, would change the COLA Base, which is the level of benefit that is subject to a cost-of-living adjustment (COLA), to \$40,000. This applies to retirees from the State-sponsored plans. The cost of this plan change is estimated to be approximately \$745 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs of approximately \$8.8 million annually.

L.D. 185 – TEACHER EARLY RETIREMENT

This bill would change the early retirement reduction that applies to teachers with at least thirty-five years of service credit. The amended bill reduces the early retirement reduction from the current reduction of 6% per year to 5% per year versus the 2% originally proposed in the bill. The cost of this plan change is estimated to be approximately \$12.3 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs of approximately \$227 thousand annually.

L.D. 426 – MILITARY SERVICE PURCHASE

This bill expands the periods of military service that eligible members may purchase at a subsidized rate. The bill was amended to add a requirement that the System report back on the experience under the new law. The cost of this plan change is estimated to be approximately \$2.6 million in increased liabilities, which would have to be funded when the change is enacted.

L.D. 1096 – COLA CAP

This bill, as amended, would provide an additional 2% cumulative COLA effective September 2022. The cost of this plan change is estimated to be approximately \$182 million in increased liabilities, which would have to be funded when the change is enacted, and a future increase in normal costs, which would be determined as part of future ratemaking.

L.D. 1424 – DEPARTMENT OF CORRECTIONS SPECIAL PLAN

This bill changes the plan by which certain Department of Corrections employees are covered from the 1998 Special Plan to the 25 year, regardless of age special plan. The preliminary cost of this plan change was estimated to be approximately \$10.8 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the normal cost of the new plan is higher than the current plan by which these

employees are covered. The updated fiscal note submitted by the System is \$15.3 million in increased liabilities.

L.D. 1760 – EXPAND 1998 SPECIAL PLAN – CRISIS WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. The bill was amended to remove a member election that is not permissible under federal law. The cost of this plan change is estimated to be approximately \$1.6 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the special plan normal cost rate is higher than the regular plan rate.

L.D. 1761 – EXPAND 1998 SPECIAL PLAN – MENTAL HEALTH WORKERS

This bill would allow certain employees in the Department of Health and Human Services who are currently included in the regular plan to be covered instead by the 1998 Special Plan. The bill was amended to remove a member election that is not permissible under federal law. The cost of this plan change is estimated to be approximately \$8.4 million in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the special plan normal cost rate is higher than the regular plan rate.

BILLS CARRIED OVER IN THE SENATE

L.D. 457 – INCREASED COLA BASE

This bill was a concept draft carried over by the Taxation Committee. The amended bill includes language to set the COLA Base in 2024 (i.e., for the COLA paid in September 2024) to \$40,000, after which time it would revert back to the level that otherwise would have applied absent this change. The cost of this plan change is estimated to be approximately \$40 million in increased liabilities, which would have to be funded when the change is enacted.

L.D. 610 – EXPAND 1998 SPECIAL PLAN – MEDICAL EXAMINER EMPLOYEES

This bill would allow certain employees in the Office of the Chief Medical Examiner who are currently included in the regular plan to be covered instead by the 1998 Special Plan. The bill was amended to change the effective date of special plan coverage to October 1, 2023. The cost of this plan change is estimated to be approximately \$347 thousand in increased liabilities, which would have to be funded when the change is enacted, and an increase in normal costs, since the special plan normal cost rate is higher than the regular plan rate.

BILLS NOT ENACTED

L.D. 550 – CORRECTIONAL OFFICER BENEFITS

This bill would have increased benefits for correctional officers, including changing the special plan by which they are covered.

L.D. 926 – MAINEPERS REPRESENTATION

The stated intent of this concept draft was to improve MainePERS representation.

REPORTS

The following required reports have been submitted to the Legislature:

WINDFALL ELIMINATION PROVISION/GOVERNMENT PENSION OFFSET

Resolve, chapter 23, enacted in the First Special Session of the 131st Legislature, directed the System to study and report on the creation and adoption of an interstate compact with other states affected by the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO). A report of recommendations was due on December 6, 2023, and was submitted on November 21, 2023. A copy of the report was previously provided to the Board.

BOARD AND PLD ADVISORY COMMITTEE ACTIVITY

The System is required to report annually to the Secretary of State on activities of the Board of Trustees and the PLD Advisory Committee. These reports were submitted on December 20, 2023, and copies were previously provided to the Board.

ESG POLICY

The System is required to report information annually to the Legislature regarding its environmental, social and governance investment policy. This report must disclose commonly available environmental performance metrics on the environmental effects of the Board's investment. This report was filed on December 19, 2023, and a copy was previously provided to the Board.

DIVESTMENT

The System is required to report information to the Legislature regarding the progress of divestment from fossil fuels and the implementation of the divestment law enacted in 2021 (PL c. 231). This report must be submitted annually by January 1, 2023, 2024 and 2025. The report was submitted on December 19, 2023, and a copy was previously provided to the Board.

PROCUREMENT

The System is required to report information annually to the Legislature regarding procurement, contributions, and changes to certain policies and procedures. This report is due annually by February 1. This report was submitted on January 25, 2024 and a copy was previously provided to the Board. After a public review of this and last year's reports on February 27, 2024, the Labor and Housing Committee issued a report finding no inconsistencies with the relevant statute or policy compliances issues. A copy of the Committee's report was previously provided to the Board.

MILITARY SUBSIDY REPORT

The System is required to report information annually to the Legislature regarding military service credit purchase requests received from certain categories of members. This report was submitted on February 5, and a copy was previously provided to the Board.

ANNUAL REPORT TO THE LEGISLATURE

The System is required to submit an annual report to the Legislature, including specific information set out in statute. This report was submitted on February 29, and a copy was previously provided to the Board.

OTHER REQUESTED UPDATES

The Labor and Housing Committee requested that the System provide the following information in spring 2024:

- "Update on the member portal, as well as information on future plans by MainePERS to continue phasing in the member portal and the ability of members to access that data going forward."
- "Update on how these rules (Chapter 506: Eligibility for Disability Retirement Benefits) are being implemented, including any feedback that MainePERS has received from members on the rules."

These updates were submitted on February 29, and copies were previously provided to the Board.