MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

Public Meeting Packet

August 13, 2026

MainePERS Board of Trustees
August 13, 2026
139 Capitol Street, Augusta

AGENDA

9:00 a.m.[1]		CALL TO ORDER		Brian Noyes
9:00 – 9:05 a.m.	1.	CONSIDERATION OF CONSENT CALENDAR • Minutes of July 9, 2026	ACTION	Brian Noyes
9:05 – 9:35 a.m.	2.	QUARTERLY PORTFOLIO REVIEW • Quarterly Portfolio Review • Public Market Asset Classes Review		James Bennett Scott Lupkas Brian McDonnell, Cambridge Assocs.
9:35 – 10:35 a.m.	3.	QUARTERLY ASSET CLASS REVIEWS		William Greenwood, Peter Sung, Albourne
10:35 – 10:50 a.m.		*BREAK*		
10:50 – 11:20 a.m.	4.	INVESTMENT REVIEW • Investment Classification Overview • Investment Monthly Review • Quarterly Rebalancing Report • RHIT/GLI/OPEB Quarterly Review		James Bennett Scott Lupkas
11:20 – 11:35 a.m.	5.	ACTUARIAL • Experience Study Report • GLI Premium Study and Rate Setting • GLI Premium Study Report	ACTION	Bill Brown Ryan Benitez, Daniel Rhodes, Cheiron
11:35 – 11:40 a.m.	6.	FINANCE AND AUDIT COMMITTEE REPORT		Shirrin Blaisdell
11:40 – 11:50 a.m.	7.	COST OF LIVING ADJUSTMENT	ACTION	Dr. Rebecca Wyke
11:50 a.m. – 12:00 p.m.	8.	RULEMAKING Rulemaking Action • Amended Rule Chapter 506 • Amended Rule Chapter 513	ACTION	Nanette Ardry
12:00 – 12:05 p.m.	9.	DC PLANS • Amended 403(b) plan documents	ACTION	Ella Braaten

[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. Rulemaking public hearings may begin earlier than the time listed on the agenda, but not earlier than the time in the notice published by the Secretary of State's Office.

12:05 – 12:20 p.m.	10.	CEO REPORT • Disability Retirement Experience Survey • Mission Moment – PAS Project		Dr. Rebecca Wyke Chip Gavin Joy Childs William Bockman
12:20 – 12:30 p.m.	11.	ADMINISTRATIVE REPORT		Chip Gavin Karen Doyle Joy Childs Nanette Ardry
12:30 – 12:35 p.m.	12.	LITIGATION UPDATE		John Nichols
12:35 – 1:05 p.m.		*LUNCH*		
1:05 – 2:35 p.m.	13.	GOVERNANCE • Best Practices in Board Governance • Board Self Evaluation ➢ Executive Session pursuant to 1 M.R.S. §405(6)(A) *Board moves out of executive session.*	 ACTION	David Maurek, Amy McDuffee, Mosaic Governance Brian Noyes
2:35 p.m.		ADJOURNMENT		Brian Noyes

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Minutes

Board of Trustees
Board Meeting
July 9, 2026

MainePERS
Portland
9:00 a.m.

The Board of Trustees met at MainePERS, One City Center, Fisher Meeting Room, 2nd Floor, Portland, ME 04101 at 9:00 a.m. on July 9, 2026. Dick Metivier, Vice Chair, presided. Other Trustees participating were: Brian Noyes, Chair; Greg Olson, Deputy State Treasurer; John Beliveau; Shirrin Blaisdell; Kirk Duplessis; Nick Fuller Googins, 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; Scott Lupkas, Deputy Chief Investment Officer; Chip Gavin, Chief Services Officer; Karen Doyle, Chief Financial Officer; Nanette Ardry, Associate General Counsel; Monica Gorman, Secretary to the Board of Trustees; and John Nichols, Assistant Attorney General and Board Counsel. The Board also was joined for select portions of the meeting by Bill Brown, Director of Actuarial and Legislative Affairs; Joy Childs, Chief Technology Officer; Stuart Cameron, Cambridge Associates; William Greenwood, Albourne; and Gene Kalwarski, Bonnie Rightnour and Greg Reardon, Cheiron.

Dick Metivier called the meeting to order at 9:00 a.m. Brian Noyes and Greg Olson participated through video remote access pursuant to 1 M.R.S. §403-B, having been excused from in-person attendance. All other Trustees attended in-person.

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 June 11, 2026

- Action. Shirrin Blaisdell made the motion, seconded by John Kimball, to approve the Consent Calendar. Unanimously voted in favor by six Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, and Metivier).

Brian Noyes and Greg Olson joined the meeting at 9:04 a.m.

PRIVATE MARKETS ACTION

Scott Lupkas presented recommendations to make commitments to Brookfield Super-Core Infrastructure Partners, GTCR Fund XV, and WhiteHawk V Onshore Fund, and to redeem MainePERS' investment in the King Street Capital strategy. Scott reported that the Investment Team classifies the investment in Brookfield Super-Core Infrastructure Partners Fund as "within-mandate" as the Fund's investment mandate includes sectors containing fossil fuel assets and expects such investments to constitute a minority of the Fund's investments. Scott also reported that the Investment Team believes investments in GTCR Fund XV and WhiteHawk V Onshore Fund are unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

Brookfield Super-Core Infrastructure Partners

- Action. John Beliveau made the motion, seconded by John Kimball, that MainePERS make a commitment of up to $300 million to Brookfield Super-Core Infrastructure Partners, 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 the documents in connection with this commitment. Seven Trustees (Beliveau, Blaisdell, Duplessis, Kimball, Metivier, Noyes, and Olson) voted in favor and one abstention (Fuller Googins).

GTCR Fund XV

- Action. John Kimball made the motion, seconded by John Beliveau, that MainePERS make a commitment of up to $75 million to GTCR Fund XV, 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 the documents in connection with this commitment. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Olson).

WhiteHawk V Onshore Fund

- Action. Shirrin Blaisdell made the motion, seconded by John Kimball, that MainePERS make a commitment of up to $250 million to WhiteHawk V Onshore Fund, 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 the documents in connection with this commitment. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Olson).

King Street Capital

- Action. John Beliveau made the motion, seconded by Shirrin Blaisdell, that MainePERS authorize the Chief Executive Officer, Chief Investment Officer, and General Counsel as signatories to execute documents necessary to redeem the MainePERS' investment in the King Street Capital strategy. Unanimously voted in favor by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Olson).

INVESTMENT REPORTS

Investment Monthly Report

Jim Bennett reported that as of June 30, 2026, the MainePERS fund had a preliminary market value of $22.8 billion, the preliminary return for the month was -0.3%, and the preliminary calendar year-to-date return was 4.2%. Jim stated there will not be a managers meeting in July but expects meetings to be held in August and September.

ASSET ALLOCATION AND CAPITAL MARKET ASSUMPTIONS REVIEW

Stuart Cameron provided an overview on capital market assumptions, explaining their purpose in the strategic asset allocation analysis and long-term risk/return projections. He also outlined the methodology used to develop these assumptions. Stuart answered questions from the Trustees.

LITIGATION UPDATE

John Nichols stated in the O'Bryon case the court has ordered that the matter be remanded back to the agency so the next step is the administrative process at the agency. John shared in the Clopper FOA matter, oral arguments would be heard in September or October.

ADMINISTRATIVE REPORT

Chip Gavin shared the pension administration project successfully moved to Phase 4.2 and remains on track for launch in 2028. Chip also stated the project is on track for schedule, expenses (budget), quality, and scope. Chip stated the disability unit has adopted a waiver process that allows filing requirements of the annual statement of compensation to be waived.

Karen Doyle stated one of the oldest unreconciled accounts has been removed with the remaining three being actively worked on. She shared on time payroll submissions were down, but most were submitted within three days of the deadline. Karen stated that the internal audit on vendor management policies and practices continues.

Joy Childs shared the IT Team (Operations Group, Development and Line of Business, and Project Management and Business Analysts) continues to work on various aspects of the PAS Project. She shared the Information Security Team continues working with the cybersecurity vendor on multiple scans and tests.

Michael Colleran stated the contract was finalized with PDS, the new payroll and human resources information system vendor. Michael shared contracting also has been completed with Albourne as the Risk Diversifiers Consulting Firm.

RULEMAKING

Nanette Ardry reviewed the proposed rulemaking actions for the following: replacement Rule Chapter 410 (Retirees Returning to Work); amendment to Rule Chapter 602 (Procedures for Contract Awards); and adoption of new Rule 703 (Advisory Rulings).

- Action. Shirrin Blaisdell made the motion, seconded by John Beliveau, that the Board adopt replacement Rule Chapter 410, amended Rule Chapter 602 and new Rule Chapter 703 and their respective basis statements. Unanimously voted by eight Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Kimball, Metivier, Noyes, and Perry).

Public Hearings Proposed Amended Rule Chapters 506 and 513

Nanette Ardry summarized the proposed amendment to Rule Chapter 506 (Eligibility for Disability Retirement Benefits) and to Rule Chapter 513 (Disability Retirement Compensation Limitations and Benefit Offsets)

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.

No public comments were offered.

Dick Metivier stated written public comments may be submitted until 4:00 p.m. on July 20, 2026.

ACTUARIAL

Rate-Setting for State-Sponsored Plans FY 28-29

Gene Kalwarski, Bonnie Rightnour, and Greg Reardon reviewed with the Trustees a presentation of the pension rates for FY28-29 for the State Employee and Teacher Retirement Program, Judicial Retirement Program, and Legislative Retirement Program. The group answered questions from the Trustees.

- Action. Motion by Shirrin Blaisdell, seconded by John Beliveau, that the Board approve the recommended rates for the State Employee and Teacher Retirement Program, Judicial Retirement Program and Legislative Retirement Program for fiscal years 2028 and 2029. Voted in favor by seven Trustees (Beliveau, Blaisdell, Duplessis, Fuller Googins, Metivier, Noyes, and Perry) with one opposed (Kimball).

CEO REPORT

Dr. Rebecca Wyke thanked Michael Colleran for his dedication and hard work at MainePERS as he readies for retirement at the end of this month. She shared that Ella Braaten, our current Compliance Officer, will become the Deputy General Counsel. Dick Metivier congratulated Nanette Ardry and Chip Gavin on their new roles as General Counsel and Chief Operating and Services Officer.

Dick Metivier, on behalf of the Board, thanked Michael for his years of service and commitment to MainePERS. They wished him well in his retirement.

Dr. Wyke shared the Board self-evaluation survey will be emailed today with responses due by July 20th. She stated David Maurek, from Mosaic Governance, will be attending the August meeting and will provide the results of the survey and also provide governance education.

Succession Planning

Lynn Clark, Director of Administration and Human Resources, provided a presentation of the organization's succession planning progress. Lynn answered questions from the Trustees.

Mission Moment – Communications

Domna Giatas, Director of Communications, provided an overview of the Communications Unit's role. Domna shared the work with various stakeholders keeping them informed through newsletters, MainePERS' website, and surveys. She answered questions from the Trustees.

ADJOURNMENT

The meeting adjourned at approximately 11:34 a.m.

8/13/26
Date Approved by the Board

Dr. Rebecca M. Wyke, Chief Executive Officer

Date Signed

CAMBRIDGE ASSOCIATES

MainePERS

Second Quarter Performance Review

August 2026

Performance Review

Section I

Rolling Total Portfolio Returns

As of June 30th, 2026

Note: Discount rates are based off the Annual Comprehensive Financial Reports. Returns data are based on MainePERS historical monthly returns provided by JP Morgan. 3-, 5-, and 10-year returns are annualized.

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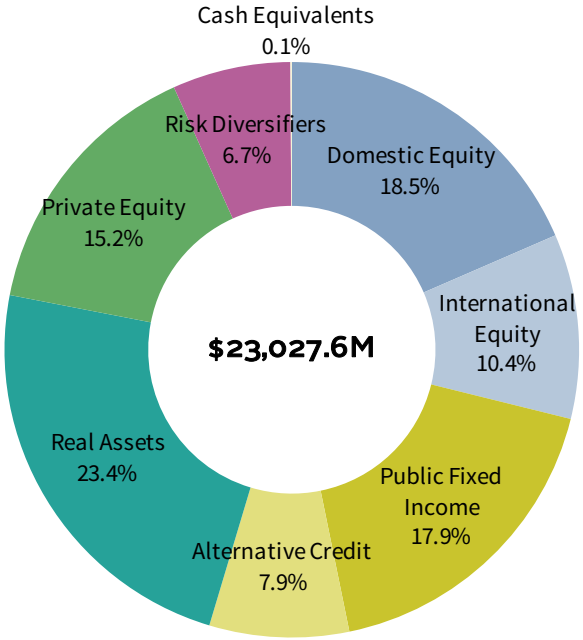
MainePERS Allocation Snapshot

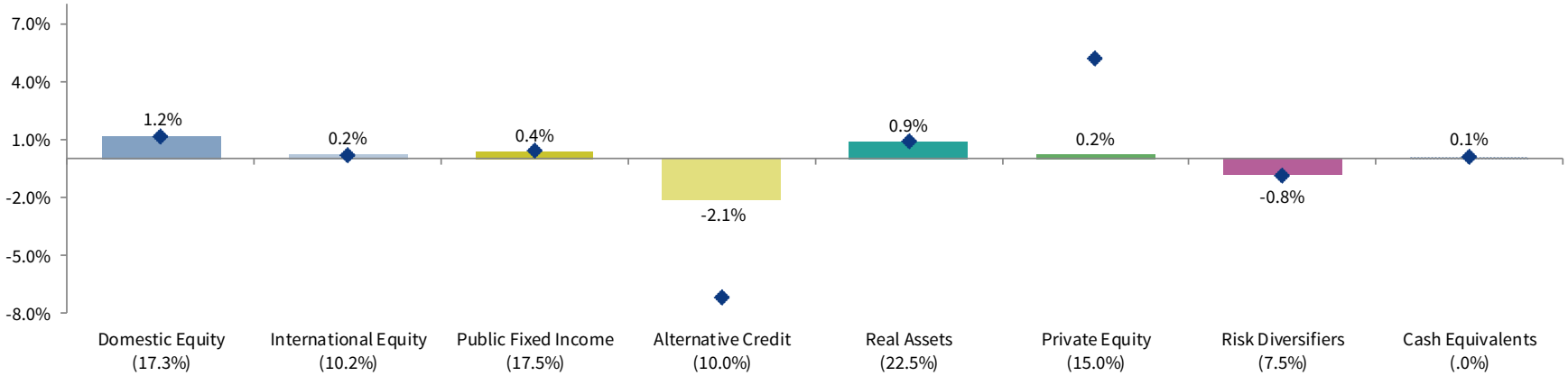
As of June 30th, 2026

Asset Allocation ($ Millions)

Asset Class	$(M)	%
Domestic Equity	$4,257.8	18.5%
International Equity	$2,389.8	10.4%
Public Fixed Income	$4,126.1	17.9%
Alternative Credit	$1,808.6	7.9%
Real Assets	$5,390.6	23.4%
Private Equity	$3,504.4	15.2%
Risk Diversifiers	$1,532.8	6.7%
Cash Equivalents	$17.4	0.1%
Total	**$23,027.6**	**100.0%**



Relative Weights vs. Transitional Policy Weights (Bar) and Strategic Policy Weights (Diamond)



Note: Interim Policy Target allocation in parentheses. Asset class, composite breakout, and performance is based on JP Morgan performance data. Risk Diversifiers NAV is preliminary. Figures might not add due to rounding.

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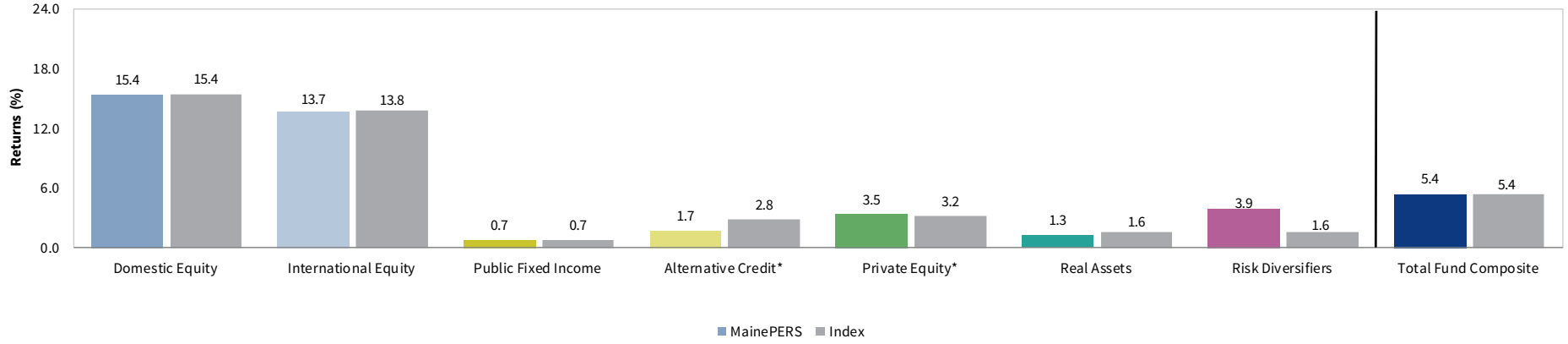
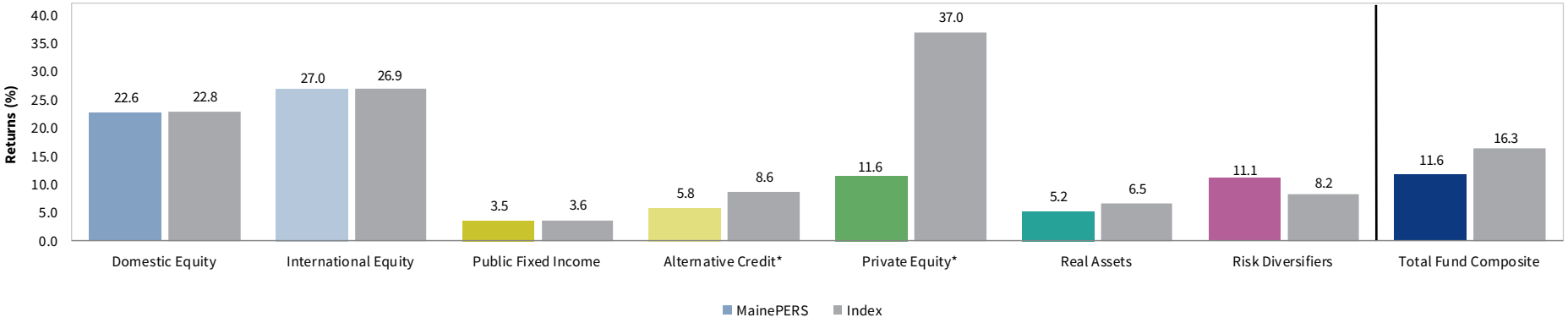
MainePERS Asset Class Performance

As of June 30th, 2026

Quarter-to-Date
April 1st, 2026- June 30,2026



Trailing 1-year
July 1st, 2025- June 30, 2026



Note: Returns reported by J.P. Morgan. 1-year Real Assets index return is calculated by Cambridge Associates. The 1-year Real Assets index returns are CPI + 3%.
*Performance is reported on a quarter lag, as of March 31, 2026

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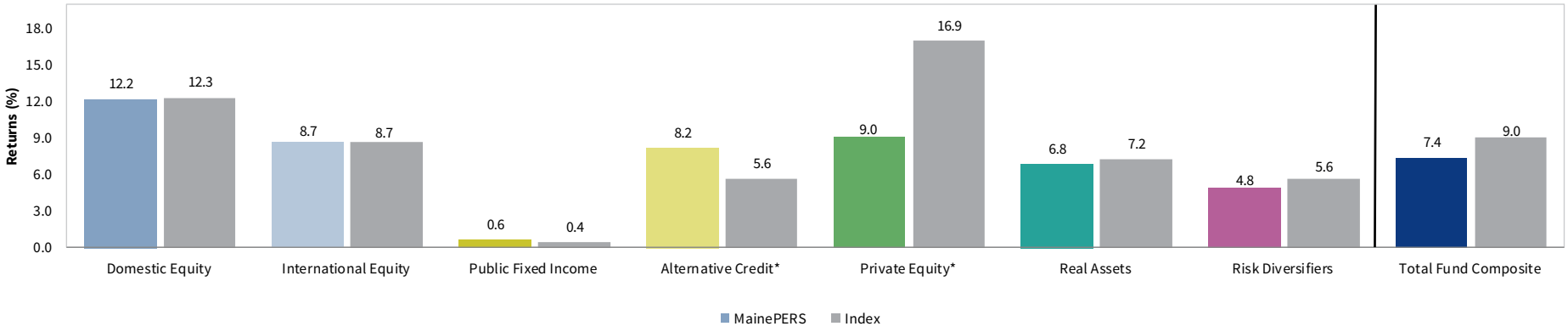
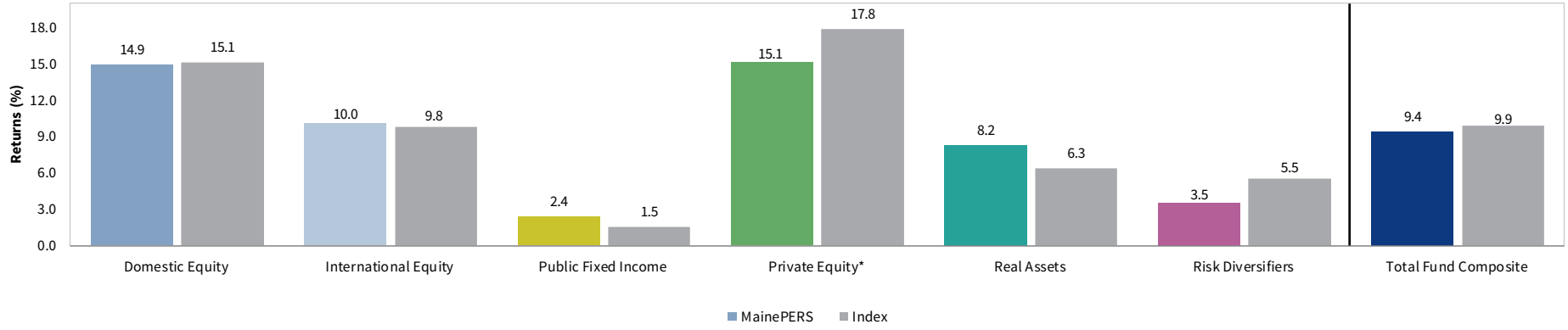
MainePERS Asset Class Performance

As of June 30th, 2026

Trailing 5-year
July 1st, 2021 - June 30, 2026



Trailing 10-year
July 1st, 2016 - June 30, 2026



Note: Returns reported by J.P. Morgan. 5-year Real Assets index return and 10-year index returns are calculated by Cambridge Associates. The 10-year index return for Risk Diversifiers was calculated using the 0.3*ACWI benchmark for the period from June 30, 2016 through December 31, 2025, and 90-day Treasury Bills + 3% for the period from January 1, 2026 through June 30, 2026, reflecting the benchmark change approved effective January 1, 2026. The 5-year and 10-year Real Assets index returns are CPI + 3%.
*Performance is reported on a quarter lag, as of March 31, 2026.

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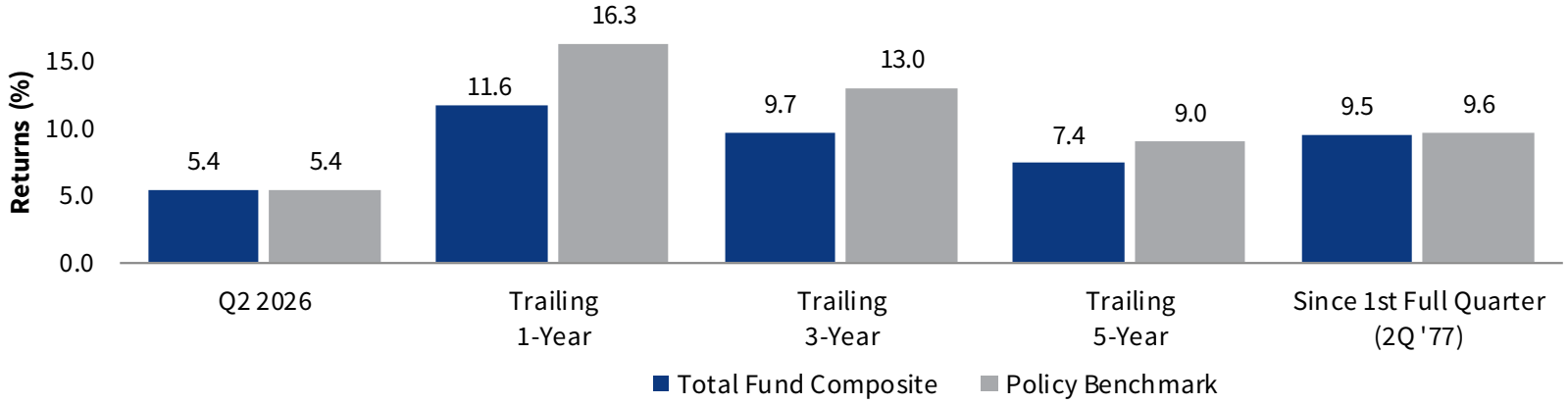
MainePERS Performance Summary

As of June 30th, 2026

Total Portfolio Performance



	Q2 2026	Trailing 1-Year	Trailing 3-Year	Trailing 5-Year	Since 1st Full Quarter (2Q '77)
Total Fund Composite	5.4	11.6	9.7	7.4	9.5
Policy Benchmark	5.4	16.3	13.0	9.0	9.6
Value Added	*0.0*	*(4.7)*	*(3.3)*	*(1.7)*	*(0.1)*

CA considers it best practice to benchmark private investments (PI) against a public index (e.g., MSCI ACWI) because private indices are not investable, lack transparency, and do not accurately represent investor exposure

As of June 30, 2026, MainePERS had a 15.2% allocation to private equity and the composite's trailing 1-year return of 11.6% has lagged the Private Equity Benchmark return of 37.0%

Since the private portfolio is benchmarked against a public index, this underperformance is prominently reflected in the overall portfolio performance relative to the total policy benchmark

Note: Value-add figures may not reconcile due to rounding.

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Asset Class Benchmarks and Target Weights

As of June 30th, 2026

Asset Class	Benchmark	Transitional Target	Strategic Target
	Russell 3000[1]	17.3%	17.3%
	MSCI ACWI ex US[2]	10.2%	10.2%
Public Equity	Total Public Equity	27.5%	27.5%
Private Equity	Russell 3000 + 3% per annum (1 qtr lag)	15.0%	10.0%
Risk Diversifiers	90 Day T-Bills + 3%	7.5%	7.5%
Real Assets	CPI +3%	22.5%	22.5%
Alternative Credit	LTSA LL	10.0%	15.0%
Public Fixed Income	40% U.S. Agg Ex-Gov / 30% U.S. GOV / 30% U.S. TIPS[3]	17.5%	17.5%
Total		**100.0%**	**100.0%**

1. Russell 3000 weight is based upon the MSCI ACWI weighting for US
2. MSCI ACWI ex US weight is based upon the MSCI ACWI weighting for International
3. 40% Bloomberg U.S. Aggregate Bond Index ex Government / 30% Bloomberg U.S. Government Index / 30% Bloomberg U.S. Treasury Inflation Protected Securities TIPS Index

Note: The table reflects both the strategic allocation weights approved on 11/13/25 and the transitional benchmark weights approved effective 01/01/26.

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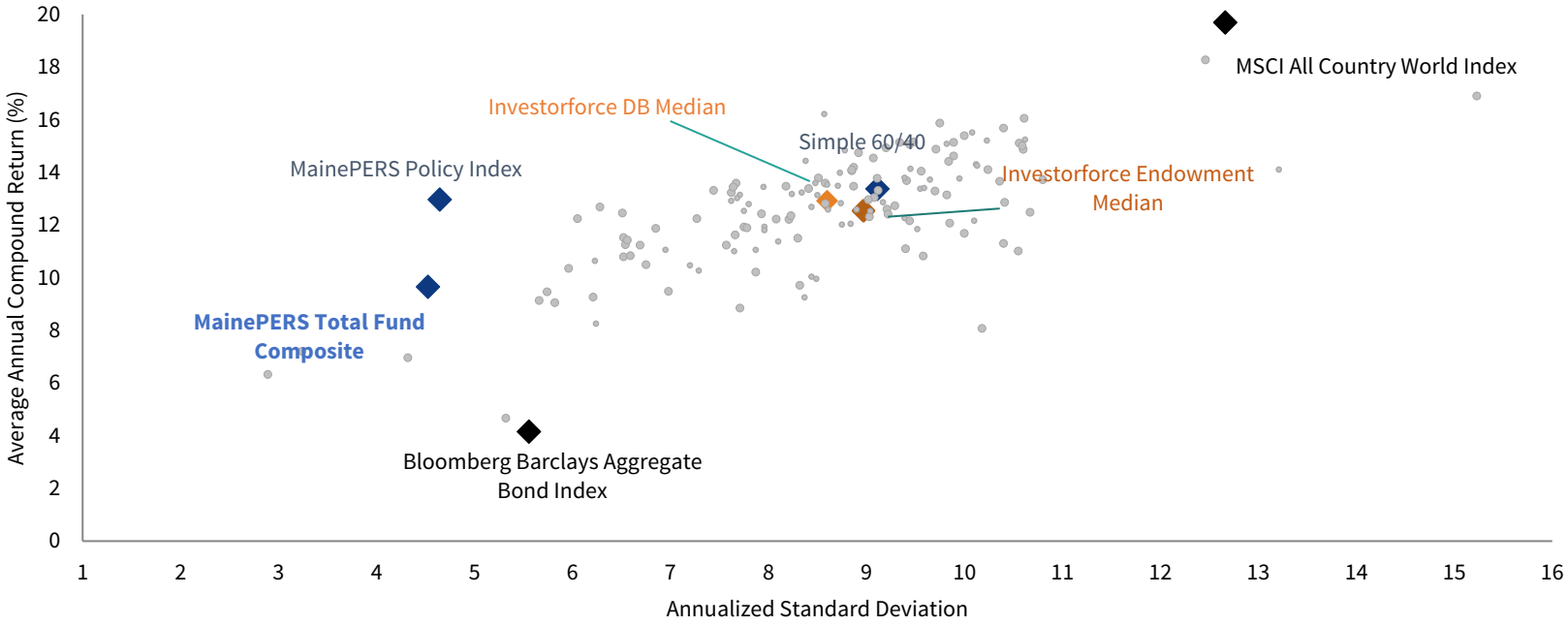
MainePERS Risk/Return – 3 Years

As of June 30th, 2026



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio[1]	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	9.7	**4.5**	**0.2**	**0.19**
MainePERS - Policy Index	13.0	4.6	1.3	0.21
Simple 60/40	13.4	9.1	1.0	0.71
Investorforce Public DB Plan Median	12.9	8.6	1.0	---
Investorforce Endowment Median	12.6	9.0	0.9	---
Indices				
MSCI All Country World Index (Net)	19.7	12.7	1.2	--
Bloomberg Barclays Aggregate Bond Index	4.2	5.6	-0.1	0.26

Note: Calculations are based on monthly data, net of fees.
[1]The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard deviations are based on monthly data, net of fees.
[2] Simple 60/40 is 60% MSCI ACWI and 40% BBG Aggregate US Bond Index.
[3] Net Investor Force Median data reflects median of 3-year returns and the standard deviations as reported by institutions with over $100m in assets to Investor Force.

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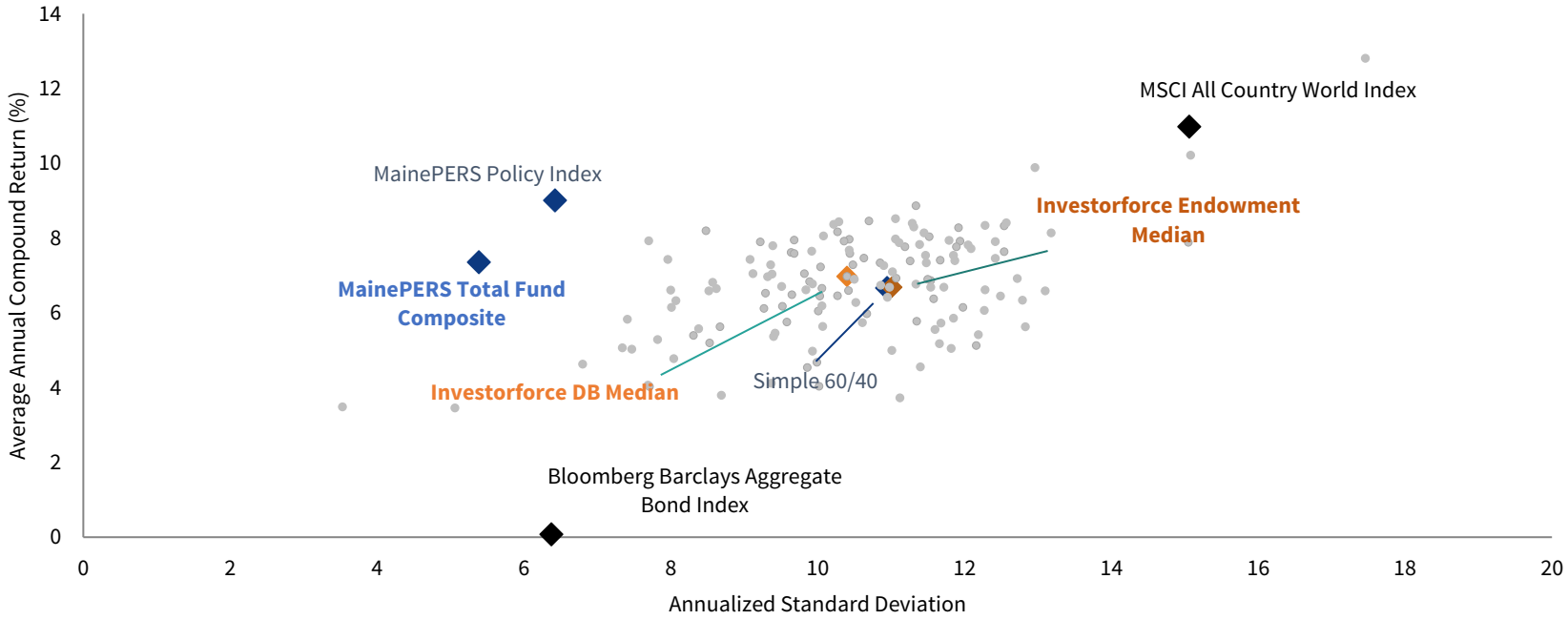
MainePERS Risk/Return – 5 Years

As of June 30th, 2026



	Average Annual Compound Return	Annualized Standard Deviation	Sharpe Ratio[1]	Beta vs. MSCI ACWI
MainePERS - Total Fund Composite	7.4	**5.4**	**0.3**	**0.25**
MainePERS - Policy Index	9.0	6.4	0.6	0.33
Simple 60/40	6.7	10.9	0.3	0.71
Investorforce Public DB Plan Median	7.0	10.4	0.3	---
Investorforce Endowment Median	6.7	11.0	0.3	---
Indices				
MSCI All Country World Index (Net)	11.0	15.1	0.5	--
Bloomberg Barclays Aggregate Bond Index	0.1	6.4	-0.5	0.28

Note: Calculations are based on monthly data, net of fees.
[1]The Sharpe Ratio represents the excess return generated for each unit of risk. To calculate this number, subtract the average T-Bill return (risk-free return) from the manager's average return, then divide by the manager's standard deviation. The Investor Force data uses the median return and standard deviations are based on monthly data, net of fees.
[2] Simple 60/40 is 60% MSCI ACWI and 40% BBG Aggregate US Bond Index.
[3] Net Investor Force Median data reflects median of 5-year returns and the standard deviations as reported by institutions with over $100m in assets to Investor Force.

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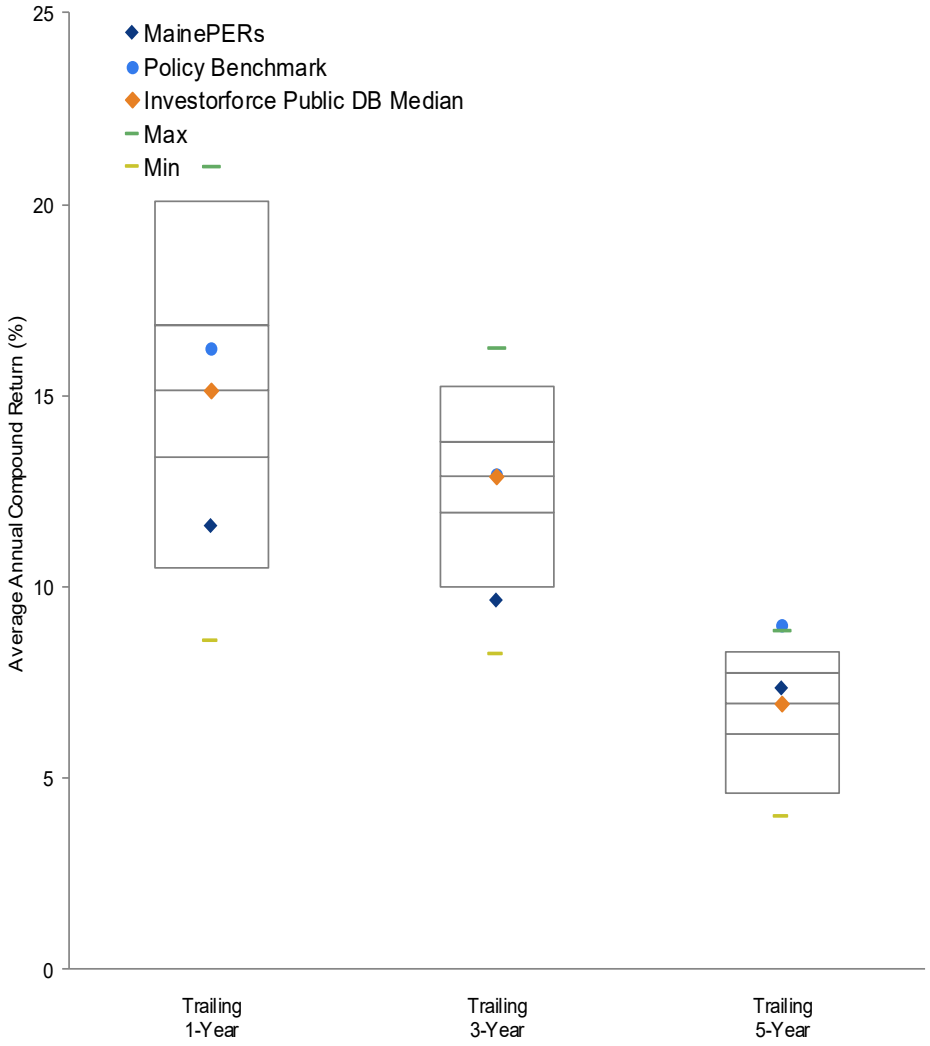
MainePERS vs. Defined Benefit Peers

As of June 30th, 2026



	One Year	Three Year	Five Year
MainePERS	**11.6**	**9.7**	**7.4**
Policy Benchmark	16.3	13.0	9.0
Max	21.0	16.2	8.9
5th Percentile	20.1	15.2	8.3
25th Percentile	16.9	13.8	7.8
Investorforce Public DB Median	15.1	12.9	7.0
75th Percentile	13.4	11.9	6.2
95th Percentile	10.5	10.0	4.6
Min	8.6	8.3	4.0
Sample Size			
n	55	53	53

Notes: One-, three-, and five-year returns are annualized.

Source: InvestorForce – All Public DB Plans Q2 2026
Note: Net InvestorForce median data reflects medians of 1-, 3-, and 5-year returns as reported by plans with AUM exceeding $100 million.

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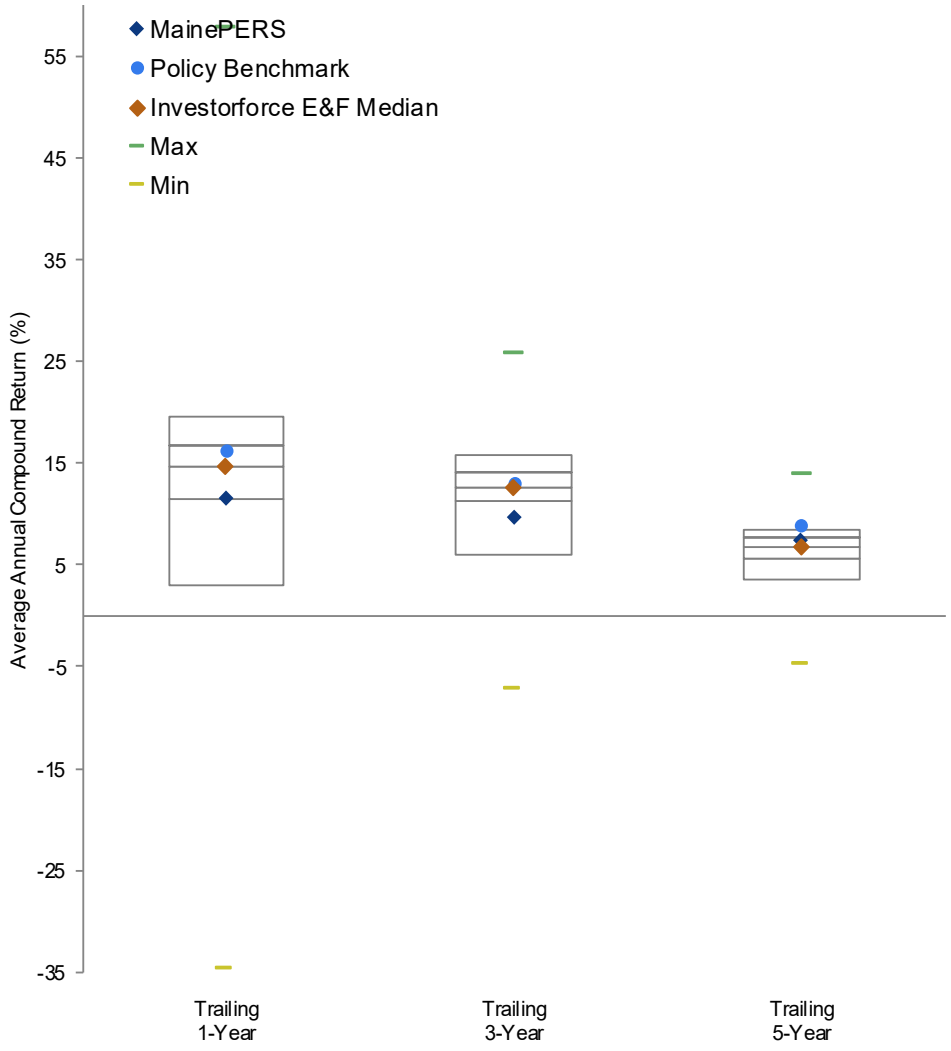
MainePERS vs. E&F Peers

As of June 30th, 2026



	One Year	Three Year	Five Year
MainePERS	**11.6**	**9.7**	**7.4**
Policy Benchmark	16.3	13.0	9.0
Max	57.8	25.8	13.9
5th Percentile	19.6	15.7	8.5
25th Percentile	16.7	14.1	7.7
Investorforce E&F Median	14.7	12.6	6.7
75th Percentile	11.5	11.2	5.6
95th Percentile	3.0	5.9	3.5
Min	-34.6	-7.2	-4.7
Sample Size			
n	97	96	93

Notes: One-, three-, and five-year returns are annualized.

Source: InvestorForce – All Endowments and Foundations Q2 2026.
Note: Net InvestorForce median data reflects medians of 1-, 3-, and 5-year returns as reported by plans with AUM exceeding $100 million.

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Market Update

Section II

Key takeaways for Second Quarter 2026 market action

Global equities soared in Q2 as geopolitical risks faded, AI enthusiasm resumed, and earnings expectations strengthened.

- A late-quarter easing of tensions in the Middle East, including an MOU between Iran and the United States, helped improve risk sentiment and reduced fears of a prolonged energy shock.
- The MSCI ACWI returned 14.9%, its best since news of COVID-19 vaccines surfaced in 2020, with EM equities (24.1%) significantly outperforming DM peers (13.8%).
- Korea (+87.6%) and Taiwan (+48.9%) fueled EM outperformance though performance was concentrated in a handful of chip stocks.

Central bank and macro data were taken in stride, with investors focused on strength in corporate fundamentals as opposed to mixed inflation and growth data.

- As expected, in response to the threat of broadening inflationary pressures, the ECB hiked its key deposit rate by 25 bps. However, softer economic activity and easing commodity prices meant benchmark sovereign bond yields actually fell during the quarter.
- US labor markets strengthened, and PMIs turned upward, while a hawkish tilt from the Fed under new Chair Kevin Warsh pushed US yields higher. US yields also rose versus peers, giving the dollar some support.

Equity market leadership shifted but markets remain focused on the AI infrastructure buildout.

- Growth stocks recovered in Q2 but still trail value stocks YTD; for example, the Russell 1000® Value Index outperformed its growth counterpart by more than 1,000 bps (16.3% vs 5.1%).
- Upward revisions to earnings forecasts supported stocks across markets and style factors. Large-cap US stocks are expected to see earnings rise around 25% in 2026, paced by a 30%+ rise in growth stock earnings. Non-US developed markets earnings expectations have also jumped to around 17% since the middle of Q2 as perceived headwinds from high energy prices fade.
- Still, below the surface there are concerns over the AI buildout and its call on free cash flow from the hyperscalers, which has led to some rotation. The Bloomberg Magnificent 7 Total Return Index soared in Q2 but is essentially flat in 2026 YTD despite IT stocks returning nearly 20%.
- The $86 billion SpaceX IPO shattered records and reinforced the value creation taking place in some private markets, though raised some questions over governance and its lofty valuation.

Commodity prices retreated.

- While positive for equity and bond markets overall, hopes for a resolution of the Iran War meant oil prices retreated to pre-war levels. Energy equities sank (e.g., MSCI US energy down 13.6%), while the S&P GSCI™ energy index plunged 17.0%.

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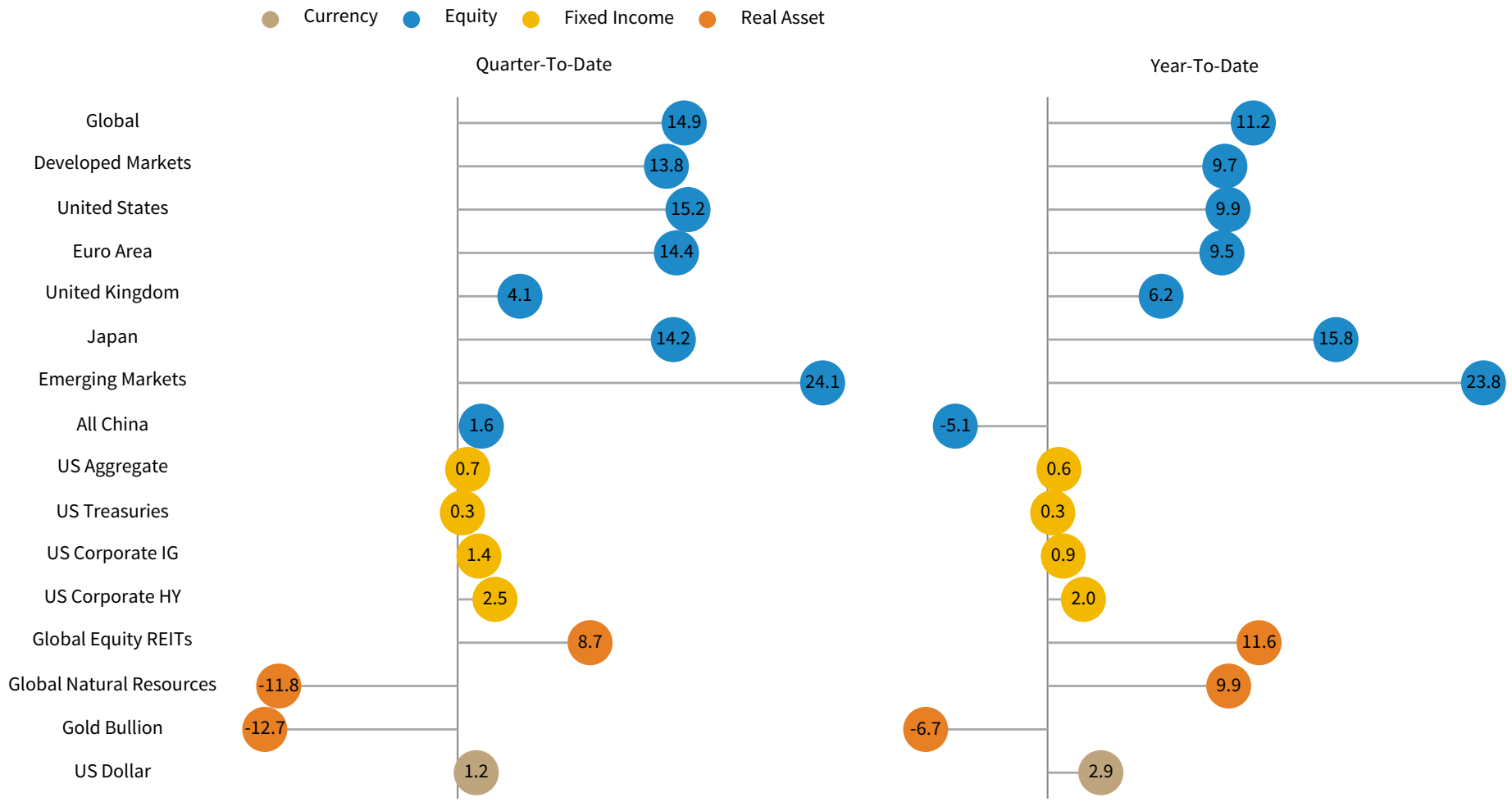
Semiconductors drove robust Q2 returns while a decline in energy prices caused some rotation in June

Global asset class performance
As of June 30, 2026 • US dollar terms • Percent (%)



Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited.
Sources: Bloomberg Index Services Limited., ICE Benchmark Administration Ltd., MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Equity data are total returns net of dividend taxes of MSCI indexes. Fixed income data are total returns of Bloomberg indexes. MSCI Global Equity REIT Index, the MSCI ACWI Commodity Producers Index, and LBMA gold prices are used to calculate real asset performances. The US Dollar Index (DXY) is used to calculate US dollar performance.

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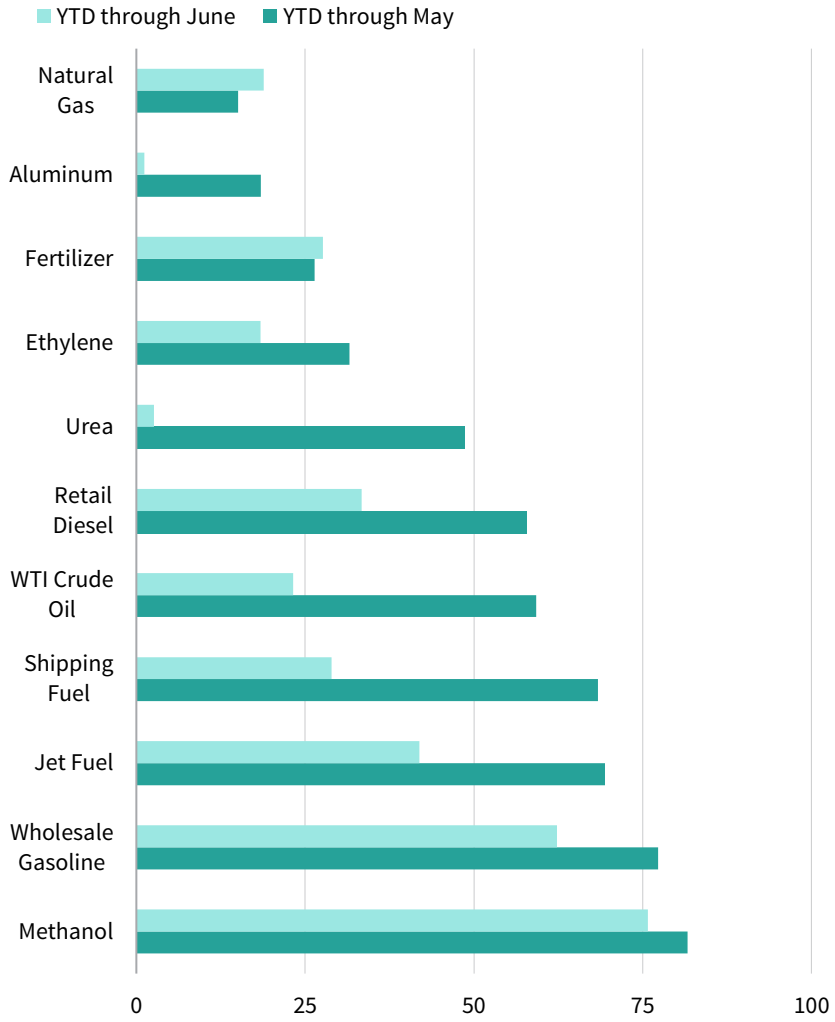
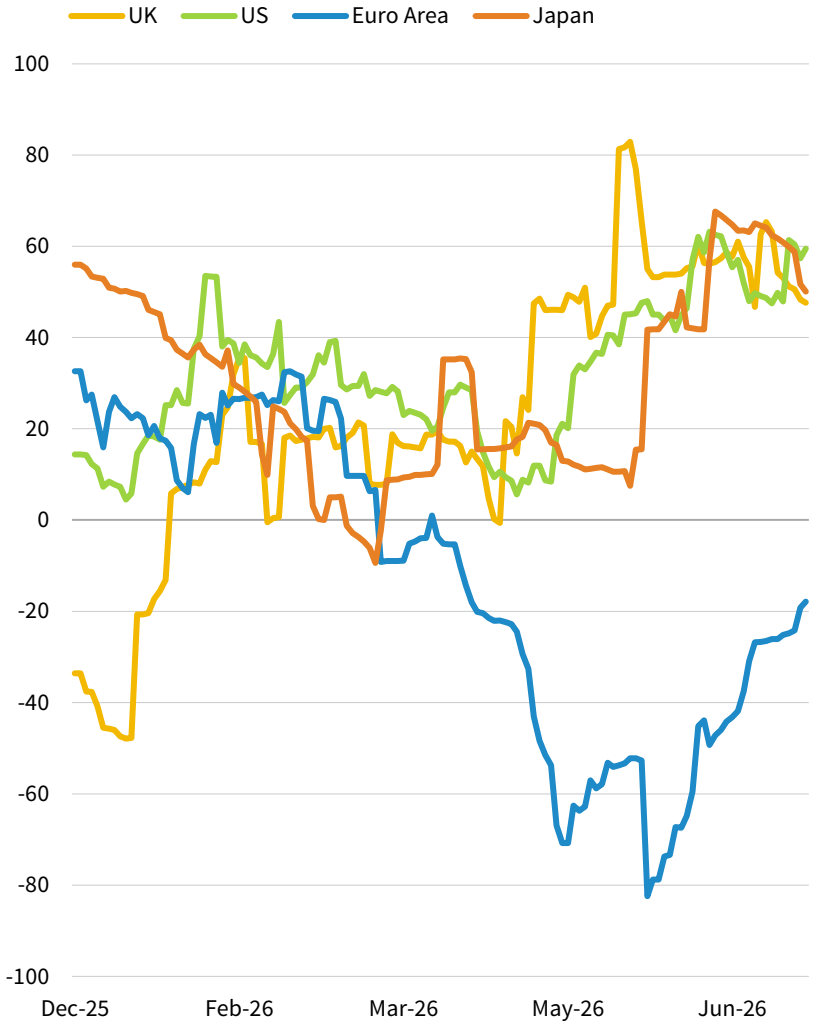
Energy importers benefited from a decline in input prices toward quarter end

Commodity price changes
December 31, 2025 – June 30, 2026 • USD terms • Percent (%)



Citi economic surprise indexes
December 31, 2025 – June 30, 2026



Sources: Bloomberg L.P., Citigroup Inc., Polymerupdate, Ship & Bunker, US Energy Information Administration, and Thomson Reuters Datastream.
Note: Commodity price changes may differ by region and benchmark.

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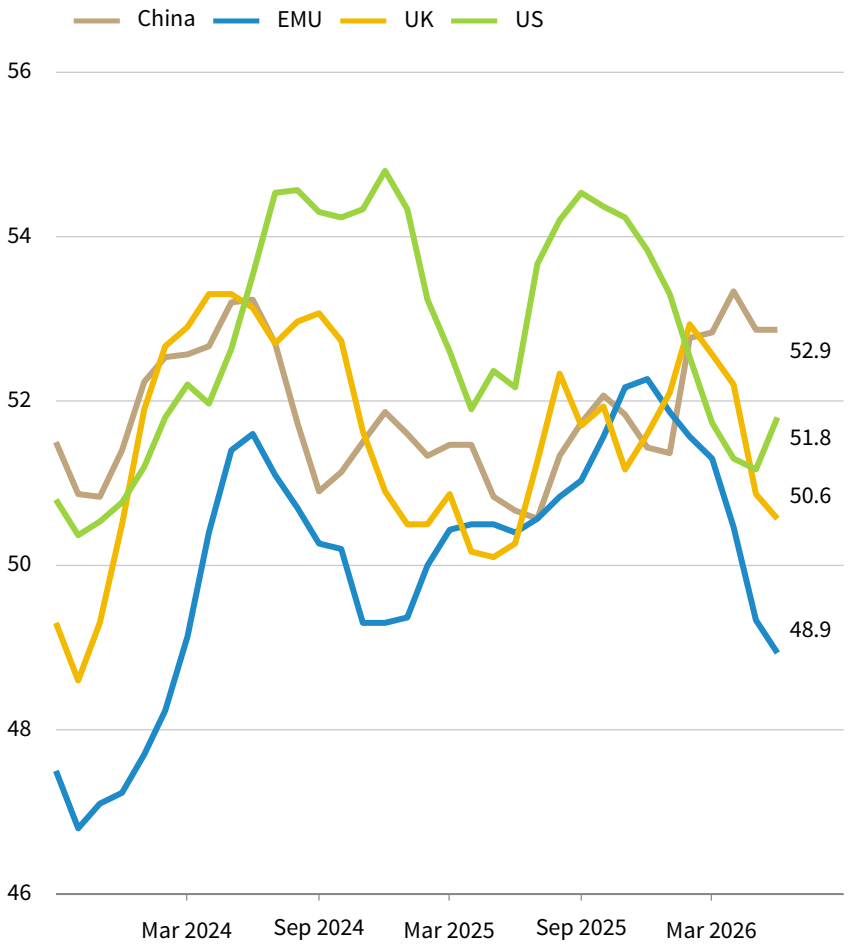
European economic activity slowed in Q2 while growth expectations were revised downward

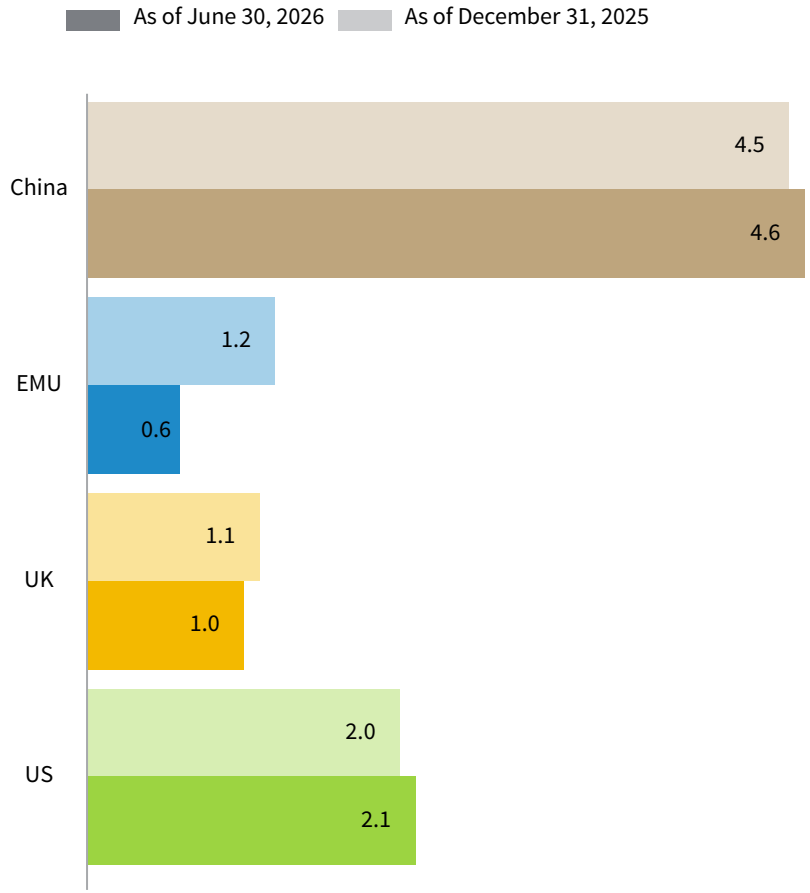
Composite PMIs

September 30, 2023 – June 30, 2026 • Index Value



2026 real GDP growth estimates

Percent (%)



Sources: Bloomberg L.P., S&P Global, and Thomson Reuters Datastream.
Note: Composite PMI data represent three-month averages. Latest China data are as of May 2026.

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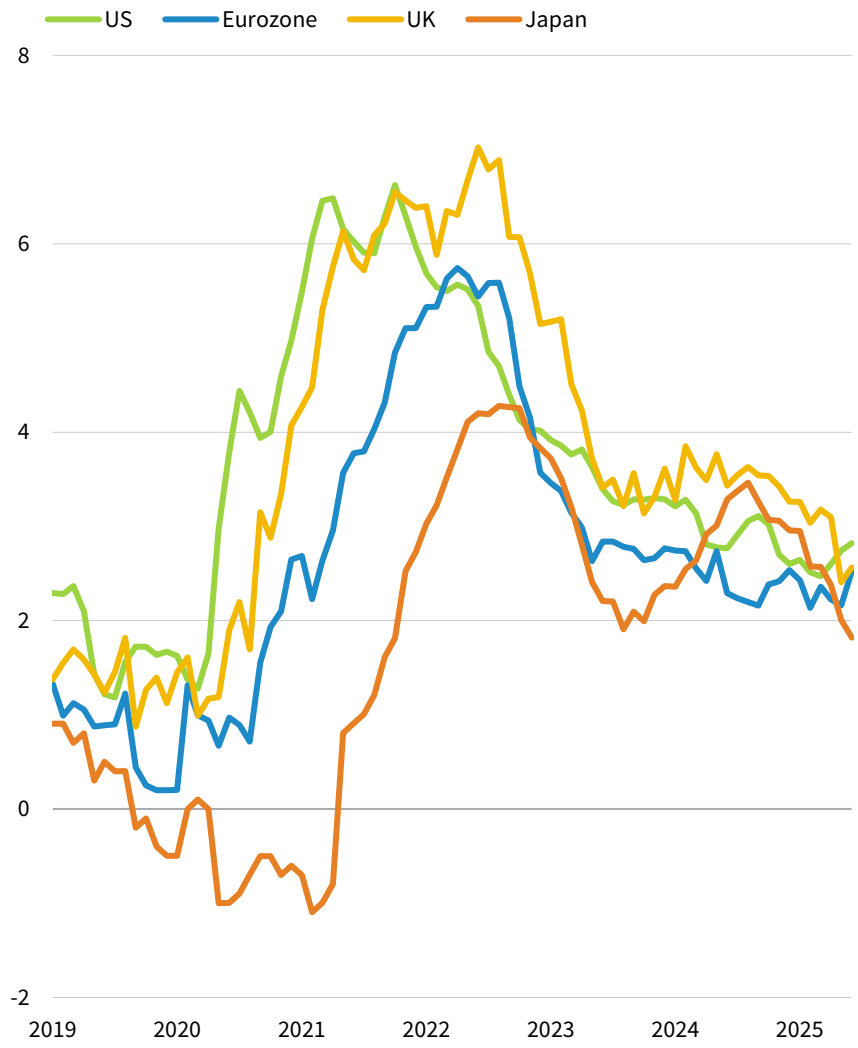
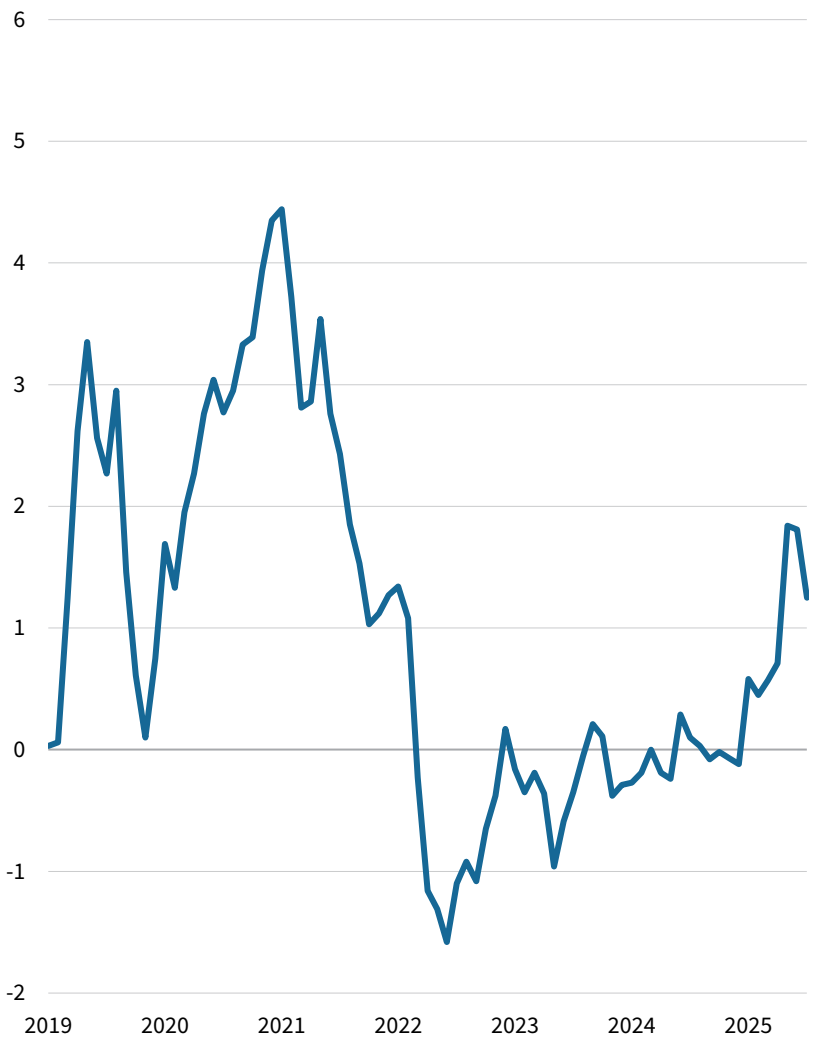
Underlying inflation remains contained, with some moderate divergence between US and peers

Core CPI for select regions
December 31, 2019 – May 31, 2026 • YOY percent change (%)



New York Fed Global Supply Chain Pressure Index
December 31, 2019 – June 30, 2026 • Z-score



Sources: Federal Reserve, National Sources, and Thomson Reuters Datastream.
Note: The Global Supply Chain Pressure Index integrates transportation cost data and manufacturing indicators to provide a gauge of global supply chain conditions.

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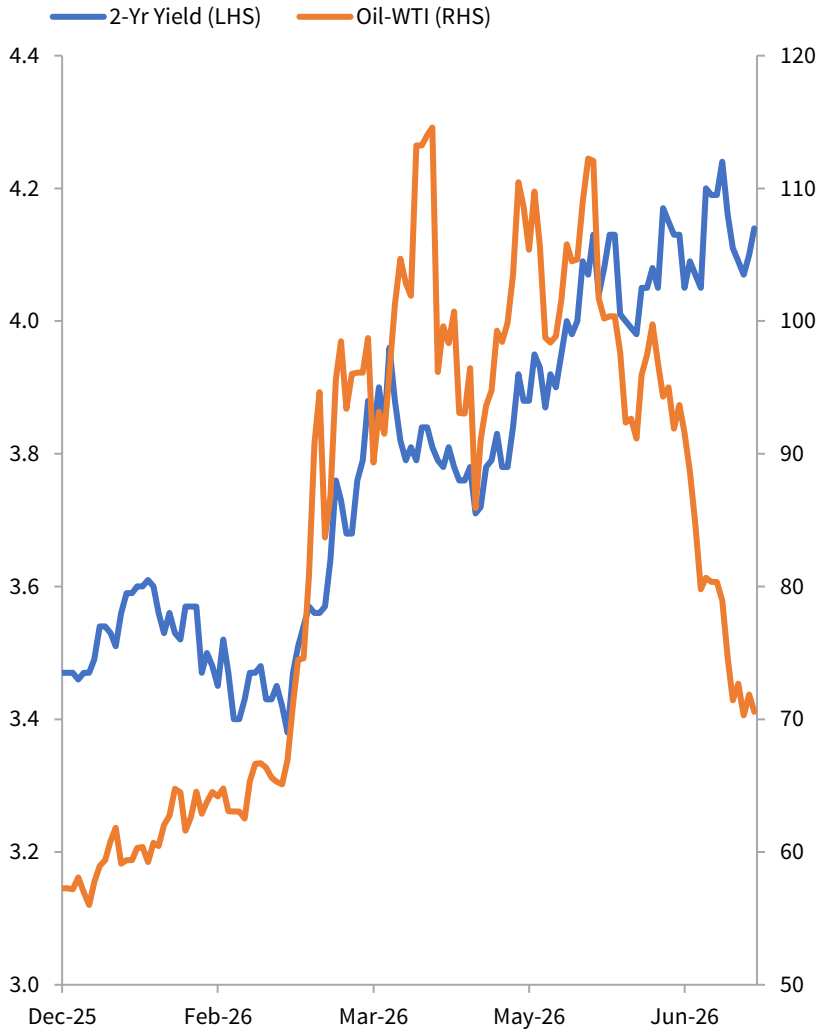
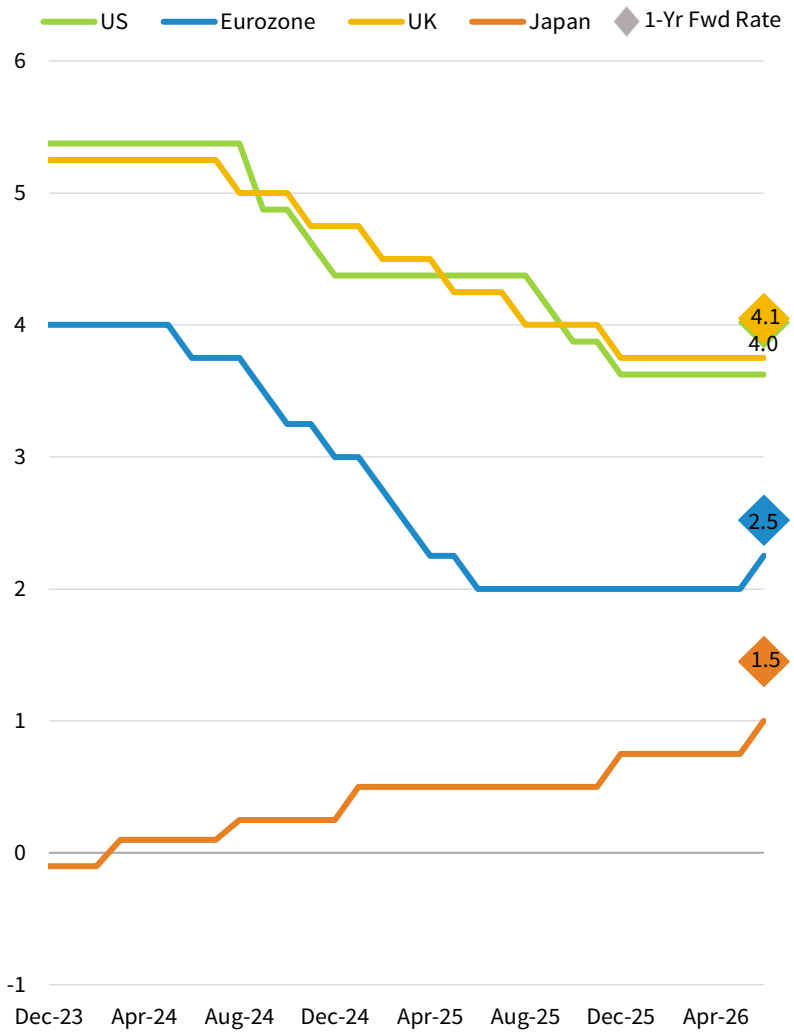
Oil prices ceased to be the primary driver of US rates expectations as the Fed abandoned its easing bias

US 2-yr yield vs oil price
December 31, 2025 – June 30, 2026



Policy rates for select regions and 1-yr forward rate
December 31, 2023 – June 30, 2026 • Percent (%)



Sources: Bloomberg L.P., National Sources, and Thomson Reuters Datastream.
Notes: The federal funds target range is 3.50%–3.75%; the midpoint of 3.63% is used to represent future market expectations. Diamonds on the RHS chart indicate market-implied one-year forward rates. European Central Bank (ECB) data reflect the ECB overnight deposit rate.

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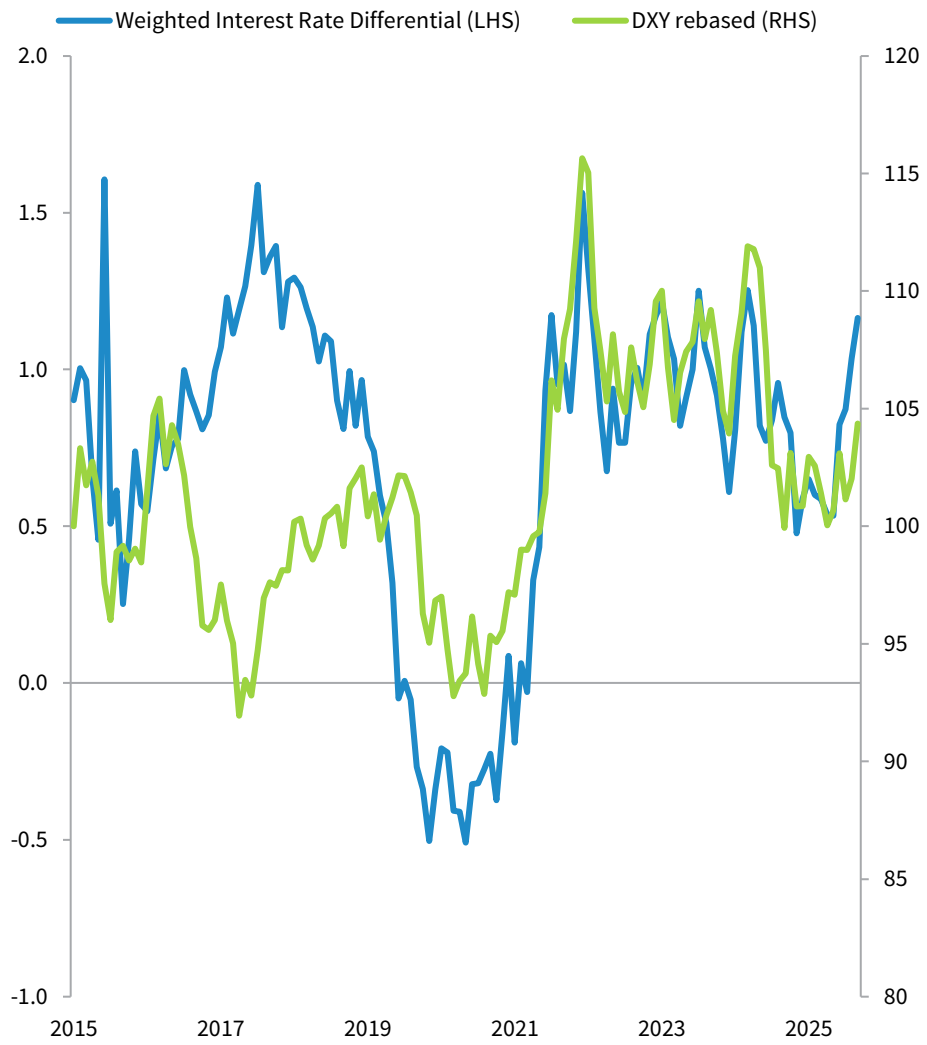
The Iran War and higher rates have boosted the US dollar

DXY Index daily level
December 31, 2023 – June 30, 2026

5-yr real rate differential and the dollar index
October 31, 2015 – June 30, 2026 • October 31, 2015 = 100



Sources: ICE BofA Merrill Lynch and Thomson Reuters Datastream.
Notes: LHS data are shown at a daily frequency. The real FX rate differential is calculated as the five-year US TIPS yield minus the weighted average of five-year real yields for the Euro (45%), CAD (29%), GBP (11%), JPY (11%), and AUD (3%).

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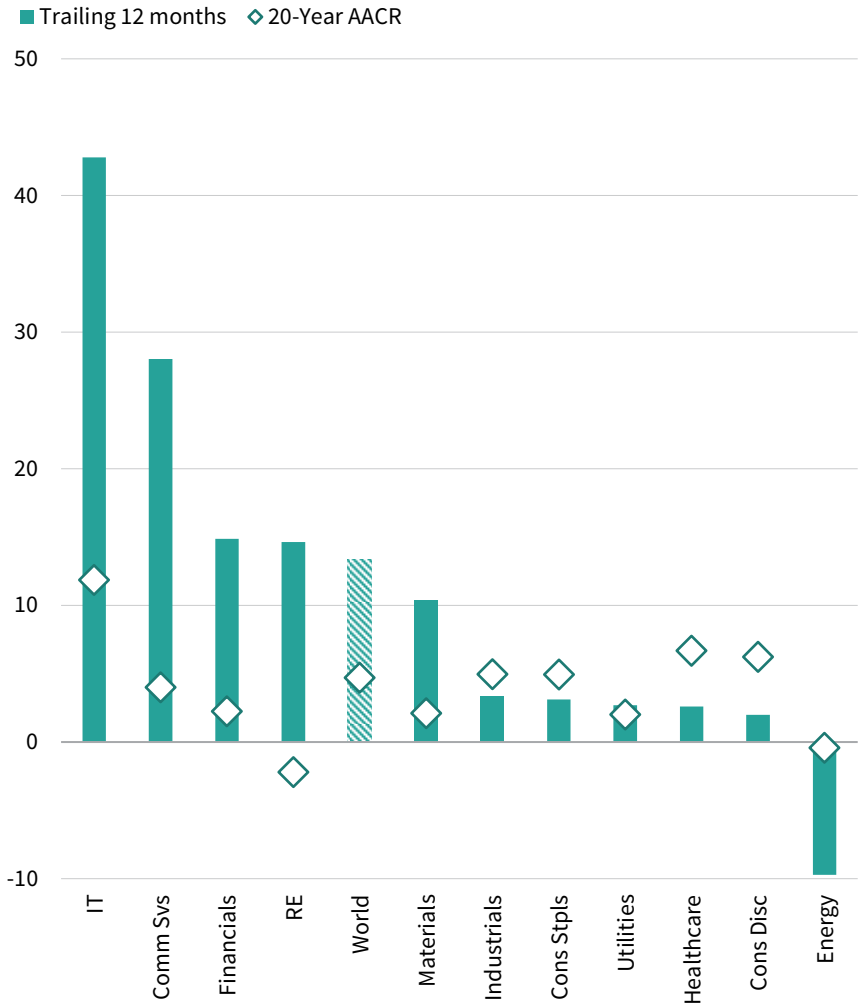
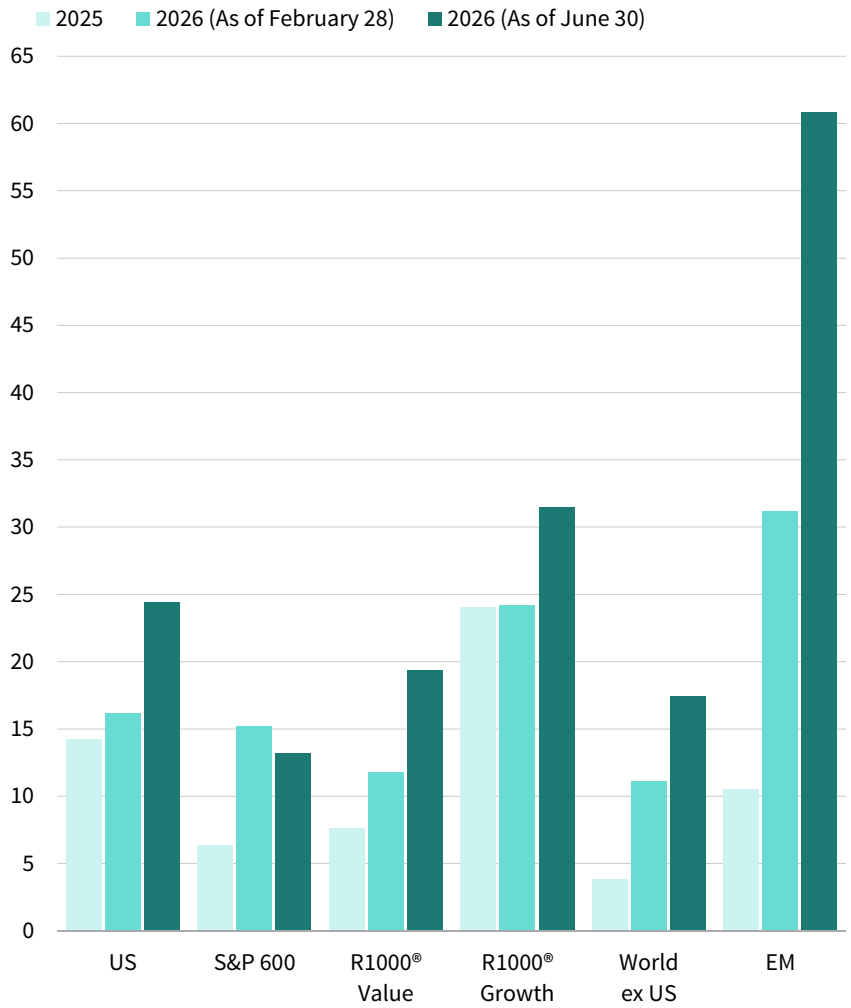
Strong earnings growth (and forecasts) support stocks

EPS growth across MSCI World Index sectors
As of June 30, 2026 • Percent (%)



Expected EPS growth for select indexes
As of June 30, 2026 • Percent (%)



Past performance is not a reliable indicator of future results. All financial investments involve risk. Depending on the type of investment, losses can be unlimited.
Sources: FTSE International Limited, I/B/E/S, MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.
Notes: "Trailing 12 months" reflects year-over-year aggregate index EPS growth through June 30. Real Estate became a standalone sector in September 2016; accordingly, its 20-year AACR is shown for the period from September 30, 2016, through June 30, 2026. US, World ex US, and EM are represented by the MSCI US, MSCI World ex US, and MSCI EM Indexes, respectively.

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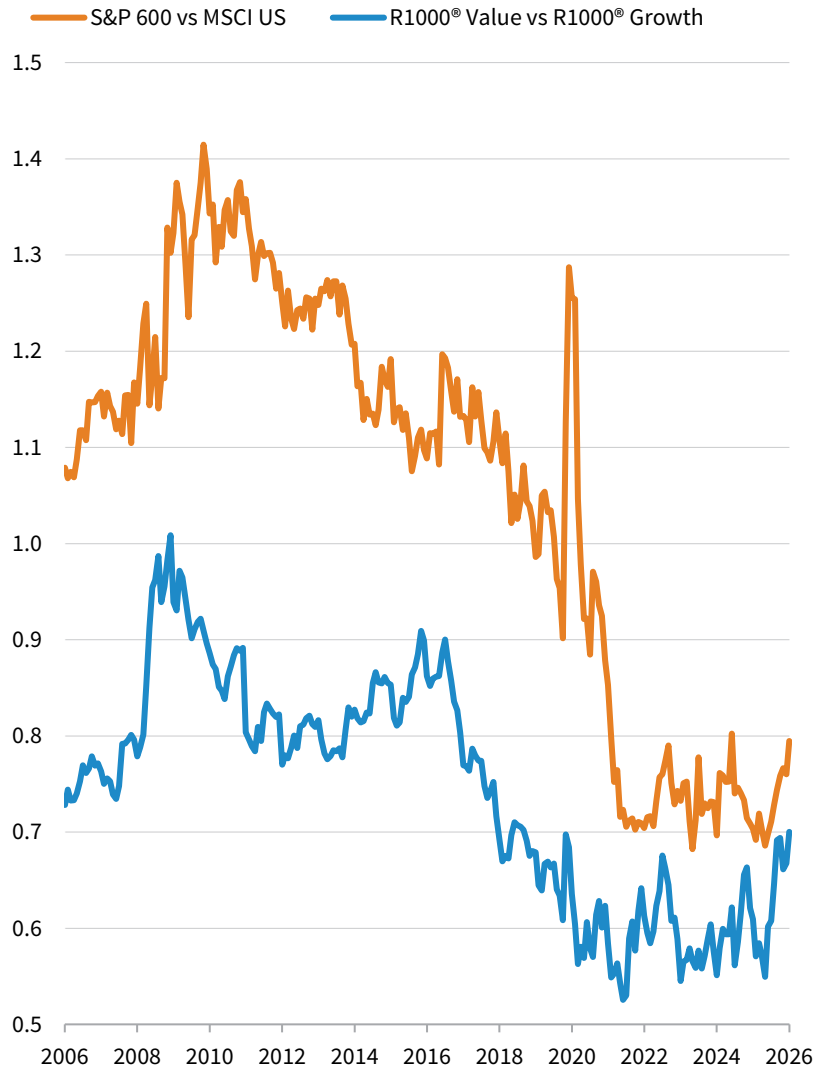
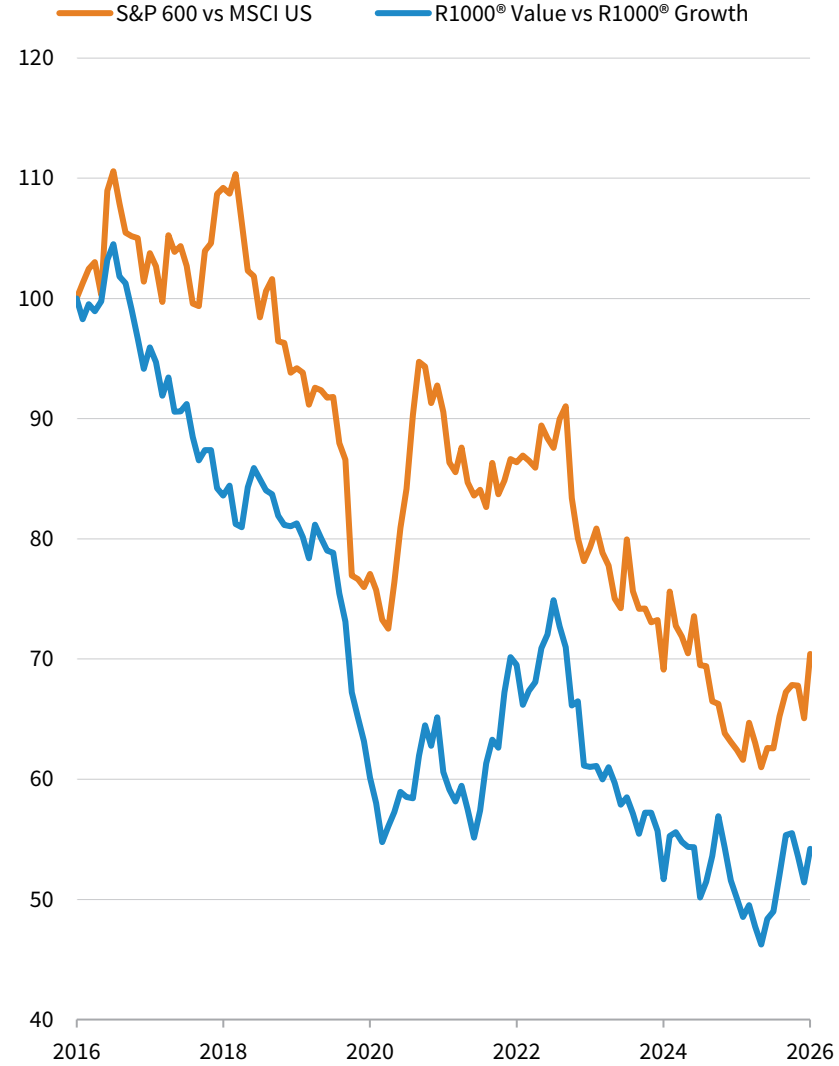
US small caps and value have outperformed, shifting relative valuations

Relative forward P/E for select indexes
June 30, 2006 – June 30, 2026



Relative cumulative wealth for select indexes
June 30, 2016 – June 30, 2026 • June 30, 2016 = 100



Sources: MSCI Inc., Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.

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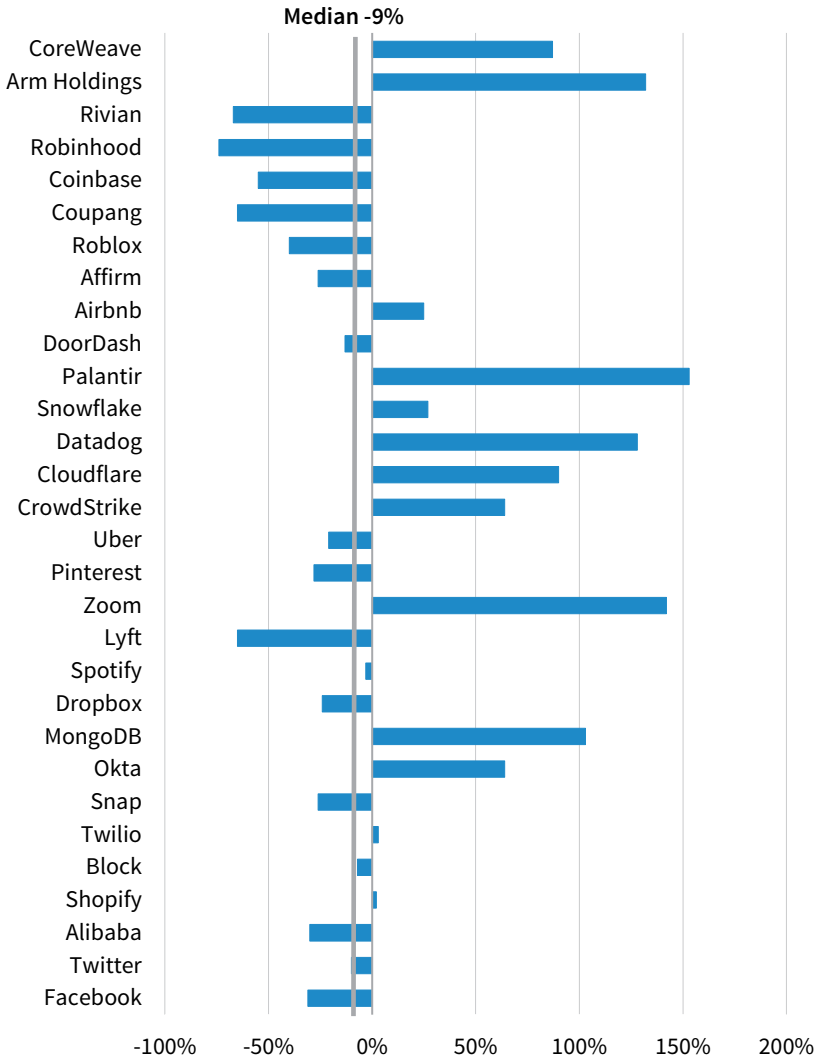
SpaceX IPO sets record, but historical precedents raise questions

Largest IPOs by proceeds

Rank	Company	Year	Exchange	Proceeds Raised
1	**SpaceX**	2026	NASDAQ	**$85.7 B**
2	**Saudi Arabian Oil Co**	2019	Saudi Arabia	**$29B**
3	**Alibaba Group Holding Ltd**	2014	New York	**$25B**
4	**Agricultural Bank of China Ltd**	2010	Hong Kong / Shanghai	**$22B**
5	**Industrial & Commercial Bank of China Ltd**	2006	Hong Kong / Shanghai	**$22B**
6	**SoftBank Corp**	2018	Tokyo	**$21B**
7	**AIA Group Ltd**	2010	Hong Kong	**$20B**
8	**Visa Inc**	2008	New York	**$20B**
9	**General Motors Co**	2010	New York	**$18B**
10	**Meta Platforms Inc**	2012	NASDAQ	**$16B**

Large US IPOs

Subsequent 1-yr performance



Sources: Bloomberg L.P., Keith Lerner, and Truist.
Notes: IPO proceeds raised reflect the amount of capital received from shares sold in the offering. Proceeds raised are rounded figures.

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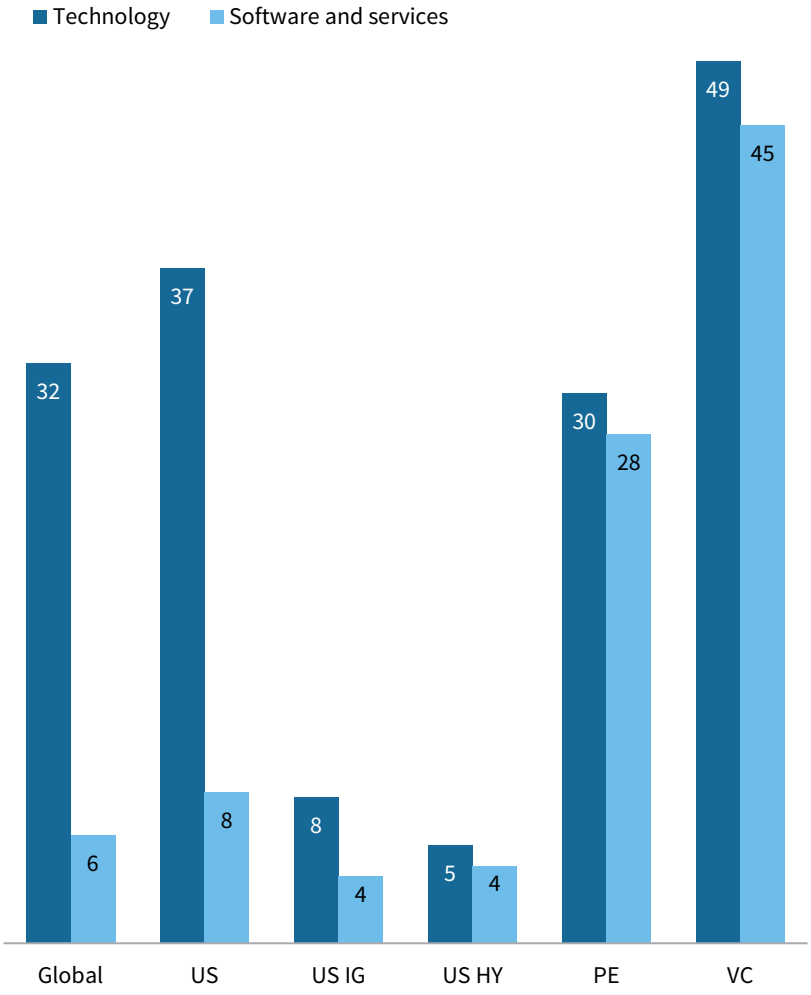
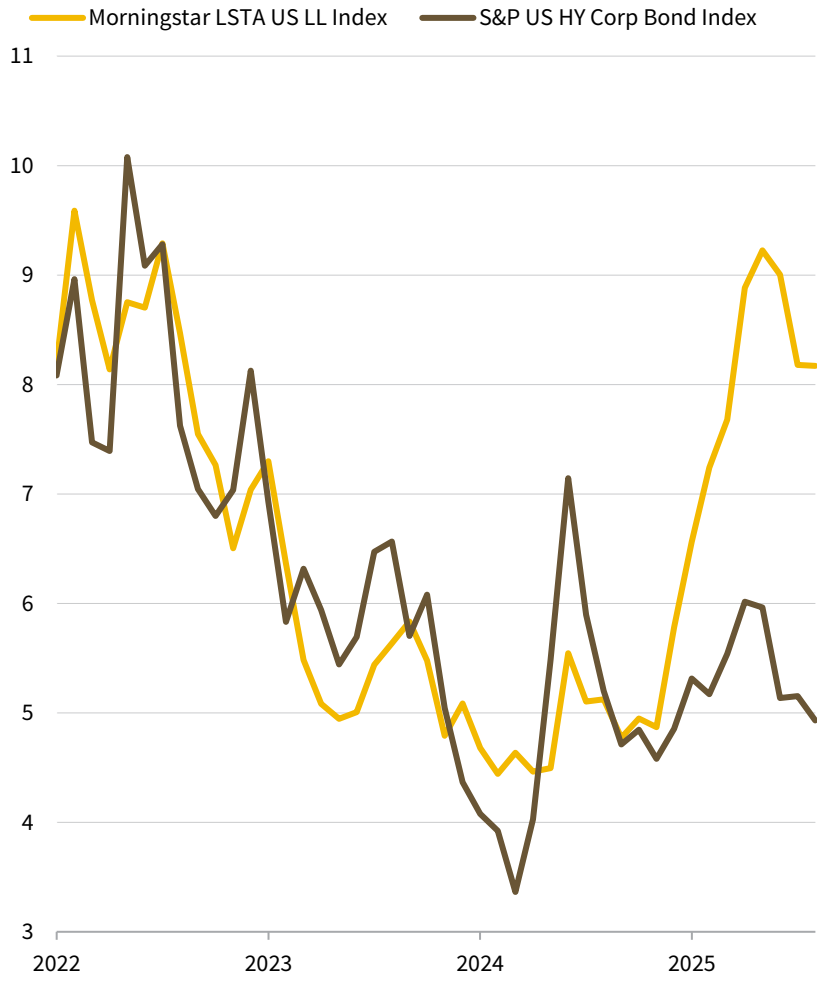
Software exposure turns into headwind for some asset classes, including credit

Exposure to technology for select indexes
As of June 30, 2026 • Percent (%)



Distressed ratios (by count) for US HY and leveraged loans
December 31, 2022 – June 30, 2026 • Share of index



Sources: Bloomberg L.P., Cambridge Associates LLC, FactSet Research Systems, PitchBook | LCD, Standard & Poor's, and Thomson Reuters Datastream. Third-party data provided "as is" without any express or implied warranties.
Notes: Asset classes are represented as follows: Global equities by the MSCI All Country World Index; US equities by the MSCI US Index; US IG bonds by the Bloomberg US Corporate Investment Grade Index; and US HY bonds by the Bloomberg US Corporate High Yield Index. PE and VC figures reflect the market value of investments made by global private equity and venture capital funds as of December 31, 2025.

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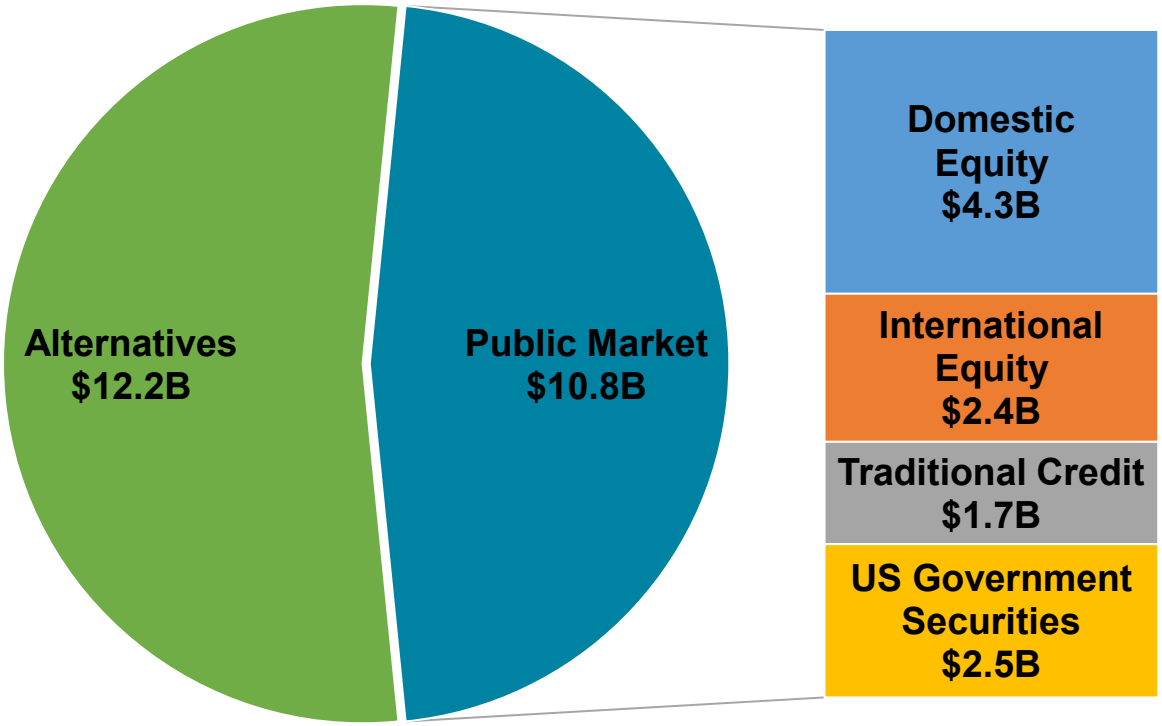
MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

2026 Q2
Public Market Asset Classes
Quarterly Review
August 13, 2026

Public Market Exposure – June 30, 2026

- $10.8B passively managed to strategy benchmarks
  - Russell 3000
  - ACWI MSCI ex US
  - Bloomberg Barclays US Aggregate ex-Government
  - Bloomberg Barclays U.S. Government Bond
  - Bloomberg U.S. TIPS
- Direct index exposure – BlackRock
- Liquidity Pool exposure – Parametric
  - Implemented in January 2022
  - Represents under 4% of public assets on average



Direct Exposure - BlackRock

Exposure tracks benchmarks at minimal cost

BlackRock Long-Term Performance
As of June 30, 2026

Asset Class	1-year	3-year	5-year
Domestic Equity	22.7%	20.4%	12.3%
Benchmark	22.8%	20.4%	12.3%
Tracking Difference	***-0.1%***	***0.0%***	***0.0%***
International Equity	27.2%	18.7%	8.8%
Benchmark	26.9%	18.6%	8.7%
Tracking Difference	***0.3%***	***0.1%***	***0.2%***
Traditional Credit	4.7%	4.9%	0.5%
Benchmark	4.7%	4.9%	0.5%
Tracking Difference	***0.0%***	***0.0%***	***0.0%***
US Government	3.0%	3.7%	1.2%
Benchmark	3.4%	4.0%	1.0%
Tracking Difference	***-0.4%***	***-0.2%***	***0.2%***

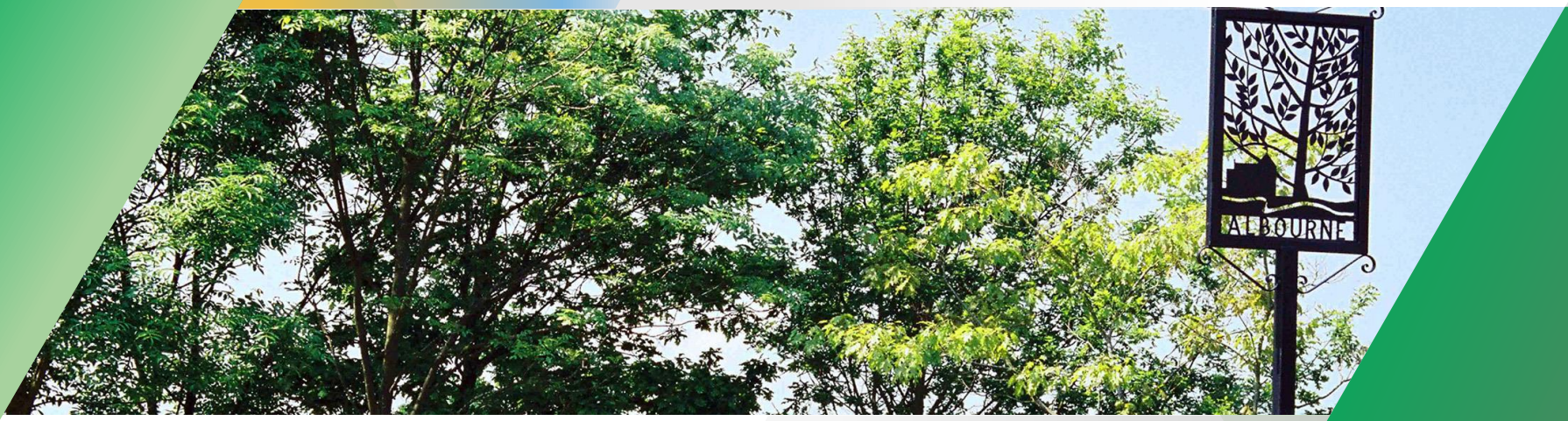
Liquidity Pool - Parametric

Cost-effective management of cash flows and rebalancing needs

Parametric Long-Term Performance As of June 30, 2026		
Asset Class	**1-year**	**3-year**
Domestic Equity	19.7%	14.0%
Benchmark	22.8%	20.4%
Tracking Difference	**-3.2%**	**-6.4%**
International Equity	23.5%	13.0%
Benchmark	26.9%	18.6%
Tracking Difference	**-3.4%**	**-5.6%**
Traditional Credit	4.9%	3.6%
Benchmark	4.7%	4.9%
Tracking Difference	**0.2%**	**-1.4%**
US Government	-3.2%	-2.1%
Benchmark	3.4%	4.0%
Tracking Difference	**-6.7%**	**-6.0%**

- **Objectives:**
  - Minimize cash drag
  - Avoid round-trip trading
  - Obtain and maintain market exposures
- **Utilizes highly liquid ETFs and futures to minimize cash drag**
- **Reported tracking difference due to:**
  - Notional exposure in one account with cash pool interest credited to another
  - Computational assumptions around the timing of frequent cash flows
  - Occurrence of zero-balance days
  - Mismatch between benchmark and available ETFs and futures

ALBOURNE



August 13, 2026

Quarterly Asset Class Reviews

Maine Public Employees Retirement System

30+ YRS the road less traveled

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Contents

1 Executive Summaries

2 Risk Diversifiers

3 Private Equity

4 Alternative Credit

5 Real Assets

Executive Summaries

Risk Diversifiers

Executive Summary

- Risk Diversifiers represents approximately 7% of plan assets and remains within the 5%-10% policy range and close to the 7.5% target allocation.
- The portfolio returned 3.9% in Q2 2026 and 11.1% over the last year, outperforming the policy benchmark, which returned 1.6% and 8.2%, respectively.
- Performance during Q2 2026 was driven by Global Equity Hedged and Multi Strategy funds, which together accounted for over 70% of returns.
- The portfolio has provided diversification benefits, with a low 0.2 correlation to the MSCI ACWI IMI over the last three years, though correlations have increased over the last year.

Notes: Returns are net of investment manager fees and based on preliminary performance as of June 30, 2025. Past performance is not indicative of future results.

16%

Private Equity
Executive Summary

- Private Equity represents approximately 16% of plan assets and remains within the 5%-20% policy range and close to the interim 15% target allocation.
- The portfolio has generated a 14.3% since-inception IRR and a 1.7x value multiple, reflecting superior long-term returns relative to public equity markets.
- ~$788 million in distributions over the last year, with activity improving in Q1 2026, driven by buyout funds but with a significant increase in distributions from venture funds.
- Performance relative to the policy benchmark remains challenged by unusually strong US public equity market returns.

Notes: Returns are net of investment manager fees and calculated since inception in Q2 2009 through March 31, 2026. Past performance is not indicative of future results.

8%

Alternative Credit

Executive Summary

- Alternative Credit represents approximately 8% of plan assets and continues to move toward the new 10%-20% policy range and the interim 10% target allocation.
- The portfolio has generated a 7.9% since-inception IRR and a 1.2x value multiple, serving to enhance portfolio income.
- ~$552 million in distributions over the last year, a slight decrease year over year but still robust versus historical average levels for the portfolio.
- The portfolio continues outperform the policy benchmark, capturing illiquidity and complexity premia over and above broadly syndicated loans.

Notes: Returns are net of investment manager fees and calculated since inception in Q2 2013 through March 31, 2026. Past performance is not indicative of future results.

24%

Real Assets
Executive Summary

- Real Assets represents approximately 24% of plan assets and remains within the 15%-25% policy range and close to the 22.5% target allocation.
- The portfolio has generated a 7.5% since-inception IRR and a 1.4x value multiple, providing diversification versus equity, credit, and fixed income.
- ~$584 million in distributions over the last year, a slight increase year over year, but still below historical averages; infrastructure funds drove for the majority of distributions.
- Outperforming inflation and by more than 3% since inception but outperforming inflation by a smaller margin over the recent period.

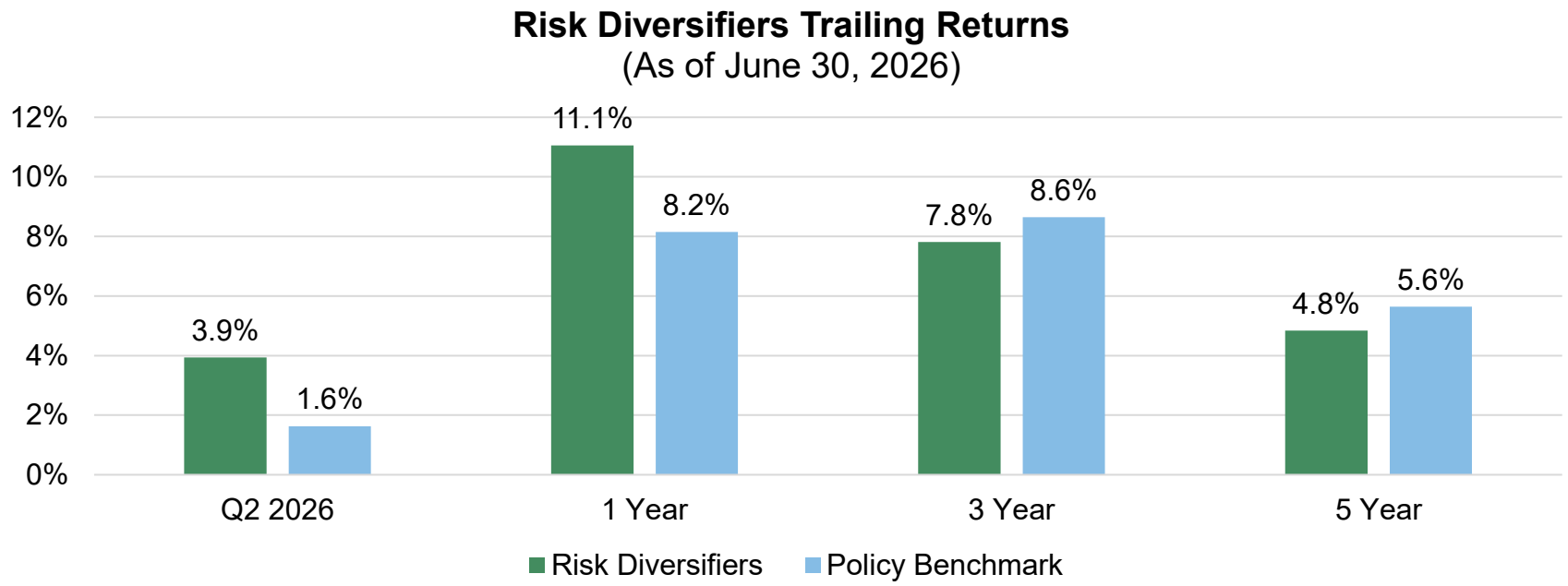
Notes: Returns are net of investment manager fees and calculated since inception in Q2 2005 through March 31, 2026. Past performance is not indicative of future results.

Risk Diversifiers

Performance Through June 30, 2026

Risk Diversifiers
Performance Summary

- Risk Diversifiers returned 3.9% in Q2 2026, outperforming the policy benchmark return of 1.6%, with returns driven by Global Equity Hedged and Multi Strategy.
- Risk Diversifiers returned 11.1% over the last year, outperforming the blended policy benchmark return of 8.2%, with fairly consistent return contributions across strategies.

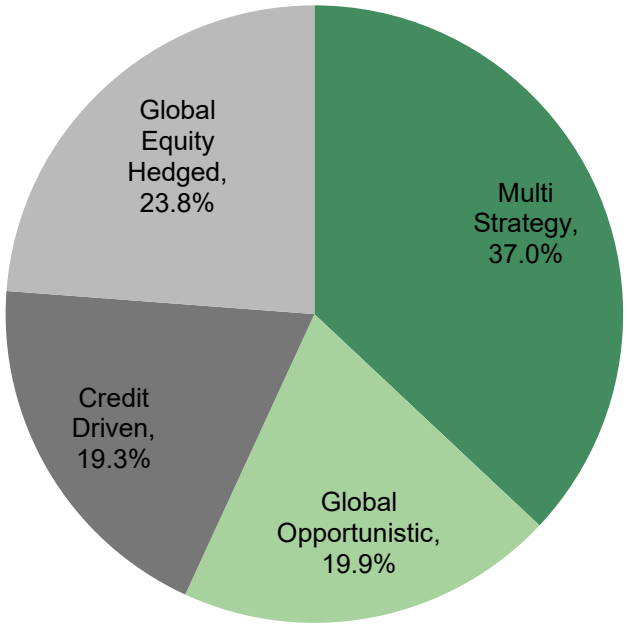


Notes: Returns are net of investment manager fees and based on preliminary performance as of June 30, 2025. Policy Benchmark reflects 0.3 MSCI ACWI up until December 31, 2025, and then 3-Month Treasury Bill + 3% from January 1, 2026. *Source: MainePERS.* Past performance is not indicative of future results.

Risk Diversifiers
Allocation Snapshot

7%

Risk Diversifier Breakdown



Risk Diversifiers	Market Value	% of Total Plan	% of Risk Diversifiers
Multi Strategy			**37.0%**
HBK	$144m	0.6%	9.4%
Hudson Bay	$130m	0.6%	8.5%
Farallon	$185m	0.8%	12.0%
King Street	$109m	0.5%	7.1%
Global Opportunistic			**19.9%**
Aspect	$91m	0.4%	5.9%
ISAM	$105m	0.5%	6.8%
Garda	$109m	0.5%	7.1%
Credit Driven			**19.3%**
Varadero	$132m	0.6%	8.6%
Redwood	$142m	0.6%	9.3%
Redwood Drawdown Fund IV	$3m	0.0%	0.2%
Farallon Special Situations Fund III	$19m	0.1%	1.2%
Global Equity Hedged			**23.8%**
Voleon	$113m	0.5%	7.4%
SurgoCap	$124m	0.5%	8.1%
Alyeska	$127m	0.6%	8.3%
Risk Diversifiers	**$1,533m**	**6.7%**	**100.0%**

Notes: Allocations based on preliminary performance as of June 30, 2025.

Risk Diversifiers
Performance

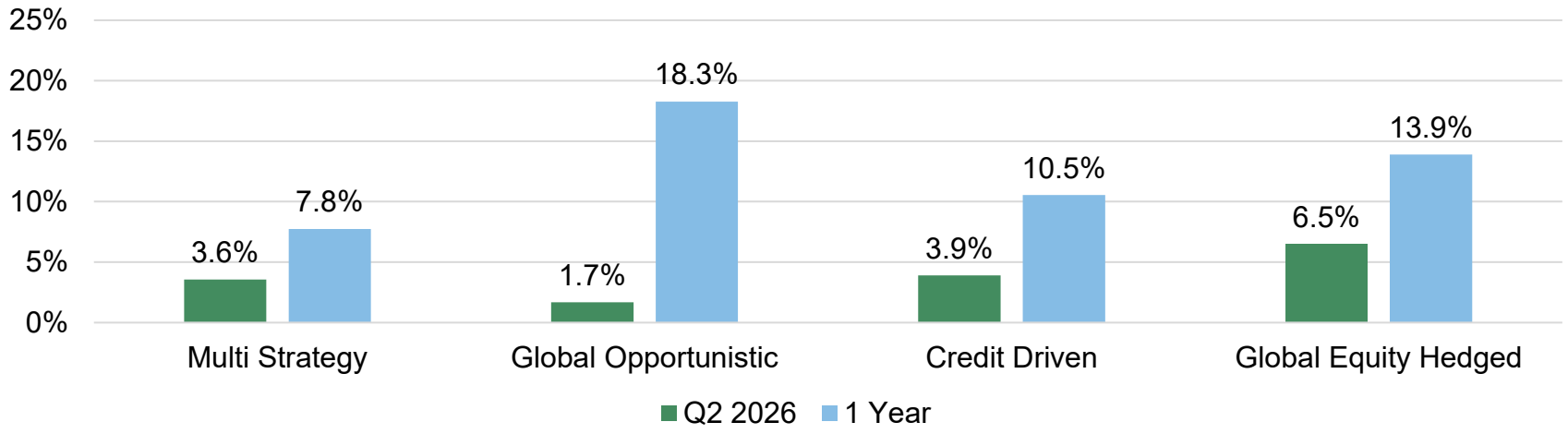
Risk Diversifiers (Investment Date)	% of Risk Diversifiers	Q2 2026	Trailing 1-Year	Trailing 3-Years	Trailing 5-Years	Since Investment
Multi Strategy	**37.0%**	**3.6%**	**7.8%**	**8.9%**	**7.2%**	**7.2%**
HBK (Mar 2021)	9.4%	2.5%	8.7%	9.7%	7.8%	7.8%
Hudson Bay (Sep 2022)	8.5%	2.5%	6.3%	7.4%		7.2%
Farallon (Dec 2022)	12.0%	7.0%	13.6%	12.7%		11.8%
King Street (May 2024)	7.1%	0.8%	0.2%			4.0%
Global Opportunistic	**19.9%**	**1.7%**	**18.3%**	**5.6%**	**3.6%**	**2.2%**
Aspect (Jun 2020)	5.9%	-0.3%	14.8%	-0.5%	7.0%	6.6%
ISAM (Mar 2023)	6.8%	2.2%	33.2%	8.4%		10.8%
Garda (Nov 2024)	7.1%	2.9%	6.8%			7.8%
Credit Driven	**19.3%**	**3.9%**	**10.5%**	**9.6%**		**8.4%**
Varadero (Jan 2022)	8.6%	1.4%	6.2%	7.2%		6.5%
Redwood (May 2023)	9.3%	5.7%	13.9%	11.8%		12.1%
Redwood Drawdown Fund IV (Mar 2026)	0.2%	8.9%				9.2%
Farallon Special Situations Fund III (Dec 2024)	1.2%	7.0%	17.4%			11.1%
Global Equity Hedged	**23.8%**	**6.5%**	**13.9%**			**18.0%**
Voleon (Jul 2024)	7.4%	-2.7%	-1.8%			9.2%
SurgoCap (Aug 2025)	8.1%	23.0%				24.9%
Alyeska (Aug 2025)	8.3%	1.8%				10.5%
Total Risk Diversifiers Portfolio	**100.0%**	**3.9%**	**11.1%**	**7.8%**	**4.8%**	**n/a**
Policy Benchmark		1.6%	8.2%	8.6%	5.6%	n/a
HFRI FoF: Conservative Index		3.8%	10.5%	7.7%	5.3%	n/a

Notes: Returns are net of investment manager fees and based on preliminary performance as of June 30, 2025. Policy Benchmark reflects 0.3 MSCI ACWI up until December 31, 2025, and then 3-Month Treasury Bill + 3% from January 1, 2026. *Sources: MainePERS; HFR, Inc.* Past performance is not indicative of future results.

Risk Diversifiers
Performance Drivers

- Strong equity markets in Q2 2026 supported Global Equity Hedged, which was the best performing strategy and largest contributor to returns as long biased equity strategies drove performance.
- Multi Strategy and Credit Driven were also positive for the quarter, with both posting good returns and gains in Multi-Strategy being led by long/short equity sub-strategies.
- Global Opportunistic was also positive for the quarter, with gains seen in fixed income relative value and trends in currencies in particular, but with more muted returns than in recent quarters.

Risk Diversifiers Returns by Strategy
(As of June 30, 2026)



Notes: Returns are net of investment manager fees and based on preliminary performance as of June 30, 2025. Past performance is not indicative of future results.

Risk Diversifiers

Correlation of Returns

- The Risk Diversifiers Portfolio is lowly correlated (0.2) to the MSCI ACWI IMI and is diversified across funds, with a 0.2 average pairwise correlation across the hedge fund investments.

	Alyeska	Aspect	Farallon	Garda	HBK	Hudson Bay	ISAM	King Street	Redwood	SurgoCap	Varadero	Voleon	*MSCI ACWI IMI*
Alyeska	1.0	0.2	0.1	0.2	0.1	0.4	0.1	0.1	0.2	-0.2	0.0	0.1	0.2
Aspect	0.2	1.0	-0.2	0.4	-0.3	0.3	0.8	0.0	0.1	0.0	0.1	-0.1	0.2
Farallon	0.1	-0.2	1.0	0.1	0.3	0.4	0.0	0.4	0.5	0.7	0.2	0.0	0.7
Garda	0.2	0.4	0.1	1.0	0.0	0.4	0.4	0.2	0.3	0.2	0.1	0.0	0.4
HBK	0.1	-0.3	0.3	0.0	1.0	0.2	-0.1	0.2	0.3	0.2	0.3	-0.1	0.2
Hudson Bay	0.4	0.3	0.4	0.4	0.2	1.0	0.3	0.6	0.3	0.4	0.3	0.1	0.5
ISAM	0.1	0.8	0.0	0.4	-0.1	0.3	1.0	0.0	0.1	0.2	0.2	-0.3	0.3
King Street	0.1	0.0	0.4	0.2	0.2	0.6	0.0	1.0	0.5	0.2	0.2	0.0	0.5
Redwood	0.2	0.1	0.5	0.3	0.3	0.3	0.1	0.5	1.0	0.4	0.2	0.0	0.6
SurgoCap	-0.2	0.0	0.7	0.2	0.2	0.4	0.2	0.2	0.4	1.0	0.2	0.0	0.6
Varadero	0.0	0.1	0.2	0.1	0.3	0.3	0.2	0.2	0.2	0.2	1.0	0.1	0.0
Voleon	0.1	-0.1	0.0	0.0	-0.1	0.1	-0.3	0.0	0.0	0.0	0.1	1.0	-0.1
MSCI ACWI IMI	0.2	0.2	0.7	0.4	0.2	0.5	0.3	0.5	0.6	0.6	0.0	-0.1	1.0

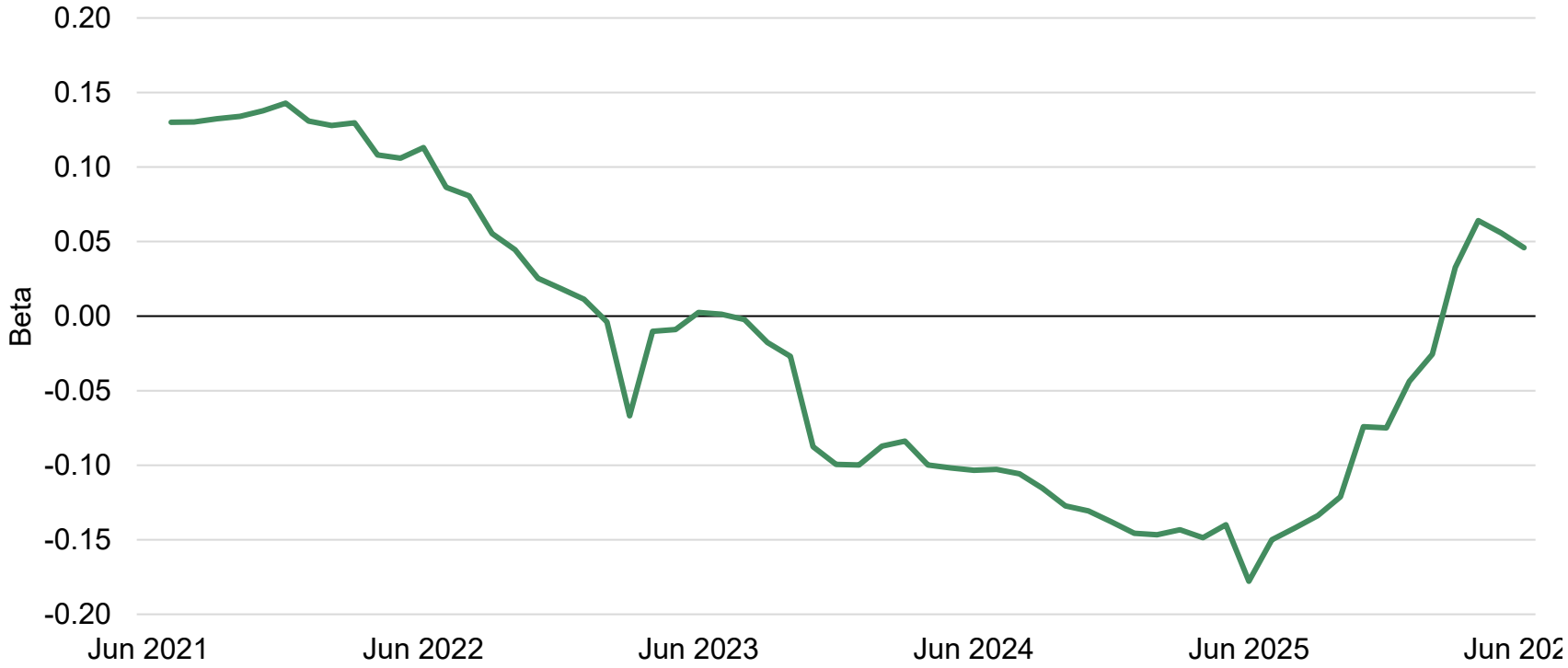
Notes: Correlations calculated over the last three years (July 2023 to June 2026). Past performance is not indicative of future results.

Risk Diversifiers

Beta to Equities

- Risk Diversifiers has exhibited a small positive beta to the MSCI ACWI IMI over the last three years, after having run with a negative beta for some time which was a headwind to returns.

Risk Diversifiers Rolling 3-Year Beta vs. MSCI ACWI IMI
(Last 5 Years: Jul 2021 - Jun 2026)



Notes: Returns are net of investment manager fees and based on preliminary performance as of June 30, 2025. *Sources: MainePERS and MSCI.* Past performance is not indicative of future results.

16%

Private Equity

Performance Through March 31, 2026

16%

Private Equity
Key Metrics

Key Metrics as of March 31, 2026	
Net Asset Value (NAV)	$3.5 billion
Unfunded Commitments	$1.0 billion
Distributions to Paid-In Capital Ratio (DPI)	1.0x
Total Value to Paid-In Capital Ratio (TVPI)	1.7x
Internal Rate of Return (IRR)	14.3%

Takeaways

- Program remains mature, diversified, and well-funded.
- Unfunded commitments remain consistent with target allocation.
- Distributions now approximately offset ongoing capital calls.
- Total distributions since inception represent approximately 100% of paid in capital.
- Superior long-term returns relative to public equity markets.

Notes: Returns are net of investment manager fees and calculated since inception in Q2 2009 through March 31, 2026. Past performance is not indicative of future results.

16%

Private Equity
Performance Drivers

Recent Performance

- Private Equity returns improved year over year, with Venture Capital responsible for the majority of returns over the last year and virtually all the returns in Q1 2026.
- Buyout and Growth Equity experienced small markdowns in Q1 2026 but returns remain positive over the past year and have improved year over year.
- Distributions continue to improve, but exit activity remains below historical averages, and recent geopolitical-driven volatility has added to uncertainty.
- Benchmark comparisons remain challenging as the policy benchmark requires outperforming a particularly strong US equity market by an additional 3% annually.

Since Inception IRRs by Strategy	
Buyout	15.0%
Growth Equity	18.7%
Venture Capital	23.9%
Other	6.1%

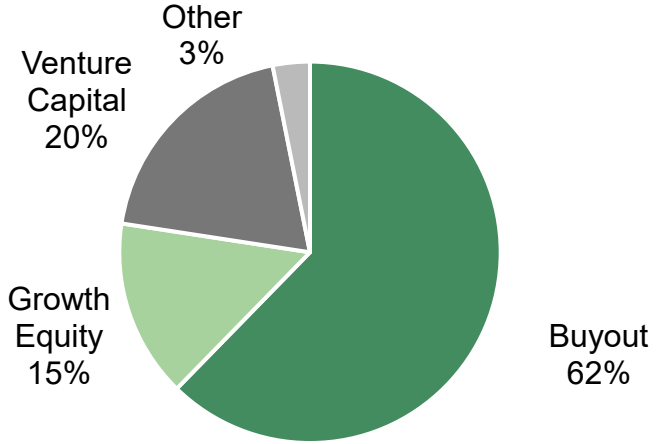
Notes: Returns are net of investment manager fees and calculated since inception in Q2 2009 through March 31, 2026. Past performance is not indicative of future results.

16%

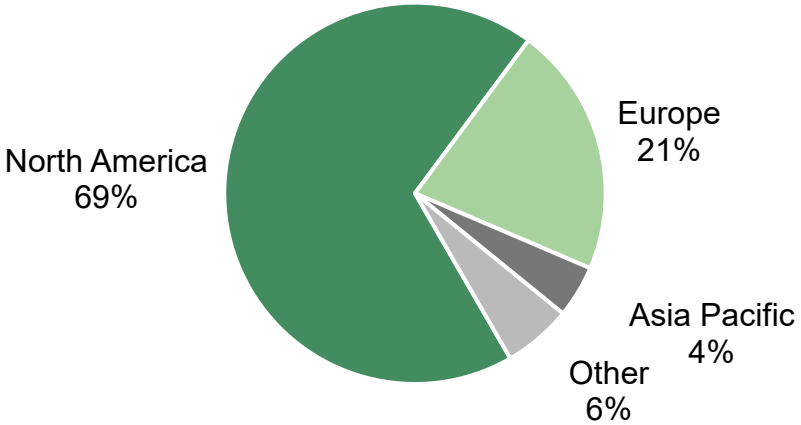
Private Equity
Portfolio Construction

- Portfolio remains primarily Buyout-oriented.
- Venture and Growth Equity exposure are meaningful but not dominant.
- Legacy investments (the ‘Other’ category) continue to wind down over time.
- North America remains the largest regional exposure.
- No significant concentration concerns.

Fund Strategy Allocation



Regional Exposure

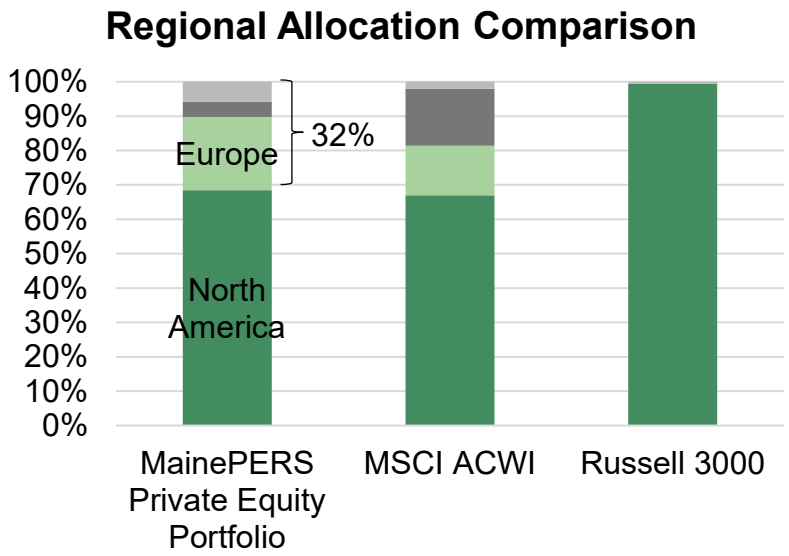


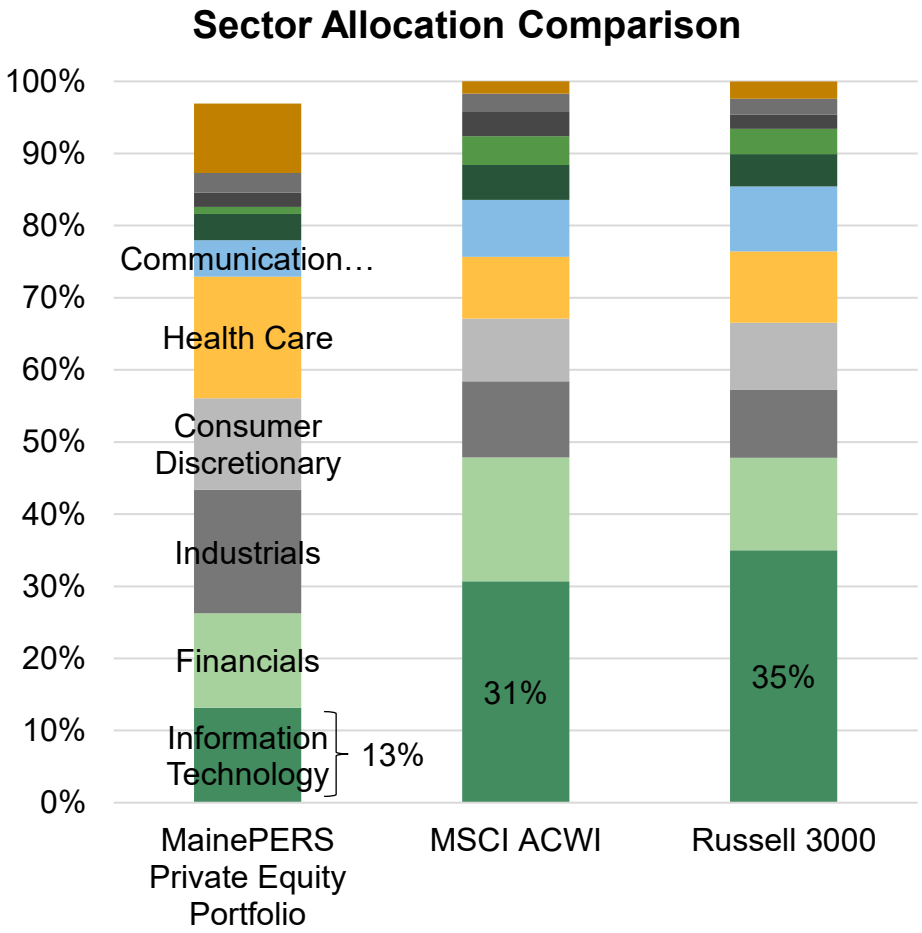
Notes: Based on data available as of March 31, 2026. Fund Strategy Allocation based on Net Asset Value and reflects top-down classification of underlying funds. Regional Exposure reflects look-through exposure to underlying holdings and are based on gross exposure, including leverage. Data may be incomplete as some managers do not report holdings-level data.

16%

Private Equity
Exposure vs. Benchmarks

- Portfolio has nearly 1/3rd ex-North America, consistent with the ACWI.
- And less than half the exposure to Information Technology vs. both indices.
- The top 10 holdings account for 34% of the Russell 3000 and 25% of the ACWI.





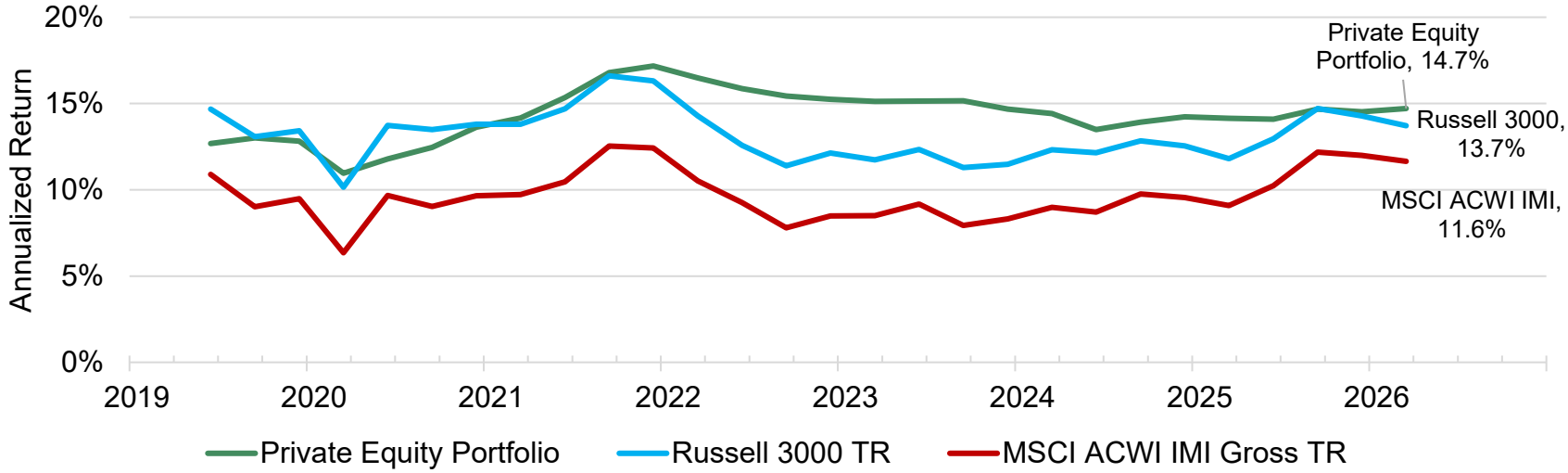
Notes: Based on data available as of March 31, 2026. Sector Exposure (GICS) and Regional Exposure reflect look-through exposure to underlying holdings and are based on gross exposure, including leverage. Data may be incomplete as some managers do not report holdings-level data. Exposure data for MSCI ACWI and Russell 3000 based on investable proxies as of Jul 30, 2026.

16%

Private Equity
Long-Term Performance

- Portfolio generated 14.7% over the last 10 years, on a time-weighted return basis.
- Portfolio has consistently exceeded the returns from the global public equity opportunity set (MSCI ACWI IMI) over rolling 10-year periods since inception.
- Policy benchmark assumes private equity will outperform Russell 3000 + 3% annually, a hurdle that has proven challenging given the strength US public equity markets.
- Long-term results remain consistent with private equity's role as a return-seeking asset class.

Rolling 10-Year Time-Weighted Returns
(From Private Equity Portfolio Inception in Q2 2009 to Q1 2026)

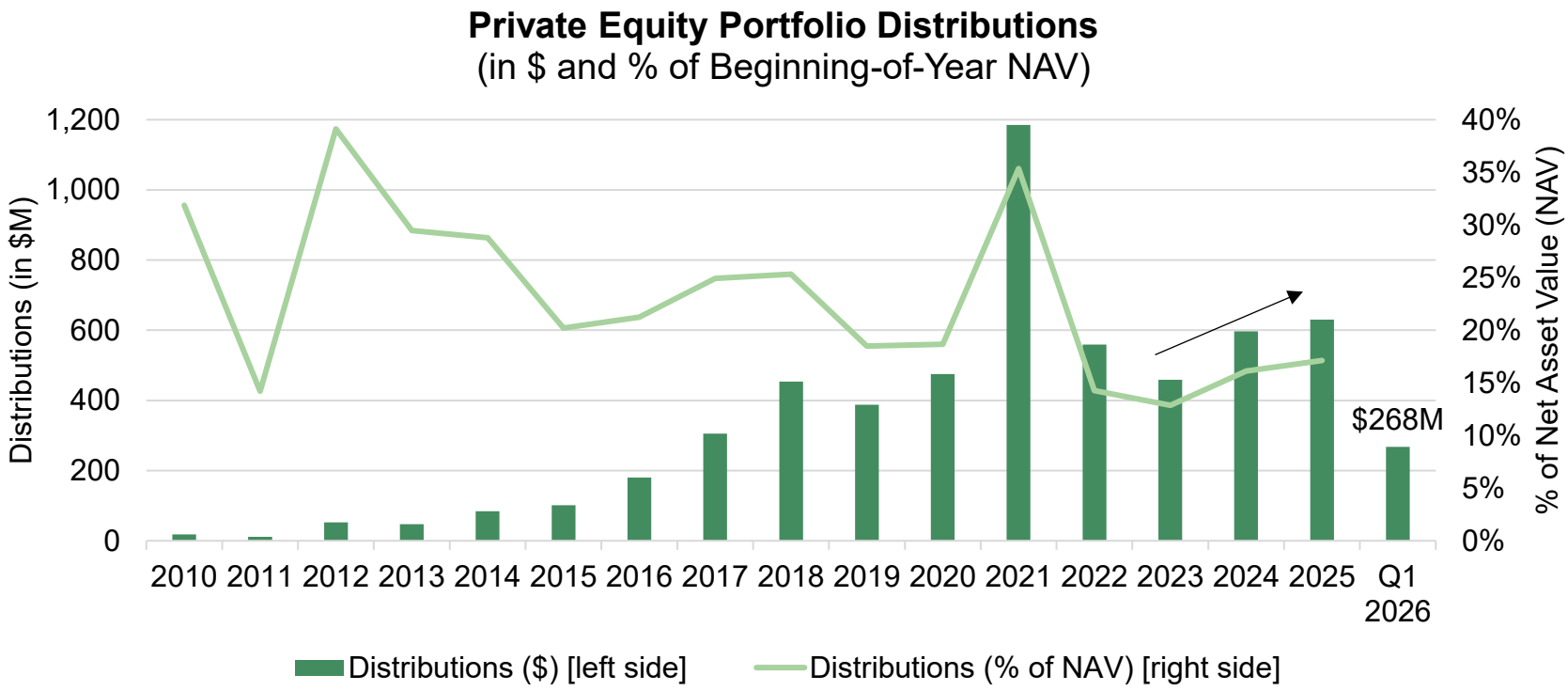


Notes: Returns are net of investment manager fees. Performance comparisons represent public market indices gross of fees. Past performance is not indicative of future results. *Sources: MainePERS, FTSE Russell, and MSCI.*

16%

Private Equity
Distributions

- Quarterly distributions totaled $268m in Q1 2026 and $788m over the last year.
- Realization activity has improved since the market slowdown that began in 2022.
- Distribution levels remain below the exceptionally strong environment in 2021.
- Improved distributions support future commitment pacing.

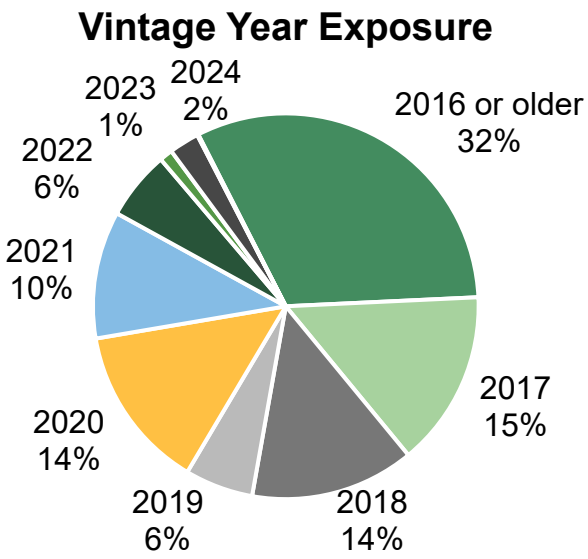


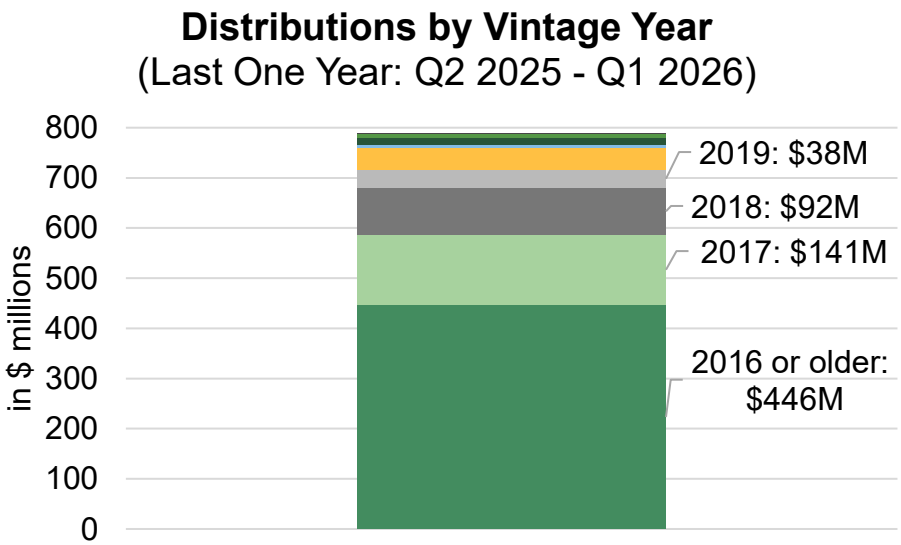
Notes: Distributions are episodic and market dependent, with elevated levels during strong exit environments rather than steady income streams. Past performance is not indicative of future results.

16%

Private Equity
Distributions by Vintage Year

- Nearly 60% of the distributions over the last year came from vintages 10 years or older (2016 or earlier).
- The portfolio has about one-third of its NAV in these vintages, which have distributed 1.4x paid-in-capital to date, with about 0.3x in remaining value.





Notes: Based on Net Asset Value as of March 31, 2026, based on fund vintage years assigned to funds. Past performance is not indicative of future results.

8%

Alternative Credit

Performance Through March 31, 2026

Alternative Credit
Key Metrics

Key Metrics as of March 31, 2026	
Net Asset Value (NAV)	$1.8 billion
Unfunded Commitments	$1.3 billion
Distributions to Paid-In Capital Ratio (DPI)	0.7x
Total Value to Paid-In Capital Ratio (TVPI)	1.2x
Internal Rate of Return (IRR)	7.9%

Takeaways

- Program continues to scale toward new higher target allocation.
- Unfunded commitments have continued to rise with greater capital commitments.
- Net cash flow was negative over the last year as new deployment exceeds distributions.
- Total distributions since inception represent approximately 70% of paid in capital.
- Attractive returns, exceeding the policy benchmark, and enhancing portfolio income.

Notes: Returns are net of investment manager fees and calculated since inception in Q2 2013 through March 31, 2026. Past performance is not indicative of future results.

Alternative Credit
Performance Drivers

8%

Recent Performance

- Alternative Credit continues to outperform the policy benchmark over trailing periods; however, returns decreased year over year, with lower returns across all strategies.
- Direct Lending continues to be the primary driver of returns, given it is the largest allocation, but Asset Based Lending posted the highest returns over the last year.
- Returns were weaker than average in Q1 2026 but remained positive thanks to net income offsetting small unrealized markdowns seen across the industry.
- Distributions remain strong but have decreased slightly quarter over quarter and year over year.

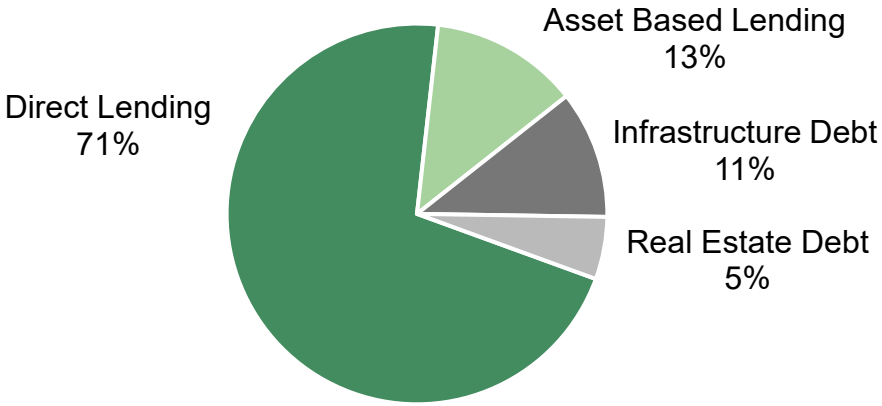
Since Inception IRRs by Strategy	
Direct Lending	8.6%
Asset Based Lending	11.4%
Infrastructure Debt	6.6%
Real Estate Debt	4.0%

Notes: Returns are net of investment manager fees and calculated since inception in Q2 2013 through March 31, 2026. Past performance is not indicative of future results.

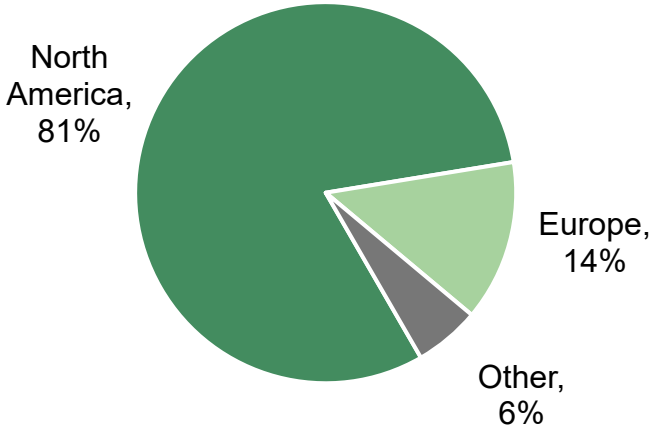
Alternative Credit
Portfolio Construction

- Portfolio remains primarily Direct Lending oriented.
- Other lending strategies are meaningful but not dominant.
- North America remains the largest regional exposure.
- Some manager concentration, with the largest manager representing ~20% of NAV.
- Strategy allocation expected to be diversified further with inclusion of opportunistic credit.

Fund Strategy Allocation



Regional Exposure



Notes: Based on data available as of March 31, 2026. Fund Strategy Allocation based on Net Asset Value and reflects top-down classification of underlying funds. Regional Exposure reflects look-through exposure to underlying holdings and are based on gross exposure, including leverage. Data may be incomplete as some managers do not report holdings-level data.

24%

Real Assets

Performance Through March 31, 2026

24%

Real Assets
Key Metrics

Key Metrics as of March 31, 2026	
Net Asset Value (NAV)	$5.4 billion
Unfunded Commitments	$0.9 billion
Distributions to Paid-In Capital Ratio (DPI)	0.8x
Total Value to Paid-In Capital Ratio (TVPI)	1.4x
Internal Rate of Return (IRR)	7.5%

Takeaways

- Program remains mature, diversified, and well-funded.
- Unfunded commitments remain consistent with target allocation.
- Distributions now approximately offset ongoing capital calls.
- Total distributions since inception represent approximately 80% of paid in capital.
- Providing diversification and outperforming inflation + 3% since inception.

Notes: Returns are net of investment manager fees and calculated since inception in Q2 2005 through March 31, 2026. Past performance is not indicative of future results.

Real Assets
Performance Drivers

Recent Performance

- Real Asset returns decreased year over year and have lagged the CPI+3% benchmark over the trailing 5-, 3-, and 1-year periods.
- Infrastructure has been the largest driver of returns over the past year and in the latest quarter, while Mining has been an outsized positive contributor.
- Real Estate has underperformed and weighed on returns amid the recent downturn in the asset class post-COVID and the ensuing interest rate hikes.
- Distributions continue to improve and have been driven by Infrastructure, but exit activity remains below historical averages.

Since Inception IRRs by Strategy	
Infrastructure	10.7%
Real Estate	5.4%
Agriculture	5.0%
Mining	10.9%
Timber	4.0%

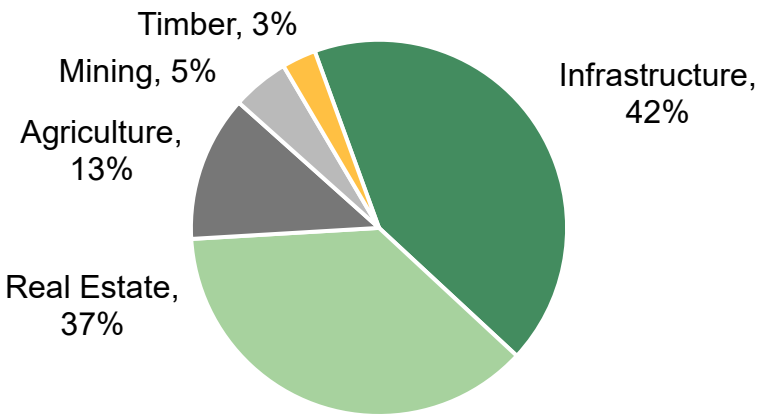
Notes: Returns are net of investment manager fees and calculated since inception in Q2 2005 through March 31, 2026. Past performance is not indicative of future results.

24%

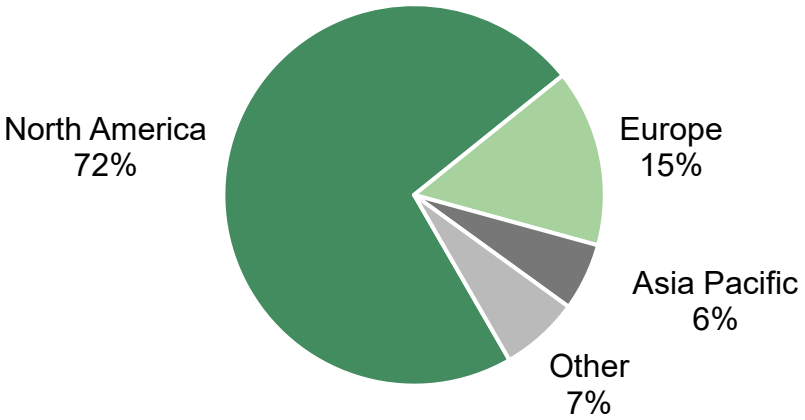
Real Assets
Portfolio Construction

- Portfolio remains primarily allocated to Infrastructure and Real Estate.
- Core/core-plus (income-oriented) strategies account for nearly half the portfolio.
- Non-core strategies account for one-third, and Natural Resources account for one-fifth.
- North America remains the largest regional exposure.
- No significant concentration concerns.

Fund Strategy Allocation



Regional Exposure



Notes: Based on data available as of March 31, 2026. Fund Strategy Allocation based on Net Asset Value and reflects top-down classification of underlying funds. Regional Exposure reflects look-through exposure to underlying holdings and are based on gross exposure, including leverage. Data may be incomplete as some managers do not report holdings-level data.

Appendix

16%

Private Equity

Trailing Returns – as of March 31, 2026

- Outperforming the discount rate over 10-, 5-, 3-, and 1-year trailing periods
- Underperforming the policy benchmark over trailing periods

Time-Weighted Returns	10 Years	5 Years	3 Years	1 Year	Max DD
Private Equity Portfolio	**14.7%**	**8.2%**	**8.1%**	**11.6%**	**-10.7%**
Policy Benchmark (Russell 3000 + 3%)	17.1%	14.2%	21.4%	21.6%	n/a
US Large Cap Stocks[1]	14.0%	11.3%	18.1%	17.7%	-24.6%
US Small Cap Stocks[2]	9.9%	3.8%	13.0%	25.7%	-30.6%
Global Stocks[3]	11.6%	9.5%	16.8%	21.2%	-25.4%
International (ex-US) Stocks[4]	8.8%	7.4%	15.0%	26.0%	-27.2%
Private Equity Fund Index[5]	14.4%	8.8%	7.9%	9.6%	-6.3%

[1] Russell 1000 TR | [2] Russell 2000 TR | [3] MSCI ACWI IMI TR | [4] MSCI AC World xUS IMI TR | [5] Albourne AW Private Equity Index

Notes: Returns are net of investment manager fees and calculated as of March 31, 2026. Time-weighted returns shown for context only. "Max DD" reflects worst peak-to-trough drawdown over the past 10 years based on quarterly returns. Russell 3000 + 3% represents a return objective, is not investable, and does not have a defined drawdown. See Appendix for methodology. Past performance is not indicative of future results. *Sources: FTSE Russell, MSCI, and Albourne.*

Alternative Credit

Trailing Returns – as of March 31, 2026

- Outperforming the discount rate over 10, 5, and 3 years, but not 1 year
- Outperforming the policy benchmark over trailing periods

Time-Weighted Returns	10 Years	5 Years	3 Years	1 Year	Max DD
Alternative Credit Portfolio	**7.5%**	**8.2%**	**8.9%**	**6.2%**	**-3.5%**
Policy Benchmark[1]	5.8%	5.1%	8.2%	5.8%	-13.0%
High Yield Bond Index[2]	6.0%	4.2%	8.5%	6.9%	-14.6%
50% High Yield/50% Leveraged Loans[3]	5.8%	5.1%	8.3%	5.9%	-13.1%
Investment Grade Bond Index[4]	1.7%	0.3%	3.6%	4.3%	-15.9%
Base Rate (SOFR)[5]	n/a	3.5%	4.9%	4.2%	n/a
Private Credit Fund Index[6]	8.5%	8.6%	8.4%	8.6%	-8.8%

[1] 50% Morningstar LSTA US Leveraged Loan Index + 50% ICE BofAML US HY Bonds through December 31, 2025, then Morningstar LSTA US Leveraged Loan Index from January 1, 2026 | [2] ICE BofAML US HY Bonds | [3] 50% Morningstar LSTA US Leveraged Loan Index + 50% ICE BofAML US HY Bonds | [4] BBG Barclays US Agg. Value TR UH | [5] Secured Overnight Financing Rate (SOFR) | [6] Albourne AW Private Credit Index.

Notes: Returns are net of investment manager fees and calculated as of March 31, 2026. Time-weighted returns shown for context only. "Max DD" reflects worst peak-to-trough drawdown over the past 10 years based on quarterly returns. See Appendix for methodology. Past performance is not indicative of future results. *Sources: Morningstar, ICE, Bloomberg, Federal Reserve, and Albourne.*

24%

Real Assets

Trailing Returns – as of March 31, 2026

- Outperforming the discount rate and policy benchmark over 10 years, but underperforming over 5, 3, and 1 years.

Time-Weighted Returns	10 Years	5 Years	3 Years	1 Year	Max DD
Real Assets Portfolio	**7.9%**	**6.4%**	**4.5%**	**5.8%**	**-3.4%**
Policy Benchmark (CPI-U[1] + 3%)	6.3%	7.5%	6.1%	6.3%	n/a
Publicly-Traded Equity REITs[2]	5.6%	4.0%	6.8%	3.3%	-29.2%
Publicly-Traded Infrastructure Stocks[3]	8.1%	9.1%	12.4%	18.0%	-20.9%
Private Real Estate Fund Index[4]	3.8%	2.3%	-2.8%	3.1%	-19.9%
Private Infrastructure Fund Index[5]	10.9%	10.7%	8.9%	9.4%	-3.3%

[1] Consumer Price Index for All Urban Consumers (CPI-U) | [2] FTSE Nareit All Equity REITs TR | [3] DJ Brookfield Global Infrastructure TR | [4] NCREIF NFI-ODCE (Net) | [5] Albourne AW Infrastructure Index (Net)

Notes: Returns are net of investment manager fees and calculated as of March 31, 2026. Time-weighted returns shown for context only. "Max DD" reflects worst peak-to-trough drawdown over the past 10 years based on quarterly returns. CPI-U + 3% represents a return objective, is not investable, and does not have a defined drawdown. See Appendix for methodology. Past performance is not indicative of future results. *Sources: U.S. Bureau of Labor Statistics, FTSE Nareit, S&P Global, NCREIF, and Albourne.*

Methodology
Performance Measurement

Return Calculations

- Internal Rate of Returns (IRRs) for Private Market asset classes are calculated since inception on a money-weighted basis, which is the appropriate performance measure for committed-capital portfolios with irregular cash flows.
- Time-Weighted Returns (TWRs) are calculated on a time-weighted basis and are shown for trailing periods for comparative and evaluative purposes only.
- Returns are net of external investment manager fees and do not reflect internal plan expenses (e.g., staff, administration, or consulting costs), which are reported elsewhere.

Policy Benchmarks

- The Policy Benchmark for each Asset Class is defined in the Investment Policy available on the MainePERS website here: MainePERS Investment Policy.
- The Policy Benchmarks are not directly investable and may reflect a spread or premium above the relevant public market index. Investable vehicles designed to track any index may have tracking error and fees.

Supplemental Comparisons

- Additional benchmark comparisons are supplemental references shown for context only.
- Private Equity Fund Index, Private Credit Fund Index, and Private Infrastructure Fund Index are pooled mean aggregations based on Albourne Private Market Indices for the respective asset class and are not adjusted for MainePERS portfolio's historical commitment weights in terms of vintage or strategy.

Disclaimer
Page 1/2

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[Continued on next page]

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Page 2/2

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MAINEPERS

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **MONTHLY INVESTMENT REVIEW**

DATE: AUGUST 5, 2026

Following this memo is the Monthly Investment Review for July.

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 $22.95 billion.
- Monthly return of -0.15%.
- Calendar year-to-date return of 5.08%.
- Fiscal year-to-date return of -0.15%.

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Classification Overview
August 13, 2026

Fossil Fuel Investments Defined

Per 5 M.R.S. §1957	
Fossil Fuel	Coal, petroleum, natural gas or any derivative of coal, petroleum or natural gas that is used for fuel
Fossil Fuel Company	Any company that: 1) Is among the 200 publicly traded companies with the largest fossil fuel reserves in the world; 2) Is among the 30 largest public company owners in the world of coal-fired power plants; 3) Has as its core business the construction or operation of fossil fuel infrastructure; 4) Has as its core business the exploration, extraction, refining, processing or distribution of fossil fuels; or 5) Receives more than 50% of its gross revenue from fossil fuel companies
Fossil Fuel Infrastructure	Oil or gas wells, oil or gas pipelines and refineries; oil, coal or gas-fired power plants; oil and gas storage tanks; fossil fuel export terminals; and any other infrastructure used exclusively for fossil fuels

For-Profit Prison Investments Defined

Per 5 M.R.S §1958	
For-Profit Prison Investment	Stocks or other securities of any corporation or company that owns or operates prisons for profit.

Fossil Fuel: Fund-Level Classifications

Classifications	Evaluation Criteria	Attributes
Focused	**Targets investments predominantly from fossil fuel sectors**	• Specialized investments in exploration & production, distribution, power generation
Within Mandate	**Sources investments from various sectors, one or more of which involves fossil fuels**	• Diversified investment strategy across multiple sectors • Opportunistic fossil fuel exposure that aligns with overall fund objectives
Incidental	**Does not target fossil fuel-related sectors**	• No fossil fuel sector strategy • Little or no history of investments in fossil fuel sectors

- Investment Team classifies prospective fund commitments based on stated strategy and past investment history
- Analogous framework used to classify For-Profit Prisons

Fund Classifications by Asset Class

Fossil Fuel Classification Number of Commitments – March 2023 to July 2026			
Asset Class	**Focused**	**Within Mandate**	**Incidental**
Alternative Credit	0	1	9
Private Equity	0	0	17
Real Assets	0	5	5
Risk Diversifiers	0	0	9
Total*	**0**	**6**	**40**

***For-Profit Prisons:** all 46 commitments have been classified as “Incidental”

MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Investment Review

August 13, 2026

Investment Policy Objective

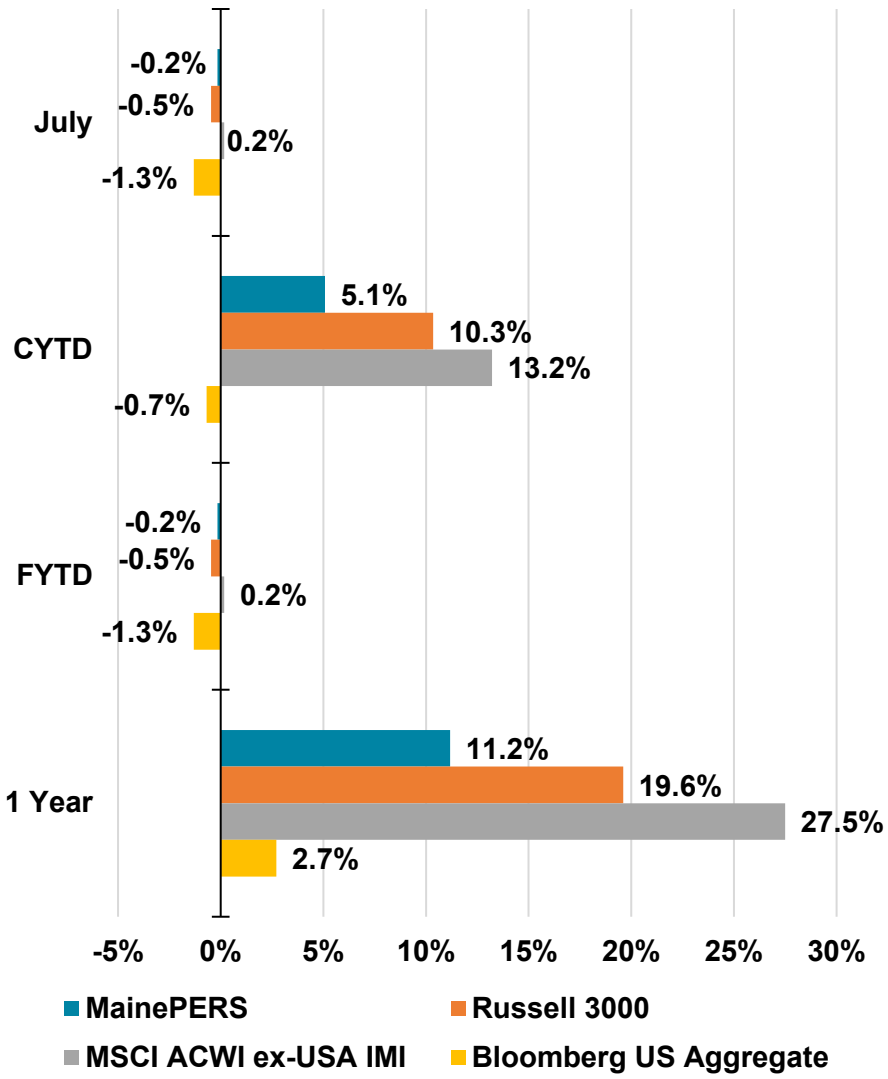
Investment Objective

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.

July 2026 Performance (Preliminary)



CIO Update

Performance

- July was essentially flat following solid gains YoY
- Markets paused to assess economic data, rate expectations, geopolitical uncertainty following strong Q2
- Private markets reflect Q1 valuations
- $23.0B total assets

Initiatives

- Review public market asset classes
- Investment classification overview
- RHIT/GLI/OPEB Public Equity benchmark

Trustee Meeting with Managers

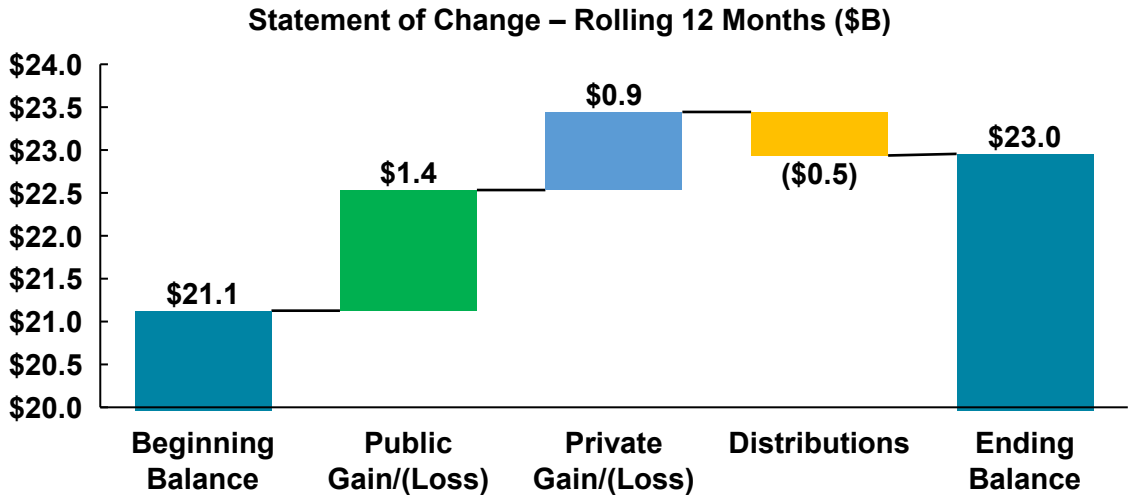
- August 25 | 9:00 a.m. – 12:00 p.m. | Portland

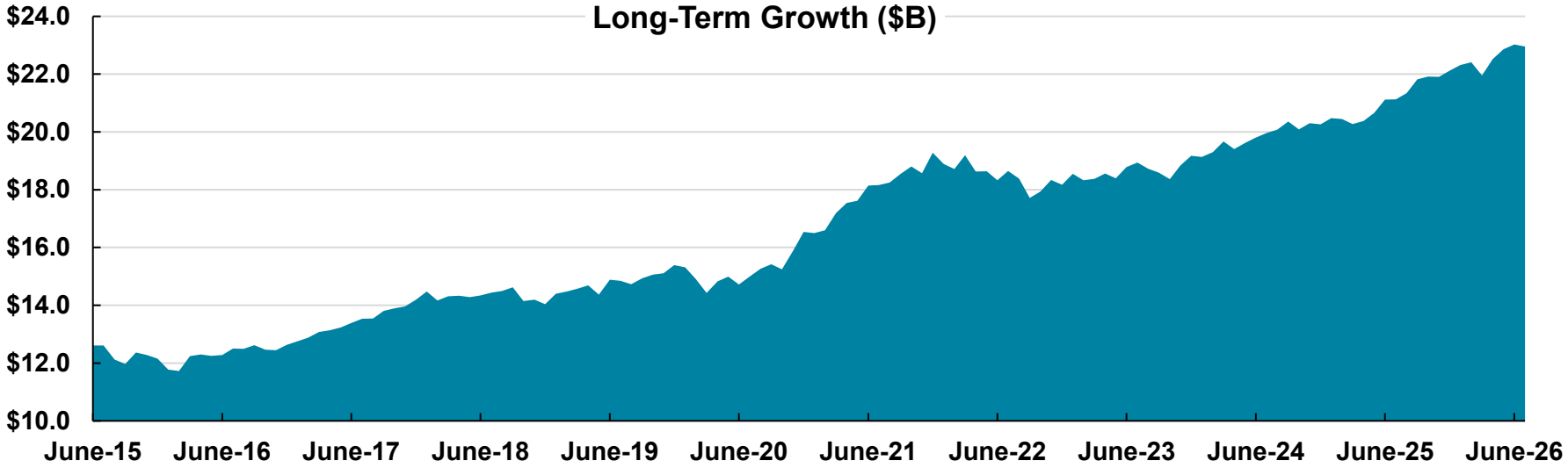
Business and Organizational Updates

- Albourne assuming expanded role as Risk Diversifiers consultant

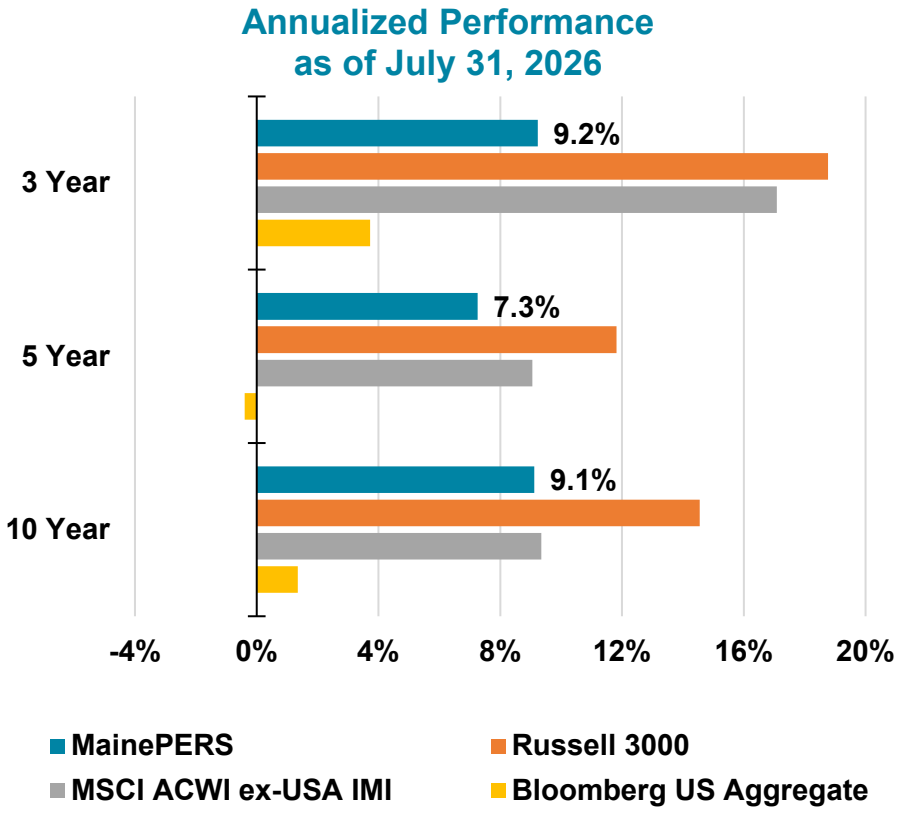
Fund Value – July 2026

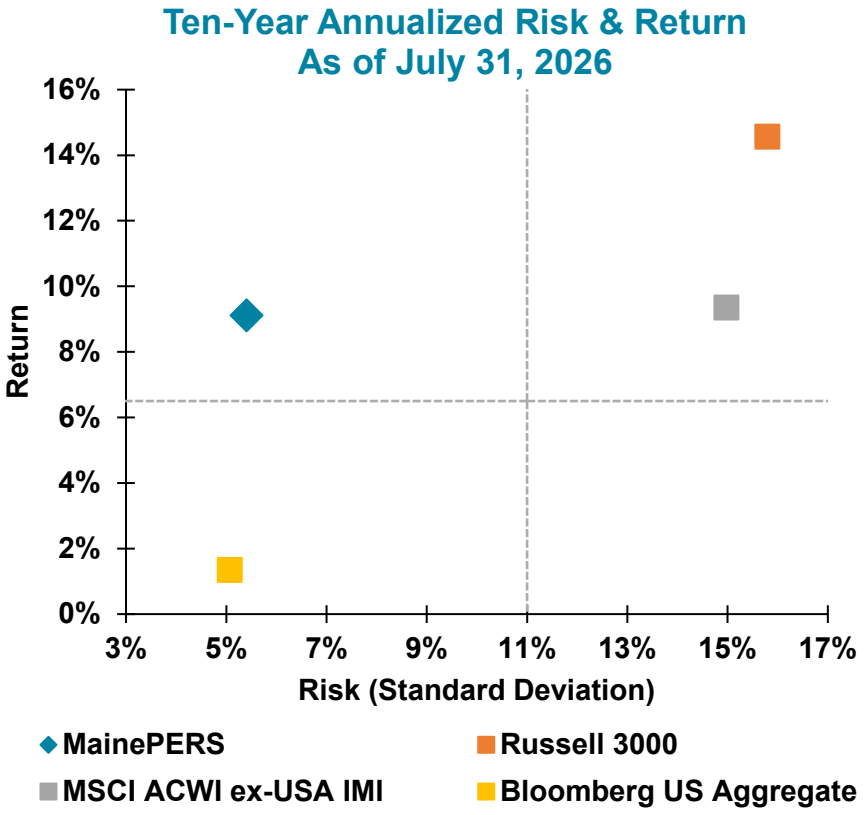
The preliminary fund value at the end of July is $23.0 billion.





Long-Term Performance & Risk



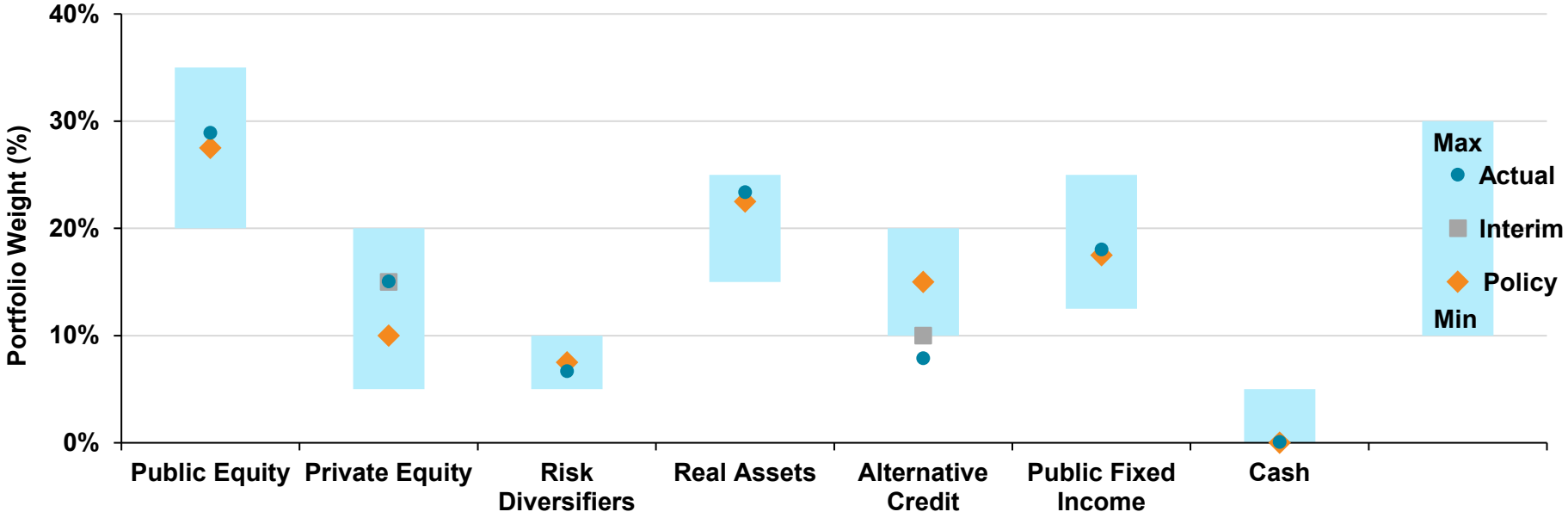


- Fund returns have exceeded the System's discount rate over the long term
- U.S. allocations buoyed MainePERS performance over all periods
- Diversification has resulted in strong risk/return profile over trailing 10 years
  - Substantially lower risk than global equity markets

Asset Allocation (Preliminary) – July 2026

Assets (Millions)	Value	*% of Fund*	Policy %
MainePERS Portfolio	$22,954	100.0%	100.0%
Public Equity	$6,634	28.9%	27.5%
Public Fixed Income	$4,140	18.0%	17.5%
Alternative Credit	$1,809	7.9%	15.0%
Private Equity	$3,455	15.1%	10.0%
Real Assets	$5,363	23.4%	22.5%
Risk Diversifiers	$1,534	6.7%	7.5%
Cash	$20	0.1%	0.0%

- Most asset classes remain near MainePERS Investment Policy target allocations
- Alternative Credit below minimum target as capital deployed judiciously
- Private markets assets in aggregate comprise 46.3% of the portfolio
  - Below 47.5% policy target



Investment Activity

- **One new investment closed during July**

MainePERS Private Market Allocations *Past 12 Months*				
Fund	**Board Approval**		**Commitment**	
	Date	**Amount**	**Date**	**Amount**
WhiteHawk V Onshore Fund	7/9/2026	$ 250,000,000	7/16/2026	$ 250,000,000
General Catalyst Group XIII	05/14/26	$ 15,000,000	06/01/2026	$ 15,000,000
General Catalyst Creation Fund III	05/14/26	$ 15,000,000	06/01/2026	$ 15,000,000
Blackstone Senior Direct Lending Fund***	02/12/26	$ 250,000,000	03/31/26	$ 250,000,000
Redwood Drawdown Fund IV	02/12/26	$ 50,000,000	02/20/26	$ 50,000,000
Meridiam Infrastructure Europe Core Infrastructure Fund	***10/09/25***	***€ 55,000,000***	***12/30/25***	***€ 47,000,000***
Stellus Credit SMA**	07/10/25	$ 225,000,000	11/03/25	$ 225,000,000
Tree Line Direct Lending IV	10/09/25	$ 100,000,000	10/21/25	$ 100,000,000
KKR Diversified Core Infrastructure Fund	08/14/25	$ 100,000,000	09/30/25	$ 100,000,000
KKR North America Fund XIV	06/12/25	$ 50,000,000	09/30/25	$ 50,000,000
KKR Global Infrastructure Investors V	08/14/25	$ 25,000,000	09/30/25	$ 25,000,000
Alyeska Master Fund	***08/14/25***	***$ 150,000,000***	***08/28/25***	***$ 115,000,000***
SurgoCap Master Fund	***08/14/25***	***$ 100,000,000***	***08/27/25***	***$ 75,000,000***
Rolling 12-Month Total		**$ 1,119,000,000**		**$ 1,076,000,000**

* ***Bold italic*** indicates a commitment less than the amount approved by the Board, **Additional authorization for up to $225M for "overage" investments, and ***Additional authorization for up to $125 million for Series II Co-Investment Fund

Co-investment and CV* Activity

- **Two new co-investments closed in July**

Closed Investments *Past 12 Months*				
Asset Class	**Primary Fund Commitment**	**Co-Investment and Continuation Vehicles**	**Date**	**Commitment**
Alternative Credit	Tree Line Direct Lending IV	Participation Agreement #4	7/24/2026	$ 5,000,000
Alternative Credit	TPG Twin Brook Direct Lending Fund VI	Participation Agreement #4	7/6/2026	$ 5,000,000
Alternative Credit	Tree Line Direct Lending IV	Participation Agreement #3	05/06/26	$ 7,500,000
Alternative Credit	TPG Twin Brook Direct Lending Fund VI	Participation Agreement #3	04/30/26	$ 7,500,000
Alternative Credit	Tree Line Direct Lending IV	Participation Agreement #2	02/23/26	$ 5,000,000
Alternative Credit	AG Direct Lending Fund V	Participation Agreement #7 (Upsize)	12/18/25	$ 774,194
Alternative Credit	Tree Line Direct Lending IV	Participation Agreement #1	12/05/25	$ 5,000,000
Private Equity	Advent International GPE VIII	CF24XB SCSP (Upsize)	10/24/25	$ 650,621
Alternative Credit	TPG Twin Brook Direct Lending Fund VI	Participation Agreement #2	10/02/25	$ 10,300,000
Alternative Credit	TPG Twin Brook Direct Lending Fund VI	Participation Agreement #1	09/10/25	$ 10,000,000
Alternative Credit	Pathlight Capital Evergreen Fund	Participation Agreement #1	08/26/25	$ 10,000,000
Rolling 12-Month Total				**$ 66,724,815**

*CV = continuation vehicle

Trustee Meeting with Managers

Tuesday, August 25 | 9:00 a.m. – 12:00 p.m.

Location: Portland Office

Investment	JSL Health Capital Fund II	Technology Impact Fund III / Technology Impact Growth Fund III
Asset Class	**Private Equity**	**Private Equity**
Purpose	**New Investment Opportunity**	**Review Re-Up Opportunity**
Objective	Evaluate ability to invest at the intersection of healthcare and AI from seed through early growth	Review the platform's approach investing from seed through growth in deep technology companies
Background	• Early vintage manager targeting $220M Fund II • Founder led firm with deep technical expertise • Team highly networked throughout the venture capital and healthcare ecosystem • Specializes in healthcare companies that generate differentiated datasets supporting AI-enabled value creation • Focused primarily on U.S. healthcare market	• Manages approximately $19B across mission-aligned strategies, with ~$1.5B in Technology Impact Fund (VC & Growth) platform • Target solutions to address global challenges: electrification, resource efficiency, industrial decarbonization, hardware infrastructure, energy-efficient computing, and semiconductor technology • Team has deep technical expertise across operators, entrepreneurs, and scientists
Relationship	• Newly sourced • First-time investment	• $170 MM previously committed ($373 M NAV) – TIF/TIGF I & II: $160M (2017 & 2021) – Two co-investments: $10M (2023 & 2024)

Investment Team believes that an investment in either Fund is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

Trustee Meeting with Managers

Tuesday, August 25 | 9:00 a.m. – 12:00 p.m.

Location: Portland Office

Investment	**Ares Senior Direct Lending Core**
Asset Class	**Alternative Credit**
Purpose	**Review Re-Up Opportunity**
Objective	Assess approach to originating and underwriting upper middle-market loans with open-ended vehicle
Background	• Diversified alternative asset management firm with ~$623B in AUM • Strategy operates as a North American direct lending platform, primarily lending to private-equity owned businesses in defensive industries such as insurance, financial services, technology, business services, and healthcare equipment and supplies • Differentiated origination platform that combines scale, extensive sponsor relationships, and proven deployment capabilities • Fund's senior professionals average more than 29 years of industry experience • Investment Team comprises 241 professionals across nine offices
Relationship	• $516M previously committed to North American and European focused funds ($268M NAV) – Senior Direct Lending Fund II & III (N. American): $200M (2021 & 2023) – Capital Europe IV – VI: $316M (2018 – 2023)

Investment Team believes that an investment in the Fund is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

Investment Preview

Investment	Meridiam Infrastructure North America Core Infrastructure Fund (“MINA CIF”)
Asset Class	**Real Assets**
Investment	**Continuation Vehicle**
Objective	“Roll” MainePERS existing exposure of ~$300M into a new fund
Timing	Investment Team Recommendation expected at September Board of Trustees Meeting
Background	• Combining certain Meridiam Infrastructure (SCA) (“SICAR”) assets with all Meridiam Infrastructure North America II (“MINA II”) assets, both existing MainePERS investments, into MINA CIF • Consolidating these early vintage North American investments to provide incremental value creation with an attractive expected total return and cash flow profile • Assets are typically availability-based or demand-protected, sovereign-backed Public-Private Partnerships (“PPPs”) featuring long-term, inflation-linked concession agreements • Meridiam recently concluded a similar transaction involving early-vintage European infrastructure assets/funds into which MainePERS rolled 100% of its $50M exposure into Meridiam Infrastructure Europe Core Infrastructure Fund (“MIE CIF”)
Relationship	• $364M previously committed to Meridiam Infrastructure platform since 2012 – SICAR: €10M – North America II and III: $95M and $50M, respectively – Europe II, III and IV: €20M, €85M and €75M, respectively

Investment Team believes that an investment in the Fund is unlikely to lead to meaningful exposure to stocks, securities, or other obligations of fossil fuel or for-profit prison companies.

Liquidity Schedule: July 2026

Term	Market Value	Percent of Portfolio
Liquid[1]	$10,850m	47.3%
Semi-Liquid[2]	$1,305m	5.7%
Illiquid[3]	$10,799m	47.0%
Total	**$22,954m**	**100.0%**

Sources and Uses of Liquidity

Private Markets Activity	Last 12 Months Actual	Next 12 Months Projection
Capital Contributions	-$1,512m	-$910m
Distributions	$1,853m	$1,580m
Net Private Markets Activity	**$340m**	**$670m**
Benefit Payments	**-$435m**	**-$480m**
Net Cash Flows	**-$95m**	**$190m**

[1]Liquid assets includes Public Equity and Public Fixed Income; as well as a publicly listed Alternative Credit investment
[2]Semi-Liquid assets includes Risk Diversifiers
[3]Illiquid assets includes private Alternative Credit, Private Equity, and Real Assets; as well as certain Risk Diversifiers investments

MainePERS Alternative Investments Summary

(in $millions)	Current Market Value			Unfunded Commitment	
as of 07/31/2026	Dollars	% of Fund	Policy %*	Dollars	% of Fund
Alternative Credit	$ 1,809	7.9%	15.0%	$ 1,355	5.9%
Private Equity	$ 3,455	15.1%	10.0%	$ 1,004	4.4%
Real Assets	$ 5,363	23.4%	22.5%	$ 784	3.4%
Risk Diversifiers	$ 1,534	6.7%	7.5%	$ 66	0.3%
Total Alternatives	**$ 12,161**	**53.0%**	**55.0%**	**$ 3,209**	**14.0%**

For more details please see Private Markets Investment Summary at http://www.mainepers.org/Investments/
*Investment Policy weights approved by the Board of Trustees effective Jan 2026

Note: Market values shown above are preliminary estimates. Private market asset values are based on 03/31/2026 values, adjusted for subsequent cash flows.

(in $millions)	Private Market Commitments by Vintage Year				3-Year
as of 07/31/2026	2023	2024	2025	2026	Average[1]
Alternative Credit	$ 80	$ 175	$ 843	$ 500	$ 366
Private Equity	$ 71	$ 274	$ 123	$ -	$ 156
Real Assets	$ 140	$ 60	$ 225	$ -	$ 142
Total Commitments	**$ 291**	**$ 509**	**$ 1,191**	**$ 500**	**$ 664**

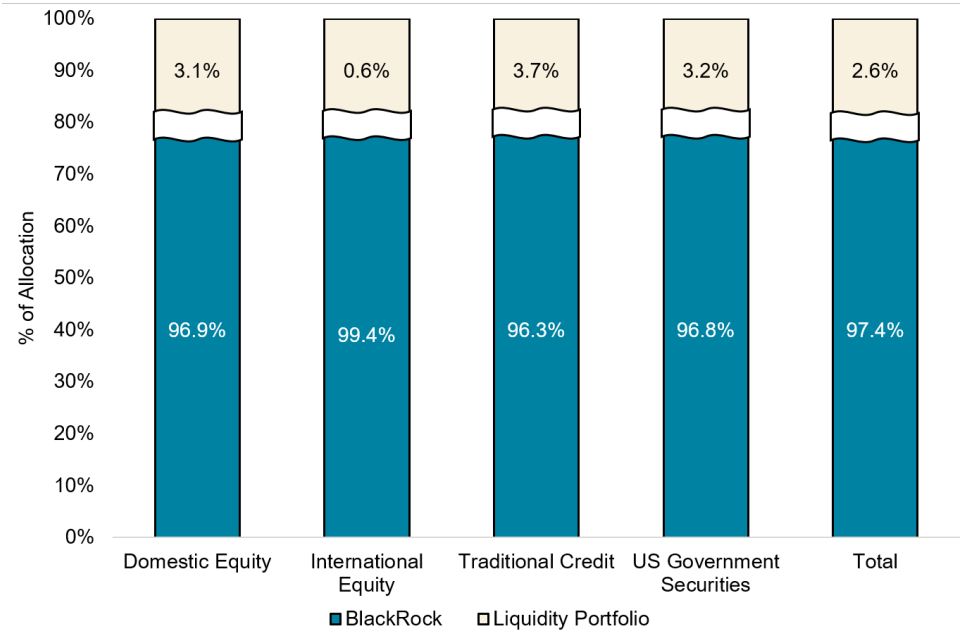
[1]3-Year Average: 2022-2025

Supplemental Information

Public Securities: Liquidity Portfolio

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

The Liquidity Portfolio accounts for 2.6% of MainePERS' total exposure to public securities.



MainePERS Liquidity Portfolio	Market Value (Millions)	Exposure Type
Parametric Domestic Equity	$129.6	Futures
Parametric International Equity	$15.4	Futures
Parametric Traditional Credit	$61.8	ETFs
Parametric US Government Securities	$78.4	Futures
Total Liquidity Portfolio	**$285.2**	

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: July 2026

Description	FY 27	FY 26	FY 25	FY 24	FY 23
Investment Mgmt. Fees	$10,579,220	$126,950,641	$129,093,633	$131,940,081	$135,770,817
Securities Lending Fees [1]		1,430,640	1,100,903	1,356,735	1,303,543
Consulting Fees	101,250	1,224,532	1,215,000	1,215,000	1,193,543
Broker Commissions [2]	3,652	124,633	120,217	77,495	136,039
Placement Agent Fees	0	0	0	0	0
Total	**$10,684,122**	**$129,730,446**	**$131,529,753**	**$134,589,311**	**$138,403,942**
Percentage of Fund [3]	**0.56%**	**0.57%**	**0.62%**	**0.68%**	**0.74%**

1. Securities Lending Fees are through 6/30/2026
2. Actual paid commissions reported by JP Morgan
3. For FY27: Total fees projected for the full fiscal year ($129,640,104) divided by current Fund value.
   For prior FY: Total fees divided by FYE Fund value.

Strategy Allocations (Preliminary) – July 2026

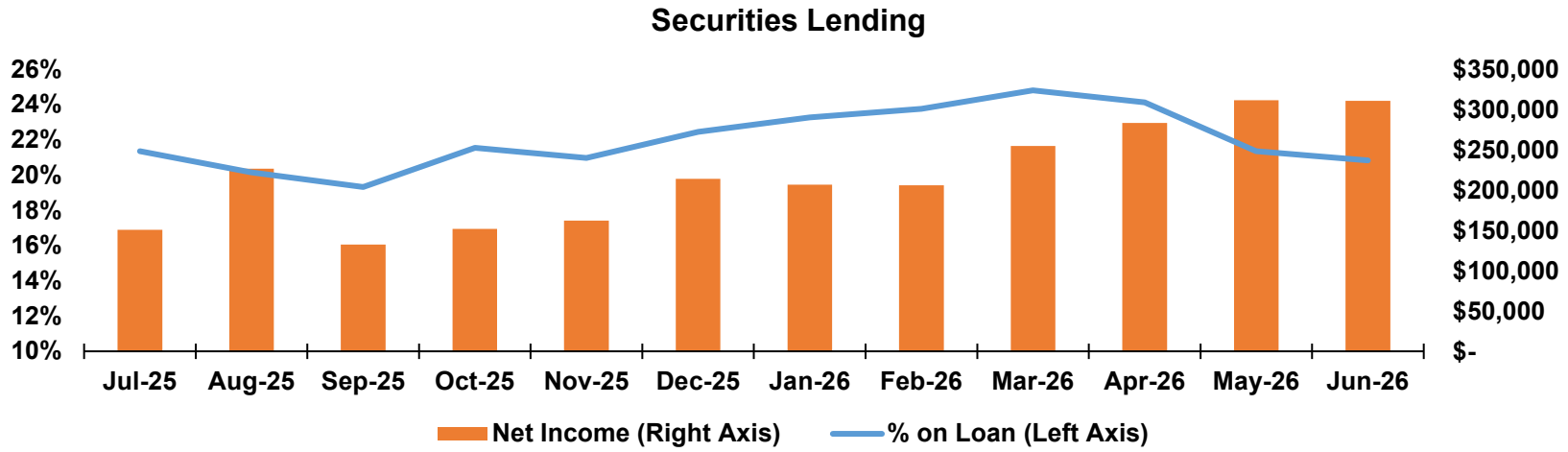
Assets (Millions)	Value	% of Fund	Policy %
MainePERS Portfolio	**$22,954**	**100.0%**	**100.0%**
Public Equity	**$6,634**	**28.9%**	**27.5%**
Domestic Equity	***$4,225***	***18.4%***	***17.2%***
International Equity	***$2,410***	***10.5%***	***10.3%***
Public Fixed Income	**$4,140**	**18.0%**	**17.5%**
Alternative Credit	**$1,809**	**7.9%**	**15.0%**
Private Equity	**$3,455**	**15.1%**	**10.0%**
Real Assets	**$5,363**	**23.4%**	**22.5%**
Infrastructure	***$2,361***	***10.3%***	
Real Estate	***$1,935***	***8.4%***	
Special Opportunities	***$1,066***	***4.6%***	
Risk Diversifiers	**$1,534**	**6.7%**	**7.5%**
Cash	**$20**	**0.1%**	**0.0%**

***Allocation between Domestic Equity and International Equity corresponds to MSCI ACWI IMI weights.**

Securities Lending: June 2026

	Average Lendable Assets	Average Assets On Loan	Total Sec Lending Revenue	Revenue Split	MainePERS Net Income	MainePERS Net Income, FYTD
BlackRock						
Fixed Income	$3,076,780,510	$1,639,933,254	$216,091	60%/40%	$129,654	$1,120,999
Total Equity	$2,249,914,256	$254,784,167	$266,350	60%/40%	$171,792	$1,158,319
Total Blackrock	$5,326,694,766	$1,894,717,421	$482,441		$301,446	$2,279,318
JP Morgan						
Domestic Equities	$4,040,826,462	$57,701,212	$11,196	85%/15%	$9,520	$333,298
Total JP Morgan	$4,040,826,462	$57,701,212	$11,196		$9,520	$333,298
Total	**$9,367,521,228**	**$1,952,418,633**	**$493,637**		**$310,966**	**$2,612,616**

Total Annualized Securities Lending Income, FY 2026: $2,612,616 (0.01%, or 1.1 bps)
Total Actual Securities Lending Income, FY 2025: $1,945,362 (0.01%, or 0.9 bps)



MainePERS Alternative Investments Summary

as of 07/31/2026	# of Funds	# of GP Relationships
Alternative Credit	32	17
Private Equity	136	36
Real Assets	90	39
Risk Diversifiers	15	13
Total*	**273**	**96**

*GP Total may not add due to overlapping relationships

Currently, MainePERS is invested in 273 funds, and has 96 distinct manager relationships.

MainePERS Private Market Investments Summary: 03/31/2026

Asset Class Summary	Commitment (A)	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alternative Credit	$ 4,041,964	$ 3,344,146	$ 2,278,916	$ 1,778,827	$ 4,057,743	7.9%
Real Assets	$ 7,591,780	$ 8,320,849	$ 6,524,182	$ 5,371,539	$ 11,895,722	7.5%
Infrastructure	$ 3,679,064	$ 4,005,154	$ 3,716,554	$ 2,353,768	$ 6,070,322	10.7%
Natural Resources	$ 1,060,500	$ 1,156,292	$ 542,552	$ 1,069,042	$ 1,611,594	5.9%
Real Estate	$ 2,852,215	$ 3,159,403	$ 2,265,077	$ 1,948,729	$ 4,213,806	5.4%
Private Equity	$ 5,352,225	$ 5,578,116	$ 5,810,920	$ 3,540,184	$ 9,351,104	14.3%
Total	$ 16,985,969	$ 17,243,111	$ 14,614,018	$ 10,690,551	$ 25,304,569	9.6%

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	$ 395,109	48	$ 389,626	$ 266,214	$ 213,500	$ 479,715	9.5%
Infrastructure Co-Investments	$ 221,360	11	$ 220,478	$ 361,435	$ 52,117	$ 413,552	14.2%
Natural Resources Co-Investments	$ 32,500	2	$ 32,796	$ 37	$ 83,786	$ 83,824	15.4%
Private Equity Co-Investments	$ 396,266	36	$ 393,120	$ 357,910	$ 259,923	$ 617,834	11.2%
Real Estate Co-Investments	$ 72,005	6	$ 65,421	$ 28,140	$ 20,049	$ 48,189	-6.9%
Total	$ 1,117,239	103	$ 1,101,442	$ 1,013,737	$ 629,376	$ 1,643,113	11.3%

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

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

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	$ 34,447	$ -	$ 34,447	15.4%
Angelo Gordon Direct Lending Fund III	$ 100,000	7/20/2018	$ 103,520	$ 146,213	$ -	$ 146,213	9.3%
Participation Agreement #1	$ 7,500	10/11/2019	$ 7,535	$ 4,368	$ 7,191	$ 11,559	9.8%
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	$ 9,889	$ 13,886	$ -	$ 13,886	10.6%
Participation Agreement #5	$ 5,000	12/6/2019	$ 5,000	$ 6,824	$ -	$ 6,824	9.9%
Participation Agreement #6	$ 10,000	12/6/2019	$ 9,991	$ 14,608	$ -	$ 14,608	10.4%
Participation Agreement #7	$ 5,000	12/11/2019	$ 5,000	$ 7,263	$ -	$ 7,263	9.6%
Participation Agreement #8	$ 5,000	8/13/2020	$ 4,866	$ 6,689	$ -	$ 6,689	10.0%
Participation Agreement #9	$ 7,500	4/9/2021	$ 7,407	$ 4,358	$ 6,699	$ 11,056	11.2%
Participation Agreement #10	$ 10,000	4/20/2021	$ 9,955	$ 12,889	$ -	$ 12,889	11.2%
Participation Agreement #11	$ 5,000	5/5/2021	$ 5,485	$ 2,232	$ 4,109	$ 6,341	4.0%
Angelo Gordon Direct Lending Fund IV	$ 100,000	1/24/2020	$ 99,118	$ 74,496	$ 63,971	$ 138,466	9.8%
Participation Agreement #1	$ 5,000	10/23/2020	$ 4,913	$ 6,266	$ -	$ 6,266	9.2%
Participation Agreement #2	$ 12,500	8/17/2021	$ 12,264	$ 5,864	$ 11,952	$ 17,816	11.0%
Participation Agreement #3	$ 7,500	10/5/2021	$ 7,500	$ 7,913	$ -	$ 7,913	7.9%
Participation Agreement #4	$ 5,000	12/21/2021	$ 4,871	$ 2,330	$ 4,740	$ 7,070	11.0%
Participation Agreement #5	$ 10,000	12/21/2021	$ 9,975	$ 4,884	$ 7,671	$ 12,554	10.8%
Participation Agreement #6	$ 5,000	1/12/2022	$ 4,887	$ 2,366	$ 4,755	$ 7,121	11.3%
Participation Agreement #7	$ 7,500	1/12/2022	$ 7,378	$ 2,705	$ 962	$ 3,667	-23.0%
Participation Agreement #8	$ 12,500	6/16/2022	$ 12,391	$ 15,895	$ -	$ 15,895	11.9%
Angelo Gordon Direct Lending Fund IV Annex	$ 50,000	11/18/2021	$ 49,606	$ 33,868	$ 32,728	$ 66,595	10.6%
Angelo Gordon Direct Lending Fund V	$ 125,000	8/3/2022	$ 115,643	$ 31,424	$ 108,291	$ 139,715	10.9%
Participation Agreement #1	$ 7,500	9/1/2022	$ 7,388	$ 9,892	$ -	$ 9,892	11.6%
Participation Agreement #2	$ 12,500	10/7/2022	$ 12,216	$ 5,008	$ 11,855	$ 16,863	12.2%
Participation Agreement #3	$ 10,000	10/19/2022	$ 9,816	$ 3,782	$ 9,452	$ 13,234	10.9%
Participation Agreement #4	$ 10,000	10/27/2022	$ 9,800	$ 4,419	$ 9,167	$ 13,586	12.4%
Participation Agreement #5	$ 10,000	2/27/2023	$ 9,811	$ 2,702	$ 7,811	$ 10,513	2.7%
Participation Agreement #6	$ 5,000	10/20/2023	$ 4,868	$ 1,285	$ 4,858	$ 6,142	11.3%
Participation Agreement #7	$ 10,774	5/22/2024	$ 10,624	$ 1,926	$ 10,544	$ 12,470	NM
Participation Agreement #8	$ 10,000	6/21/2024	$ 9,785	$ 2,277	$ 9,365	$ 11,642	NM
Participation Agreement #9	$ 10,000	8/6/2024	$ 9,846	$ 1,595	$ 9,727	$ 11,322	NM
Participation Agreement #10	$ 10,000	12/11/2024	$ 9,863	$ 1,313	$ 9,769	$ 11,083	NM
Participation Agreement #11	$ 10,000	12/27/2024	$ 9,888	$ 1,426	$ 9,787	$ 11,213	NM
Ares Capital Europe IV	$ 122,000	4/30/2018	$ 96,890	$ 90,402	$ 33,604	$ 124,006	5.2%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

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 Capital Europe V	$ 122,000	9/4/2020	$ 93,446	$ 33,644	$ 89,833	$ 123,477	8.4%
Ares Capital Europe VI	$ 82,500	3/17/2023	$ 44,020	$ 12,195	$ 40,170	$ 52,366	16.2%
Ares Senior Direct Lending Fund II	$ 100,000	12/10/2021	$ 81,386	$ 51,006	$ 58,598	$ 109,604	12.7%
Ares Senior Direct Lending Fund III	$ 100,000	7/28/2023	$ 44,372	$ 4,372	$ 46,078	$ 50,450	NM
Audax Senior Debt (MP), LLC	$ 100,000	6/30/2017	$ 100,000	$ 134,916	$ -	$ 134,916	5.2%
Blackstone Senior Direct Lending Fund	$ 250,000	3/31/2026	$ -	$ -	$ -	$ -	NM
Blue Owl Capital Corporation	$ 100,000	3/10/2017	$ 116,571	$ 177,029	$ -	$ 177,029	9.8%
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	$ 4,987	$ 6,733	$ -	$ 6,733	7.7%
Participation Agreement #6	$ 11,653	8/7/2020	$ 12,917	$ 7,211	$ 11,074	$ 18,284	10.8%
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	$ 15,206	$ -	$ 15,206	12.4%
Participation Agreement #9	$ 7,500	9/26/2022	$ 7,388	$ 10,432	$ -	$ 10,432	12.6%
Blue Owl Capital Corporation III	$ 100,000	6/19/2020	$ 118,400	$ 80,523	$ 76,481	$ 157,004	8.1%
Brookfield Infrastructure Debt Fund III	$ 100,000	7/15/2022	$ 110,887	$ 37,062	$ 86,327	$ 123,389	7.3%
BID III DESRI Co-Invest	$ 8,571	4/30/2024	$ 6,788	$ 455	$ 6,895	$ 7,350	NM
BID III PosiGen Co-Invest	$ 10,000	4/1/2025	$ 10,066	$ -	$ 6,994	$ 6,994	NM
Brookfield Infrastructure Debt Fund IV	$ 100,000	12/31/2024	$ 20,605	$ 4,545	$ 16,512	$ 21,056	NM
Comvest Credit Partners VI	$ 125,000	5/20/2022	$ 237,358	$ 157,477	$ 106,201	$ 263,679	10.3%
Comvest Credit Partners VII	$ 75,000	5/1/2024	$ 60,478	$ 6,805	$ 58,922	$ 65,728	NM
Deerpath Capital VI	$ 75,000	9/30/2021	$ 67,500	$ 20,896	$ 67,529	$ 88,425	8.5%
Global Infrastructure Partners Spectrum	$ 100,000	2/20/2019	$ 132,387	$ 75,733	$ 76,830	$ 152,562	7.3%
Mesa West Core Lending Fund	$ 100,000	6/18/2013	$ 127,612	$ 77,225	$ 94,359	$ 171,583	4.0%
Pathlight Capital Fund II	$ 75,000	4/22/2021	$ 140,499	$ 140,739	$ 25,298	$ 166,036	10.9%
Participation Agreement #1	$ 7,500	4/1/2022	$ 7,082	$ 9,848	$ -	$ 9,848	15.3%
Participation Agreement #2	$ 7,500	4/1/2022	$ 7,346	$ 10,375	$ -	$ 10,375	12.5%
Pathlight Capital Fund III	$ 75,000	6/24/2022	$ 133,381	$ 88,370	$ 66,026	$ 154,396	13.6%
Pathlight Capital Evergreen Fund	$ 200,000	3/31/2025	$ 160,832	$ 60,601	$ 106,619	$ 167,220	NM
Participation Agreement #1	$ 10,000	8/26/2025	$ 9,825	$ 582	$ 9,853	$ 10,435	NM
Solar Capital Private Corporate Lending Fund	$ 50,000	6/26/2019	$ 40,188	$ 27,583	$ 30,314	$ 57,897	10.4%
Solar Capital Debt Fund	$ 50,000	6/26/2019	$ 25,000	$ 16,779	$ 16,364	$ 33,143	9.4%
SLR Private Corporate Lending Fund II	$ 125,000	12/23/2022	$ 31,784	$ 4,667	$ 35,506	$ 40,172	NM
Silver Point Specialty Credit II	$ 50,000	1/31/2020	$ 64,230	$ 50,355	$ 34,828	$ 85,183	11.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

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
Stellus Credit Funds Investor C	$ 225,000	11/3/2025	$ 55,800	$ -	$ 56,927	$ 56,927	NM
Stellus Credit Funds Investor C SPV	$ 225,000	11/3/2025	$ 11,850	$ -	$ 12,103	$ 12,103	NM
Tennenbaum Direct Lending VIII	$ 100,000	11/30/2017	$ 100,883	$ 122,876	$ 1,776	$ 124,652	5.8%
TPG Twin Brook Direct Lending Continuation Fund I	$ 68,000	8/7/2025	$ 62,864	$ 2,276	$ 59,741	$ 62,018	NM
TPG Twin Brook Direct Lending Fund VI	$ 150,000	6/20/2025	$ 7,500	$ -	$ 7,257	$ 7,257	NM
Participation Agreement #1	$ 10,000	9/10/2025	$ 9,969	$ 516	$ 9,890	$ 10,406	NM
Participation Agreement #2	$ 10,300	10/2/2025	$ 10,251	$ 568	$ 10,132	$ 10,700	NM
Tree Line Direct Lending IV	$ 100,000	10/21/2025	$ 67,880	$ 14,552	$ 54,711	$ 69,263	NM
Participation Agreement #1	$ 5,000	12/5/2025	$ 4,955	$ 157	$ 5,000	$ 5,157	NM
Participation Agreement #2	$ 5,000	2/23/2026	$ 4,973	$ 43	$ 5,000	$ 5,043	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
ABRY Advanced Securities Fund II	$ 20,000	5/4/2011	$ 20,585	$ 29,749	$ 207	$ 29,955	13.0%
ABRY Advanced Securities Fund III	$ 30,000	4/30/2014	$ 45,332	$ 44,697	$ 33	$ 44,730	-0.4%
ABRY Heritage Partners	$ 10,000	5/31/2016	$ 11,240	$ 16,708	$ 5,436	$ 22,143	24.7%
ABRY Partners VII	$ 10,000	4/29/2011	$ 13,118	$ 18,674	$ 1,224	$ 19,899	11.9%
ABRY Partners VIII	$ 20,000	8/8/2014	$ 24,310	$ 31,610	$ 2,403	$ 34,014	9.5%
ABRY Senior Equity IV	$ 10,000	12/7/2012	$ 10,874	$ 17,170	$ 899	$ 18,069	14.4%
ABRY Senior Equity V	$ 12,050	1/19/2017	$ 13,397	$ 12,932	$ 8,337	$ 21,269	11.8%
Advent International GPE VII	$ 30,000	6/29/2012	$ 34,811	$ 56,010	$ 1,899	$ 57,909	13.1%
Advent International GPE VIII	$ 50,000	2/5/2016	$ 59,211	$ 86,671	$ 26,114	$ 112,786	15.1%
CF24XB SCSP	$ 3,751	3/28/2025	$ 3,545	$ -	$ 3,634	$ 3,634	NM
Advent International GPE IX	$ 50,000	5/9/2019	$ 49,420	$ 20,373	$ 52,615	$ 72,989	10.1%
GPE IX TKE Co-Investment	$ 24,000	3/30/2020	$ 21,243	$ -	$ 42,073	$ 42,073	12.8%
Advent International GPE X	$ 45,000	4/28/2022	$ 30,069	$ 478	$ 38,267	$ 38,745	13.4%
AI Co-Investment I-A	$ 7,500	3/2/2023	$ 7,443	$ -	$ 11,848	$ 11,848	17.0%
Advent International GPE XI	$ 50,000	7/11/2025	$ -	$ -	$ -	$ -	NM
Advent Latin America PE Fund VI	$ 20,000	10/17/2014	$ 20,812	$ 25,300	$ 10,841	$ 36,141	12.2%
Affinity Asia Pacific Fund IV	$ 60,000	2/28/2013	$ 72,042	$ 90,615	$ 28,037	$ 118,653	14.1%
Affinity Asia Pacific Fund V	$ 40,000	12/11/2017	$ 40,307	$ 14,737	$ 38,694	$ 53,431	10.4%
Bain Capital Ventures 2021	$ 25,000	10/28/2020	$ 24,188	$ 1	$ 25,975	$ 25,976	2.0%
Bain Capital Ventures 2022	$ 25,000	6/10/2022	$ 17,688	$ 0	$ 26,098	$ 26,098	27.3%
Bain Capital Venture Coinvestment Fund III	$ 15,000	4/1/2021	$ 15,825	$ 825	$ 14,403	$ 15,228	-1.0%
Bain Capital Venture Coinvestment Fund IV	$ 15,000	6/10/2022	$ 12,300	$ -	$ 14,544	$ 14,544	16.6%
Berkshire Fund VIII	$ 15,000	7/20/2011	$ 17,044	$ 34,641	$ 1,260	$ 35,901	15.8%
Berkshire Fund IX	$ 50,000	3/18/2016	$ 59,914	$ 41,705	$ 59,703	$ 101,408	12.5%
Blackstone Capital Partners VI	$ 30,000	6/30/2010	$ 38,675	$ 60,164	$ 4,746	$ 64,910	12.0%
Blackstone Capital Partners VII	$ 54,000	3/27/2015	$ 67,063	$ 68,538	$ 39,552	$ 108,090	11.8%
Carlyle Asia Partners III	$ 15,000	12/31/2009	$ 20,694	$ 31,227	$ -	$ 31,227	12.6%
Carlyle Asia Partners IV	$ 60,000	6/3/2014	$ 91,032	$ 140,588	$ 3,465	$ 144,053	12.9%
Carlyle Asia Partners V	$ 45,000	10/30/2017	$ 54,017	$ 23,127	$ 38,109	$ 61,235	4.6%
Centerbridge Capital Partners III	$ 30,000	10/24/2014	$ 50,323	$ 57,217	$ 14,759	$ 71,976	12.8%
CB Blizzard Co-Invest	$ 15,684	9/11/2019	$ 15,773	$ 10,053	$ 262	$ 10,315	-40.6%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
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	$ 37	$ 7,311	12.0%
Charterhouse Capital Partners X	$ 67,000	5/13/2015	$ 69,950	$ 108,856	$ 22,628	$ 131,483	19.9%
Charterhouse Acrostone	$ 12,000	8/24/2018	$ 13,254	$ 21,268	$ -	$ 21,268	16.9%
Charterhouse Capital Partners XI	$ 45,000	4/23/2021	$ 34,894	$ 2,685	$ 44,911	$ 47,596	15.7%
CVC Capital Partners VI	$ 67,000	7/12/2013	$ 112,337	$ 158,179	$ 34,267	$ 192,446	14.8%
CVC Capital Partners VII	$ 48,000	5/9/2017	$ 88,044	$ 96,650	$ 50,056	$ 146,706	19.6%
CVC Capital Partners VIII	$ 44,000	6/11/2020	$ 78,296	$ 38,005	$ 52,572	$ 90,577	9.0%
CVC Capital Partners IX	$ 44,000	6/29/2023	$ 27,980	$ 14,924	$ 14,975	$ 29,898	16.2%
CVC Capital Partners Pachelbel (A) SCSp	$ 6,966	6/14/2024	$ 6,479	$ 36	$ 9,854	$ 9,890	NM
EnCap Energy Capital VIII	$ 30,000	1/31/2011	$ 34,214	$ 35,599	$ 555	$ 36,154	1.0%
EnCap Energy Capital Fund VIII Co-Investors	$ 16,238	12/8/2011	$ 16,559	$ 13,222	$ -	$ 13,222	-2.7%
EnCap Energy Capital Fund IX	$ 30,000	12/19/2012	$ 37,857	$ 51,022	$ 6,668	$ 57,691	11.1%
EnCap Energy Capital Fund X	$ 40,000	3/5/2015	$ 49,776	$ 78,268	$ 19,225	$ 97,493	16.1%
EnCap Energy Capital Fund XI	$ 40,000	5/31/2017	$ 49,203	$ 64,556	$ 29,692	$ 94,248	22.3%
EnCap Flatrock Midstream Fund III	$ 20,000	4/9/2014	$ 25,980	$ 34,125	$ 2,982	$ 37,107	10.0%
EnCap Flatrock Midstream Fund IV	$ 22,000	11/17/2017	$ 22,996	$ 13,274	$ 17,554	$ 30,828	9.4%
General Catalyst X - Early Venture	$ 19,565	3/26/2020	$ 19,174	$ -	$ 27,757	$ 27,757	7.7%
General Catalyst X - Endurance	$ 22,826	3/26/2020	$ 22,859	$ 8,262	$ 27,183	$ 35,445	9.2%
General Catalyst X - Growth Venture	$ 32,609	3/26/2020	$ 32,609	$ -	$ 46,377	$ 46,377	7.2%
General Catalyst XI - Creation	$ 8,823	10/29/2021	$ 8,437	$ -	$ 15,551	$ 15,551	25.9%
General Catalyst XI - Endurance	$ 29,412	10/29/2021	$ 29,044	$ -	$ 40,980	$ 40,980	10.8%
General Catalyst XI - Ignition	$ 11,765	10/29/2021	$ 10,693	$ -	$ 17,402	$ 17,402	16.2%
General Catalyst XII - Creation	$ 6,250	1/26/2024	$ 5,169	$ -	$ 9,063	$ 9,063	51.4%
General Catalyst XII - Endurance	$ 9,375	1/26/2024	$ 8,132	$ 31	$ 12,344	$ 12,375	45.5%
General Catalyst XII - Health Assurance	$ 3,125	1/26/2024	$ 2,597	$ -	$ 2,961	$ 2,961	15.8%
General Catalyst XII - Ignition	$ 6,250	1/26/2024	$ 4,561	$ -	$ 6,929	$ 6,929	43.5%
Great Hill Equity Partners IX	$ 25,000	7/15/2025	$ 0	$ -	$ (167)	$ (167)	NM
GTCR Fund X	$ 30,000	1/28/2011	$ 31,766	$ 64,646	$ -	$ 64,646	21.4%
GTCR Fund XI	$ 35,000	11/15/2013	$ 35,167	$ 100,186	$ 5,331	$ 105,517	30.2%
GTCR Fund XII	$ 50,000	9/29/2017	$ 54,199	$ 66,562	$ 34,388	$ 100,950	18.6%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Co-Investment #1	$ 5,238	4/26/2019	$ 4,556	$ 10,835	$ 427	$ 11,262	15.4%
Co-Investment #2	$ 5,997	11/1/2019	$ 5,977	$ 11,854	$ 9	$ 11,864	38.6%
GTCR XIII	$ 50,000	10/27/2020	$ 41,340	$ 21,946	$ 42,415	$ 64,361	18.4%
GTCR XIV	$ 50,000	12/16/2022	$ 14,374	$ 7,182	$ 13,846	$ 21,028	NM
H.I.G. Bayside Loan Fund II	$ 25,000	5/28/2010	$ 23,985	$ 32,479	$ -	$ 32,479	7.1%
H.I.G. Bayside Loan Ops Fund III (Europe)	$ 30,000	7/27/2012	$ 26,707	$ 31,070	$ 3,185	$ 34,255	6.7%
H.I.G. Brazil & Latin America Partners	$ 60,000	7/1/2015	$ 73,291	$ 41,830	$ 62,259	$ 104,089	8.0%
H.I.G. Capital Partners V	$ 15,000	2/28/2013	$ 23,360	$ 41,627	$ 4,090	$ 45,717	22.7%
H.I.G. Europe Capital Partners II	$ 22,500	7/1/2013	$ 27,815	$ 28,219	$ 10,662	$ 38,881	9.4%
H.I.G. Growth Buyouts & Equity Fund II	$ 17,500	6/30/2011	$ 26,358	$ 39,733	$ 2,887	$ 42,620	12.6%
H.I.G. Growth Buyouts & Equity Fund III	$ 35,000	9/13/2018	$ 29,331	$ 15,452	$ 18,114	$ 33,566	5.2%
H.I.G Middle Market LBO Fund II	$ 40,000	2/7/2014	$ 52,168	$ 79,864	$ 8,882	$ 88,745	23.1%
Co-Investment #1	$ 9,000	10/12/2017	$ 9,000	$ -	$ -	$ -	-100.0%
Co-Investment #2	$ 686	6/19/2020	$ 686	$ 75	$ 380	$ 455	-7.0%
Co-Investment #3	$ 1,000	6/1/2021	$ 1,079	$ -	$ 0	$ 0	-83.5%
H.I.G. Middle Market LBO Fund III	$ 40,000	7/23/2019	$ 44,422	$ 18,848	$ 38,105	$ 56,953	9.0%
Hellman & Friedman Capital Partners VII	$ 30,000	6/19/2009	$ 45,242	$ 111,379	$ 1,730	$ 113,109	24.5%
Hellman & Friedman Capital Partners VIII	$ 45,000	9/24/2014	$ 50,805	$ 42,616	$ 38,608	$ 81,224	9.2%
Hellman & Friedman Capital Partners IX	$ 45,000	9/28/2018	$ 49,020	$ 11,128	$ 69,614	$ 80,742	11.2%
Hellman & Friedman Capital Partners X	$ 45,000	5/10/2021	$ 45,629	$ 7,799	$ 49,918	$ 57,717	8.1%
Inflexion Buyout Fund IV	$ 27,000	9/30/2014	$ 38,585	$ 51,223	$ 16,145	$ 67,368	14.4%
Inflexion Partnership Capital Fund I	$ 17,000	9/30/2014	$ 26,928	$ 43,160	$ 6,239	$ 49,399	21.2%
Inflexion Supplemental Fund IV	$ 10,000	5/31/2016	$ 15,848	$ 23,795	$ 6,384	$ 30,179	21.3%
Kelso Investment Associates VIII	$ 3,000	1/6/2011	$ 3,044	$ 4,358	$ 9	$ 4,368	7.9%
Kelso Investment Associates IX	$ 60,000	11/5/2014	$ 70,714	$ 96,804	$ 21,412	$ 118,216	16.8%
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	$ 53,008	$ 34,039	$ 64,297	$ 98,336	18.1%
Kelso Investment Associates XI	$ 45,000	12/22/2021	$ 24,185	$ 2,195	$ 28,029	$ 30,224	11.0%
Kelso XI Heights Co-Investment	$ 12,000	8/19/2022	$ 10,035	$ -	$ 10,843	$ 10,843	2.2%
KKR North American Fund XI	$ 60,000	2/7/2012	$ 102,460	$ 182,372	$ 10,508	$ 192,880	18.8%
KKR North America Fund XI (Platinum)	$ 8,003	2/26/2016	$ 8,040	$ 2,313	$ -	$ 2,313	-98.0%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
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	$ 72,502	$ 82,973	$ 65,089	$ 148,062	18.8%
KKR Sigma Aggregator	$ 15,000	6/22/2018	$ 15,000	$ -	$ 16,355	$ 16,355	1.1%
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	$ 170	$ 8,077	-10.5%
KKR North America XIII	$ 40,000	6/25/2021	$ 39,145	$ 1,279	$ 48,486	$ 49,765	10.9%
KKR North America Fund XIV	$ 50,000	9/30/2025	$ 0	$ -	$ (9)	$ (9)	NM
KKR Special Situations Fund	$ 60,000	12/19/2012	$ 118,957	$ 103,368	$ 4,164	$ 107,532	-3.5%
KKR Special Situations Fund II	$ 60,000	12/19/2014	$ 98,284	$ 83,996	$ 11,541	$ 95,537	-1.0%
Long Ridge Equity Partners IV	$ 15,000	6/26/2023	$ 2,877	$ 6	$ 2,583	$ 2,589	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	$ 43,941	$ 25	$ 43,966	9.1%
ONCAP IV	$ 15,000	11/8/2016	$ 17,982	$ 10,511	$ 18,060	$ 28,572	10.8%
Onex Partners III	$ 10,000	1/6/2011	$ 11,236	$ 18,014	$ 1,014	$ 19,028	13.0%
Onex Partners IV	$ 60,000	11/22/2013	$ 67,361	$ 74,443	$ 11,884	$ 86,327	5.4%
Co-Investment #1	$ 10,000	2/27/2017	$ 10,471	$ 1,235	$ (46)	$ 1,189	-69.0%
Onex Partners V	$ 45,000	7/11/2017	$ 47,279	$ 31,966	$ 37,066	$ 69,032	10.7%
Paine & Partners Capital Fund IV	$ 60,000	12/18/2014	$ 58,671	$ 37,540	$ 39,864	$ 77,404	5.0%
Wawona Co-Investment Fund I	$ 15,000	3/31/2017	$ 15,023	$ -	$ -	$ -	-100.0%
Lyons Magnus Co-Investment Fund I	$ 15,000	11/8/2017	$ 15,016	$ -	$ 25,809	$ 25,809	6.7%
PSP Maverick Co-Invest	$ 7,238	9/12/2019	$ 7,264	$ 476	$ -	$ 476	-41.1%
PSP AH&N Co-Investment Fund	$ 23,895	11/27/2019	$ 21,396	$ 4,258	$ 32,775	$ 37,033	10.5%
Paine Schwartz Food Chain Fund V	$ 45,000	8/3/2018	$ 52,059	$ 30,937	$ 44,259	$ 75,197	13.9%
SNFL Co-Investment Fund	$ 5,000	10/11/2019	$ 5,024	$ 5,629	$ 6,156	$ 11,785	18.4%
Rhone Partners V	$ 56,000	3/12/2015	$ 81,200	$ 86,798	$ 73,198	$ 159,996	16.2%
Riverside Capital Appreciation Fund VI	$ 60,000	7/3/2013	$ 64,591	$ 80,144	$ 12,690	$ 92,834	9.7%
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	$ 196,910	$ 24,527	$ 221,437	34.6%
Riverside Micro-Cap Fund IV	$ 60,000	10/23/2015	$ 55,659	$ 36,278	$ 56,569	$ 92,847	6.7%
Riverside Micro-Cap Fund IV-B	$ 20,000	8/9/2019	$ 24,145	$ 27,144	$ 5,209	$ 32,352	7.5%
Riverside Micro-Cap Fund V	$ 40,000	8/21/2018	$ 29,372	$ 14,200	$ 38,151	$ 52,351	11.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Riverside Micro-Cap Fund VI	$ 45,000	8/26/2021	$ 24,377	$ 4,569	$ 21,454	$ 26,022	2.7%
Shoreview Capital Partners III	$ 24,000	7/24/2013	$ 26,897	$ 44,908	$ 8,221	$ 53,129	15.6%
Shoreview Capital Partners IV	$ 30,000	6/3/2019	$ 24,656	$ 20,801	$ 24,481	$ 45,283	33.9%
Shoreview Capital Partners V	$ 25,000	9/13/2024	$ 1,101	$ -	$ 850	$ 850	NM
Sovereign Capital IV	$ 46,500	7/7/2014	$ 41,052	$ 52,200	$ 17,734	$ 69,934	10.6%
Summit Partners Credit II	$ 60,000	10/25/2013	$ 91,949	$ 90,241	$ 6,323	$ 96,564	1.9%
Summit Europe Growth Equity III	$ 22,000	3/18/2020	$ 24,164	$ 7,600	$ 35,609	$ 43,209	20.7%
Summit Europe Growth Equity IV	$ 22,000	2/10/2023	$ 5,189	$ -	$ 4,640	$ 4,640	NM
Summit Growth Equity VIII	$ 25,000	5/27/2011	$ 34,399	$ 70,622	$ 2,832	$ 73,454	25.3%
Co-Investment #1	$ 16,000	6/3/2015	$ 16,000	$ 52,819	$ 18,695	$ 71,515	31.3%
Summit Growth Equity IX	$ 60,000	8/26/2015	$ 88,872	$ 121,527	$ 47,073	$ 168,600	22.0%
Co-Investment #1	$ 15,000	11/29/2016	$ 14,895	$ 41,743	$ -	$ 41,743	159.6%
Summit Partners Co-Invest (Ironman)	$ 16,020	4/20/2018	$ 16,024	$ -	$ 23,198	$ 23,198	5.1%
Summit Partners Co-Invest (Giants-B)	$ 15,292	10/22/2019	$ 15,292	$ 42,588	$ 168	$ 42,756	77.5%
Summit Growth Equity X	$ 60,000	2/26/2019	$ 67,688	$ 31,850	$ 67,179	$ 99,030	11.9%
Summit Partners Co-Invest (Lions)	$ 7,534	10/14/2020	$ 7,534	$ 119	$ 14,410	$ 14,529	13.2%
Summit Partners Co-Invest (Indigo)	$ 10,000	12/11/2020	$ 11,442	$ -	$ 11,425	$ 11,425	0.0%
Summit Growth Equity XI	$ 45,000	10/1/2021	$ 26,182	$ 523	$ 29,210	$ 29,733	6.7%
Summit Growth Equity XII	$ 25,000	10/1/2024	$ -	$ -	$ -	$ -	NM
Summit Venture Capital III	$ 13,150	5/27/2011	$ 18,860	$ 37,132	$ 1,742	$ 38,874	17.8%
Summit Venture Capital IV	$ 40,000	8/26/2015	$ 59,766	$ 95,097	$ 55,017	$ 150,114	33.1%
Summit Venture Capital V	$ 45,000	6/16/2020	$ 47,777	$ 11,234	$ 47,286	$ 58,521	8.1%
Summit Partners Co-Invest (CS)	$ 13,753	10/22/2021	$ 13,849	$ -	$ 14,822	$ 14,822	1.6%
Technology Crossover Ventures VIII	$ 60,000	5/8/2013	$ 56,376	$ 110,982	$ 17,222	$ 128,203	11.8%
Technology Crossover Ventures IX	$ 60,000	2/19/2016	$ 52,252	$ 78,411	$ 33,631	$ 112,042	18.0%
TCV Sports	$ 8,000	9/25/2018	$ 8,000	$ 2,636	$ 12,370	$ 15,006	9.0%
Technology Crossover Ventures X	$ 45,000	8/31/2018	$ 38,003	$ 29,576	$ 75,155	$ 104,731	22.0%
Technology Crossover Ventures XI	$ 45,000	10/2/2020	$ 39,065	$ 536	$ 44,217	$ 44,754	4.0%
Technology Impact Fund	$ 40,000	12/18/2017	$ 40,458	$ 39,809	$ 195,147	$ 234,956	43.7%
Technology Impact Fund II	$ 40,000	4/13/2021	$ 28,535	$ 354	$ 38,696	$ 39,050	14.2%
Technology Impact Growth Fund	$ 40,000	11/26/2018	$ 53,951	$ 65,971	$ 79,505	$ 145,475	26.0%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Private Equity

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Technology Impact Growth Fund II	$ 40,000	8/6/2021	$ 27,143	$ 232	$ 42,545	$ 42,777	19.6%
TIGF II Direct Strategies LLC - Series 3	$ 5,000	7/14/2023	$ 5,054	$ -	$ 4,990	$ 4,990	-0.5%
TIGF II Direct Strategies LLC - Series 5	$ 5,000	12/13/2024	$ 5,006	$ -	$ 16,309	$ 16,309	NM
Tenex Capital Partners IV	$ 50,000	7/2/2024	$ 9,022	$ 3	$ 6,733	$ 6,736	NM
Thoma Bravo Fund XI	$ 50,000	5/1/2014	$ 81,645	$ 193,062	$ 25,682	$ 218,744	25.9%
Thoma Bravo Fund XII	$ 60,000	4/27/2016	$ 83,827	$ 128,417	$ 28,232	$ 156,648	14.2%
Thoma Bravo Fund XIII	$ 45,000	12/7/2018	$ 63,670	$ 64,212	$ 46,687	$ 110,899	19.1%
Thoma Bravo Special Opportunities Fund II	$ 15,000	3/27/2015	$ 19,358	$ 31,471	$ 11,145	$ 42,616	15.5%
Thoma Bravo Discover Fund IV	$ 45,000	7/1/2022	$ 43,298	$ 8,199	$ 48,379	$ 56,578	14.1%
Thoma Bravo Discover Fund V	$ 50,000	5/31/2024	$ 9,239	$ -	$ 9,086	$ 9,086	NM
Tillridge Global Agribusiness Partners II	$ 50,000	10/21/2016	$ 35,947	$ 5,704	$ 20,323	$ 26,027	-7.3%
Water Street Healthcare Partners III	$ 25,000	7/25/2012	$ 30,908	$ 78,727	$ 8,898	$ 87,625	34.5%
Water Street Healthcare Partners IV	$ 33,000	9/15/2017	$ 42,662	$ 37,118	$ 42,892	$ 80,010	16.6%
Water Street Healthcare Partners V	$ 43,000	4/15/2022	$ 26,091	$ -	$ 24,484	$ 24,484	-3.9%
Wayzata Opportunities Fund III	$ 30,000	9/11/2012	$ 14,718	$ 15,467	$ 101	$ 15,568	1.2%
Wynnchurch Capital Partners IV	$ 40,000	10/23/2014	$ 38,904	$ 88,890	$ 23,159	$ 112,049	23.9%
Wynnchurch Capital Partners V	$ 40,000	1/15/2020	$ 37,155	$ 9,570	$ 45,727	$ 55,297	12.1%
Wynnchurch Capital Partners VI	$ 40,000	1/18/2024	$ 13,107	$ -	$ 15,101	$ 15,101	NM

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Real Assets - Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
Alinda Infrastructure Fund II	$ 50,000	9/17/2009	$ 68,223	$ 74,329	$ -	$ 74,329	1.9%
ArcLight Energy V	$ 75,000	10/28/2011	$ 76,031	$ 103,624	$ 90	$ 103,713	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	$ 149,442	$ 43,472	$ 192,914	3.9%
Great River Hydro Partners	$ 12,000	6/17/2017	$ 10,718	$ 45,187	$ -	$ 45,187	39.5%
Brookfield Infrastructure Fund II	$ 100,000	6/28/2013	$ 121,172	$ 182,014	$ 47,120	$ 229,135	10.2%
Brookfield Infrastructure Fund III	$ 100,000	4/15/2016	$ 118,068	$ 113,454	$ 87,243	$ 200,697	11.6%
Co-Investment #1	$ 20,000	3/31/2017	$ 15,957	$ 31,233	$ 7,123	$ 38,357	24.6%
Carlyle Global Infrastructure Opportunity Fund	$ 100,000	5/1/2019	$ 107,405	$ 33,832	$ 119,545	$ 153,377	10.8%
Carlyle Infrastructure Partners	$ 50,000	11/2/2007	$ 57,960	$ 65,216	$ -	$ 65,216	2.5%
Carlyle Power Partners II	$ 50,000	11/19/2015	$ 74,455	$ 101,189	$ 583	$ 101,772	8.7%
Cube Infrastructure	$ 45,000	4/16/2010	$ 60,063	$ 96,665	$ 422	$ 97,087	8.0%
Cube Infrastructure II	$ 90,000	9/11/2018	$ 80,860	$ 13,498	$ 88,764	$ 102,262	4.3%
Cube Infrastructure III	$ 90,000	8/16/2021	$ 62,485	$ 8,231	$ 75,320	$ 83,550	9.9%
EQT Infrastructure III	$ 68,000	12/3/2016	$ 112,571	$ 180,991	$ 12,148	$ 193,138	20.0%
EQT Infrastructure IV	$ 100,000	12/17/2018	$ 108,953	$ 33,741	$ 127,378	$ 161,118	9.3%
EQT Infrastructure V	$ 75,000	12/8/2020	$ 77,188	$ 17,702	$ 84,844	$ 102,547	9.8%
Global Energy & Power Infrastructure Fund	$ 50,000	6/30/2010	$ 59,778	$ 53,224	$ 322	$ 53,546	-3.2%
Global Energy & Power Infrastructure Fund II	$ 100,000	10/21/2013	$ 129,496	$ 130,222	$ 32,058	$ 162,280	11.2%
Global Infrastructure Partners Sonic	$ 35,000	7/31/2020	$ 35,130	$ -	$ 12,955	$ 12,955	-17.8%
Global Infrastructure Partners	$ 75,000	3/31/2008	$ 101,173	$ 205,062	$ 207	$ 205,269	17.2%
Global Infrastructure Partners II	$ 75,000	12/3/2011	$ 110,920	$ 185,607	$ 6,926	$ 192,533	15.4%
Global Infrastructure Partners III	$ 150,000	4/15/2016	$ 194,660	$ 202,930	$ 85,498	$ 288,428	9.0%
Co-Investment #1	$ 29,000	2/28/2017	$ 32,337	$ 38,822	$ 19,912	$ 58,734	11.3%
Co-Investment #2	$ 25,000	8/16/2018	$ 27,676	$ 35,609	$ -	$ 35,609	4.7%
Global Infrastructure Partners IV	$ 150,000	12/21/2018	$ 159,034	$ 31,475	$ 167,102	$ 198,577	6.9%
IFM Global Infrastructure (US), L.P.	$ 100,000	12/20/2012	$ 144,550	$ 208,040	$ -	$ 208,040	9.8%
KKR Diversified Core Infrastructure Fund	$ 200,000	4/29/2022	$ 115,339	$ 15,339	$ 123,336	$ 138,675	7.1%
KKR Global Infrastructure Investors	$ 75,000	9/29/2010	$ 87,917	$ 154,328	$ 100	$ 154,428	13.1%
KKR Global Infrastructure Investors II	$ 150,000	10/24/2014	$ 188,427	$ 293,716	$ 45,238	$ 338,954	16.5%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Real Assets - Infrastructure

Fund Name	Commitment (A)	Date of Commitment	Amount Contributed (B)	Total Distributions (C)	Current Market Value (D)	Total Value (C+D)	Interim Net IRR
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	$ 879	$ 57,658	21.2%
KKR Byzantium Infrastructure Aggregator	$ 15,000	10/17/2017	$ 15,005	$ 14,340	$ 10,502	$ 24,842	9.0%
KKR Global Infrastructure Investors III	$ 100,000	3/29/2018	$ 107,846	$ 81,529	$ 67,991	$ 149,520	9.7%
KKR Global Infrastructure Investors V	$ 25,000	9/30/2025	$ 6,274	$ 375	$ 5,989	$ 6,364	NM
Meridiam Infrastructure (SCA)	$ 11,000	9/23/2015	$ 47,587	$ 34,823	$ 40,905	$ 75,728	9.9%
Meridiam Infrastructure (SCA) B Shares	$ 305	9/23/2015	$ 305	$ 25,703	$ -	$ 25,703	58.7%
Meridiam Infrastructure Europe II (SCA)	$ 22,500	9/23/2015	$ 36,936	$ 61,474	$ -	$ 61,474	8.4%
Meridiam Infrastructure Europe II B Shares	$ 178	9/23/2015	$ 178	$ 9,354	$ -	$ 9,354	92.5%
Meridiam Infrastructure Europe III SLP	$ 95,000	4/27/2016	$ 90,892	$ 29,658	$ 110,124	$ 139,783	10.1%
Meridiam Sustainable Infrastructure Europe IV	$ 90,000	4/16/2021	$ 47,637	$ 5,163	$ 45,732	$ 50,894	3.4%
Meridiam Infrastructure N.A. II	$ 75,000	9/28/2012	$ 88,232	$ 54,621	$ 201,537	$ 256,158	15.1%
MINA II CIP	$ 175	6/30/2015	$ 169	$ 2,517	$ 22,734	$ 25,251	81.0%
Meridiam Infrastructure N.A. II	$ 20,000	6/30/2015	$ 18,870	$ 10,373	$ 51,625	$ 61,998	18.9%
Meridiam Infrastructure N.A. III	$ 50,000	7/12/2017	$ 44,213	$ 4,761	$ 58,660	$ 63,421	11.0%
Meridiam Infrastructure Europe Core Fund	$ 57,000	12/30/2025	$ 55,918	$ 2,032	$ 56,820	$ 58,852	NM
Stonepeak Infrastructure Partners II	$ 140,000	11/12/2015	$ 192,848	$ 267,387	$ 7,429	$ 274,816	12.6%
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	$ 38,449	$ -	$ 38,449	11.2%
Stonepeak Infrastructure Partners III	$ 150,000	10/13/2017	$ 179,938	$ 69,548	$ 184,679	$ 254,227	8.3%
Stonepeak Guardian (Co-Invest) Holdings	$ 10,000	4/27/2023	$ 10,000	$ 769	$ 13,794	$ 14,562	14.8%
Stonepeak Infrastructure Partners IV	$ 125,000	5/8/2020	$ 104,707	$ 25,341	$ 107,673	$ 133,014	9.4%
Stonepeak Infrastructure Partners V	$ 25,000	6/28/2024	$ 3,769	$ 0	$ 3,710	$ 3,710	NM
Stonepeak Core Infrastructure Fund	$ 100,000	8/5/2022	$ 110,538	$ 10,538	$ 140,112	$ 150,651	12.0%
Stonepeak Opportunities Fund	$ 50,000	6/12/2023	$ 36,276	$ 6,049	$ 35,229	$ 41,278	10.7%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Real Assets - 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	$ 39,821	$ 14,879	$ 62,635	$ 77,514	7.9%
ACM Permanent Crops II	$ 35,000	5/12/2016	$ 43,088	$ 8,885	$ 12,327	$ 21,212	-13.7%
AMERRA Agri Fund III	$ 50,000	2/11/2016	$ 102,479	$ 100,740	$ 7,412	$ 108,152	2.0%
Denham Mining Fund	$ 35,000	6/29/2018	$ 35,232	$ 659	$ 41,853	$ 42,511	3.7%
Homestead Capital Farmland II	$ 50,000	8/8/2016	$ 57,900	$ 13,329	$ 53,529	$ 66,858	2.5%
Homestead Capital Farmland III	$ 30,000	10/26/2018	$ 34,248	$ 5,858	$ 30,808	$ 36,666	1.9%
Orion Mine Finance Fund II	$ 50,000	5/25/2016	$ 102,501	$ 101,245	$ 34,425	$ 135,670	8.9%
Orion Mine Finance Co-Fund II	$ 20,000	8/13/2018	$ 20,258	$ -	$ 56,620	$ 56,620	14.9%
Silver Creek Aggregate Reserves Fund	$ 100,000	11/6/2018	$ 21,357	$ 8,198	$ 24,680	$ 32,877	NM
Sprott Private Resource Lending Fund III	$ 30,000	8/31/2022	$ 18,155	$ 4,008	$ 20,467	$ 24,476	21.4%
Sprott Private Resource Streaming and Royalty Annex	$ 40,000	5/17/2023	$ 28,277	$ 3,262	$ 28,525	$ 31,786	5.1%
Taurus Mining Fund	$ 50,000	3/27/2015	$ 41,459	$ 50,363	$ -	$ 50,363	7.4%
Taurus Mining Fund Annex	$ 23,000	12/1/2016	$ 18,547	$ 24,419	$ -	$ 24,419	17.3%
Taurus Mining Fund No. 2	$ 75,000	4/18/2019	$ 71,966	$ 57,812	$ 50,983	$ 108,796	20.7%
Teays River Integrated Agriculture	$ 200,000	7/1/2015	$ 192,265	$ 35,112	$ 302,177	$ 337,290	5.7%
Twin Creeks Timber	$ 200,000	1/7/2016	$ 206,183	$ 102,180	$ 153,464	$ 255,643	4.0%
U.S. Farming Realty Trust III	$ 100,000	7/7/2015	$ 110,017	$ 11,565	$ 161,972	$ 173,537	6.1%
Canally Coinvest Holdings	$ 12,500	12/9/2019	$ 12,537	$ 37	$ 27,166	$ 27,203	17.1%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Real Assets - 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	$ 47,682	$ 15,382	$ 45,433	$ 60,815	6.5%
Angelo Gordon Realty Fund XI	$ 50,000	3/31/2022	$ 38,295	$ 1,407	$ 41,603	$ 43,011	8.3%
Bain Capital Real Estate II	$ 50,000	3/5/2021	$ 43,745	$ 4,315	$ 34,697	$ 39,012	-4.4%
Bain Capital Real Estate III	$ 35,000	12/18/2023	$ 15,979	$ 5,266	$ 9,402	$ 14,669	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	$ 52,738	$ 330,603	$ 383,341	1.3%
Blackstone Real Estate Partners VII	$ 75,000	2/26/2012	$ 107,786	$ 162,274	$ 5,681	$ 167,955	14.2%
Blackstone Real Estate Partners VIII	$ 50,000	3/27/2015	$ 67,702	$ 72,806	$ 25,381	$ 98,187	11.1%
Blackstone Real Estate Partners IX	$ 40,000	12/21/2018	$ 47,538	$ 22,437	$ 33,262	$ 55,699	5.1%
Barings Asia Real Estate II	$ 50,000	7/31/2018	$ 49,733	$ 10,629	$ 34,633	$ 45,261	-3.1%
EQT Real Estate II	$ 55,000	4/26/2019	$ 51,020	$ 19,231	$ 39,987	$ 59,218	5.5%
EQT Real Estate Rock Co-Investment	$ 11,000	8/10/2020	$ 9,592	$ 4,309	$ 8,847	$ 13,156	6.9%
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	$ 98,254	$ 67,923	$ 117,882	$ 185,805	6.9%
HSRE-Coyote Maine PERS Core Co-Investment	$ 20,000	12/4/2020	$ 16,158	$ 3,316	$ 6,394	$ 9,710	-11.5%
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	$ 16,179	$ 27,412	$ 43,591	12.9%
HSREF VI Elgin Co-Invest	$ 10,000	4/9/2021	$ 9,335	$ 15,208	$ -	$ 15,208	13.2%
High Street Real Estate Fund VII	$ 35,000	8/16/2021	$ 35,000	$ 3,711	$ 35,079	$ 38,790	3.0%
High Street Real Estate VII Venture	$ 15,000	3/17/2023	$ 15,000	$ 1,572	$ 17,835	$ 19,407	10.9%
High Street Logistics Value Fund I	$ 35,000	4/17/2024	$ 41,571	$ 4,987	$ 35,730	$ 40,717	NM
High Street VF I Co-Invest	$ 3,896	8/28/2024	$ 5,043	$ 1,148	$ 4,808	$ 5,956	NM
High Street Logistics Value Fund II	$ 35,000	7/28/2025	$ 0	$ -	$ (1,144)	$ (1,144)	NM
Hines US Property Partners	$ 200,000	9/9/2021	$ 221,885	$ 30,292	$ 221,351	$ 251,643	4.9%
Invesco Real Estate Asia IV	$ 30,000	3/25/2020	$ 26,412	$ 22,197	$ 6,885	$ 29,082	6.9%
Invesco US Income Fund	$ 195,000	7/17/2014	$ 265,763	$ 107,040	$ 316,401	$ 423,441	7.5%
IPI Data Center Partners I	$ 30,000	12/15/2017	$ 44,256	$ 63,508	$ 1,068	$ 64,577	12.0%
IPI Data Center Partners II	$ 25,000	12/20/2019	$ 24,535	$ 1,619	$ 30,707	$ 32,326	8.4%
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	$ 54,595	$ 58,250	$ 7,157	$ 65,407	6.4%
KKR Real Estate Partners Europe II	$ 25,000	12/23/2019	$ 26,610	$ 8,637	$ 17,005	$ 25,642	-1.4%
KKR Real Estate Partners Americas I	$ 50,000	12/20/2013	$ 50,181	$ 61,062	$ 267	$ 61,329	10.5%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Real Assets - 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
KKR Real Estate Partners Americas II	$ 50,000	6/2/2016	$ 62,968	$ 83,389	$ 1,408	$ 84,796	17.5%
Northbridge-Strategic Fund II	$ 30,000	2/8/2019	$ 30,000	$ 12,596	$ 60,855	$ 73,451	14.5%
Prima Mortgage Investment Trust, LLC	$ 75,000	7/29/2011	$ 97,490	$ 131,918	$ -	$ 131,918	3.8%
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	$ 3,094	$ 3,721	-27.5%
LCC Co-Investor B	$ 15,000	10/18/2019	$ 15,000	$ -	$ -	$ -	-100.0%
Rubenstein Properties Fund IV	$ 25,000	4/16/2019	$ 14,881	$ 56	$ 7,847	$ 7,903	-28.9%
Prudential Senior Housing Fund V	$ 50,000	3/17/2015	$ 41,333	$ 25,566	$ 27,110	$ 52,675	3.2%
Smart Markets Fund, L.P.	$ 195,000	6/17/2013	$ 255,676	$ 102,817	$ 314,961	$ 417,778	7.1%
Stonelake Opportunity Partners VII	$ 40,000	6/30/2022	$ 28,000	$ -	$ 26,427	$ 26,427	-3.8%
Walton Street Real Estate Fund VII	$ 50,000	5/9/2012	$ 44,400	$ 57,330	$ 1,817	$ 59,147	8.1%
Walton Street Real Estate Fund VIII	$ 50,000	10/23/2015	$ 44,331	$ 43,992	$ 15,370	$ 59,362	7.7%
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	$ 17,831	$ 17,500	$ 1,539	$ 19,040	2.6%
Westbrook Real Estate Fund X	$ 50,000	1/15/2015	$ 53,254	$ 42,649	$ 8,942	$ 51,591	-1.5%
Westbrook Real Estate Fund XI	$ 40,000	1/31/2019	$ 44,693	$ 23,832	$ 25,124	$ 48,957	4.8%

(all dollar amounts in thousands)

MainePERS Private Market Investments Summary: 03/31/2026

Notes: 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

BOARD OF TRUSTEES INVESTMENTS MEMORANDUM

TO: BOARD MEMBERS

FROM: JAMES BENNETT, CHIEF INVESTMENT OFFICER

SUBJECT: **QUARTERLY REBALANCING ACTIVITY REPORT**

DATE: AUGUST 5, 2026

This memo summarizes the past year's rebalancing activities, through the end of Q2 2026.

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

PUBLIC MARKETS REBALANCING

Rebalancing activity within the System's public market portfolio over the previous four quarters is shown below.

	Asset Classes				
Month	**Public Equity**	**Traditional Credit**	**US Gov. Nominal**	**US Gov. TIPS**	**Note**
July-2025	-	-	-	-	No Activity
August-2025	-	-	-	-	No Activity
September-2025	-$250 MM	$40 MM	$60 MM	$50 MM	Rebalance and Raise Cash
October-2025	-	-	-	-	No Activity
November-2025	-	-	-	-	No Activity
December-2025	-$390 MM	$340 MM	$50 MM	-	Rebalance
January-2026	-	-	-	-	No Activity
February-2026	-	-	-	-	No Activity
March-2026	-	-	-	-	No Activity
April-2026	-	-	-	-	No Activity
May-2026	-	-	-	-	No Activity
June-2026	-$200 MM	$100 MM	$60 MM	$40 MM	Rebalance
Net Activity	**-$840 MM**	**$480 MM**	**$170 MM**	**$90 MM**	

RISK DIVERSIFERS REBALANCING

The below table summarizes investment activity and rebalancing actions within the Risk Diversifiers portfolio over the previous four quarters.

Month	Investment	Activity	Amount
August 2025	SurgoCap	Initial Funding	$75m
August 2025	Alyeska	Initial Funding	$115m
December 2025	Farallon Capital	Continued Funding	$12m
January 2026	Garda	Continued Funding	$25m
March 2026	Farallon Capital	Continued Funding	$28m
March 2026	SurgoCap	Continued Funding	$25m

MainePERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

2026 Q2
GLI / OPEB / RHIT
Quarterly Report
August 13, 2026

Overview

Plan	Description	Assets
Group Life Insurance (GLI)	Investment of insurance premiums until needed to pay benefits for group life insurance (“GLI”) benefits of MainePERS members	• $270 million
Other Post-Employment Benefits (OPEB)	Provides funds to pay other post-employment benefits (“OPEB”) for certain MainePERS retired employees and their beneficiaries	• $25 million
Retired Health Insurance Trust (RHIT)	Investment of funds related to the State's unfunded liability obligations for retiree health benefits	• $884 million – State Employee • $194 million – Teachers

Policy Allocations and Benchmarks

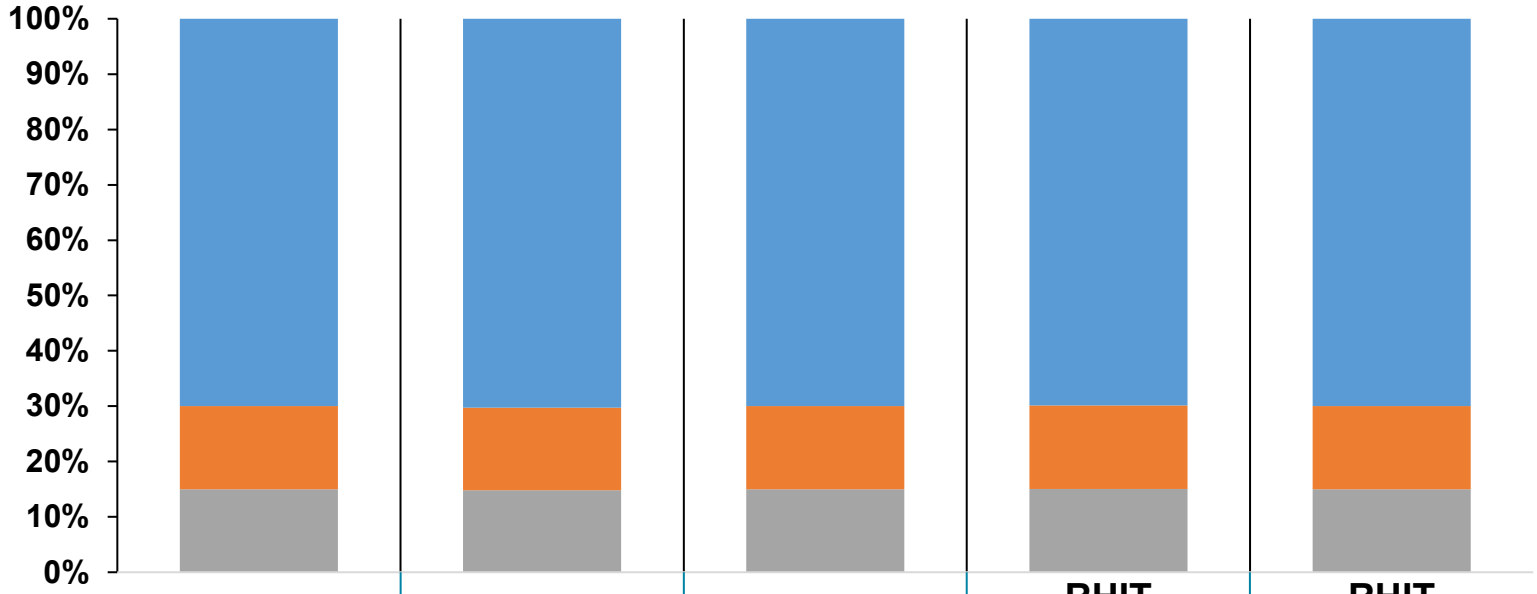
Investments Governed by Board Policies 2.1-A, B, D

- Pools have identical asset allocation policies
  - Slight performance differences arise due to different cash flows
- Public market assets only: no alternatives
- Assets generally correspond to DB plan public market asset classes

Asset Class	Weights			Benchmark
	Min	*Policy*	Max	
Public Equity	60%	***70%***	80%	Russell 3000 & MSCI ACWI ex-USA, based on ACWI weights
Traditional Credit	10%	***15%***	20%	Barclays US Aggregate, ex Treasury
US Government Securities	10%	***15%***	20%	50% Bloomberg Barclays U.S. Government Bond Market Index + 50% Bloomberg U.S. TIPS Index
Cash	0%	***0%***	10%	N/A

Asset Allocation vs. Policy Targets

- All plans at policy targets



	Policy	GLI	OPEB	RHIT State	RHIT Teacher
Public Equity	70.0%	70.2%	70.0%	69.9%	70.0%
Traditional Credit	15.0%	14.9%	15.0%	15.1%	15.0%
US Government	15.0%	14.8%	15.0%	15.1%	15.0%

Performance as of 6/30/2026

	Market Value (millions)	Current Quarter	1 Year	3 Year	5 Year	10 Year
Defined Benefit	**$23,027.6**	5.4%	11.6%	9.7%	7.4%	9.4%
Benchmark		5.4%	16.3%	13.0%	9.0%	9.9%
Other Benefit Plans						
GLI	**$270.2**	10.7%	18.2%	15.2%	7.8%	7.4%
OPEB	**$24.9**	10.7%	18.1%	15.1%	7.8%	7.5%
RHIT - State	**$883.9**	10.7%	18.2%	15.1%	7.8%	7.5%
RHIT - Teachers	**$194.1**	10.7%	18.2%	14.3%		
Benchmark		10.7%	18.1%	15.1%	7.9%	7.2%
Volatility						
Defined Benefit				4.1%	5.2%	5.4%
Non-Defined Benefit				10.1%	12.3%	11.6%

**Volatility computed as annualized standard deviation of monthly returns*

Public Equity Benchmark

Non-US exposure currently via MSCI ACWI (All Country World Index) ex-USA

- Index composed of large- and mid-capitalization stocks
- Excludes small companies

Change to ACWI IMI (Investable Market Index)

- Expand benchmark to include small capitalization stocks
- Marginal change in weighting between U.S. and international markets
- DB Public Equity benchmark shifted to ACWI IMI earlier this year

In September, will bring recommendation to use ACWI IMI for non-DB assets

Asset Class	Benchmark Recommendation	Result
Public Equity	Russell 3000 & MSCI ACWI ex-USA **IMI**, based on ACWI **IMI** weights	• **Reflect the full global market opportunity** • **Align international exposure with our domestic approach** • **Improve diversification**

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: BILL BROWN, DIRECTOR, ACTUARIAL AND LEGISLATIVE AFFAIRS

SUBJECT: GLI PREMIUM STUDY/PREMIUM SETTING FOR STATE SPONSORED AND PLD CONSOLIDATED PLANS, EXPERIENCE STUDY REPORT

DATE: AUGUST 3, 2026

POLICY REFERENCE

Board Policy 1.2 – Trustee Fiduciary Responsibility

Board Policy 2.2 – Actuarial Soundness and Funding

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communication and Support to the Board

EXPERIENCE STUDY REPORT

The Board's actuary, Cheiron, presented the June 30, 2025, Experience Study for the State funded plans in April 2026 and for the PLD Consolidated plan in May 2026. The Board approved both studies. A copy of the final report for the June 30, 2025 Experience Study is included with this memo.

GLI PREMIUM STUDY/PREMIUM SETTING

At the August meeting Ryan Benitez and Daniel Rhodes of Cheiron will present the results of the recently completed Group Life Insurance (GLI) Premium Study as well as their recommendations. The actuarial presentation accompanies this memo. A copy of the GLI Premium Study Report is included with this memo.

A Group Life Insurance Program Premium Study, which establishes premiums for each group of covered participants is completed every four years or more frequently if recommended. The last study was completed in 2024 and contained a recommendation to complete a study in 2026. State-sponsored plan members may choose to participate in the GLI program administered by

MainePERS. Participating Local Districts (PLDs) may elect to allow their employees to participate in the Group Life Insurance program.

This program provides basic, supplemental and dependent coverage. The current premium for basic insurance under State-sponsored plans is $1.04 monthly per $1,000 of coverage, under the Teacher plan the cost is $0.13 monthly per $1,000 of coverage, under the PLD plan, the cost is $0.52 monthly per $1,000 of coverage. Premiums for supplemental coverage are on an age-based schedule, and premiums for dependent coverage vary based on the selected level of coverage.

STUDY RESULTS

The GLI Premium Study results include an increase in the premiums for Active and Retiree Basic coverage in the PLD Consolidated Plan to $0.56 monthly per $1,000 of coverage to begin in fiscal year 2032. There is already a scheduled premium increase to $0.54 monthly for the PLD Consolidated Plan for fiscal year 2028.

The Premium Study results show that some retiree life insurance payments were paid from active assets due to a logic error in our current pension administration system that has since been corrected. The study recommends a one-time transfer of assets of $22.2 million from the Retiree Trusts to the Active Trusts to reimburse the Active Trusts.

The actuary also recommends completing the next GLI Premium Study in two years rather than the more typical four-year cycle. Future premiums will be established based on the results of future studies.

The actuary does not recommend any premium increases for the State Sponsored Plans.

PLD ADVISORY COMMITTEE DISCUSSION AND RECOMMENDATION

The actuary presented the results of the premium study as it relates to the PLD Consolidated Plan to the PLD Advisory Committee at its recent meeting. The recommended increase was considered by the Committee and the Committee voted unanimously to adopt the recommendation.

RECOMMENDATION

That the Board approve the recommended group life insurance premiums for the State Employee and Teacher Retirement Program, Judicial Retirement Program, Legislative Program and the Participating Local District Consolidated Retirement Plan for fiscal years 2028 and 2029.

CHEIRON

Classic Values, Innovative Advice

Maine Public Employees Retirement System

Experience Study as of June 30, 2025

Produced by Cheiron

July 2026

www.cheiron.us 1.877.CHEIRON (243.4766)

TABLE OF CONTENTS

Section *Page*

Transmittal Letter i

Section I Executive Summary 1

Section II Demographic Assumptions 4

A. Merit Salary Increases 4
B. Retirement Rates 8
C. Termination Rates 32
D. Disability Rates 39
E. Mortality Rates 45
F. Family Composition 55

Appendices

Appendix A Summary of Assumptions 56
A. State Employees and Teachers Plan 57
B. Participating Local Districts 66
C. Judicial Program 73
D. Legislative Program 80

Appendix B Disclosure of Models Used 87

July 9, 2026

Board of Trustees
Maine Public Employees Retirement System
139 Capitol Street
P.O. Box 349
Augusta, Maine 04332-0349

Dear Members of the Board:

The purpose of this report is to provide the results of the demographic experience study of the Maine Public Employees Retirement System (MainePERS) covering the experience from June 30, 2020 through June 30, 2025. The report includes analyses and recommendations of demographic assumptions to be used beginning with the June 30, 2026 actuarial valuation and the ratemaking process for fiscal years ending 2028 and 2029.

This report does not include an analysis of the economic assumptions for MainePERS. The economic assumptions are reviewed annually during the June Board of Trustees meeting.

In preparing our report, we relied on information, some oral and some written, supplied by MainePERS. This information includes, but is not limited to, the plan provisions and employee data. 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*.

This report 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 opinions contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for MainePERS for the purposes described herein. This report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron

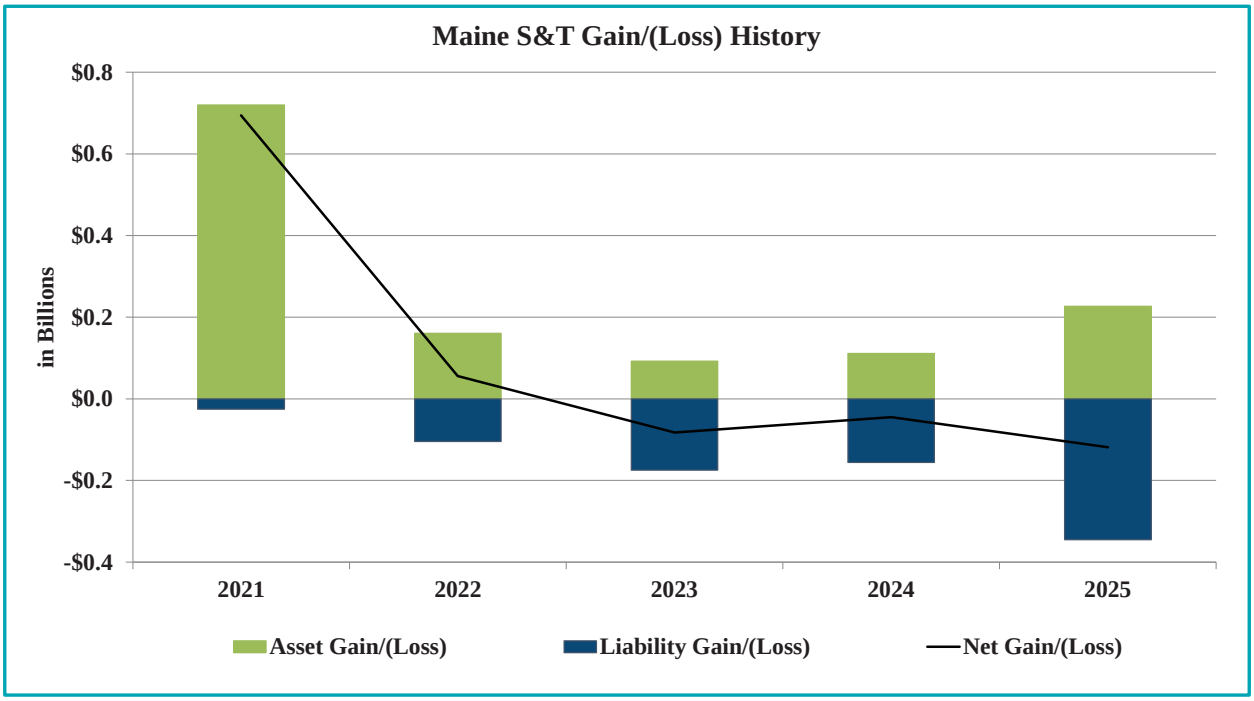
Gregory A. Reardon, FSA, EA	Fiona E. Liston, FSA, EA	Bonnie Rightnour, FSA, EA
Principal Consulting Actuary	Principal Consulting Actuary	Principal Consulting Actuary

SECTION I - EXECUTIVE SUMMARY

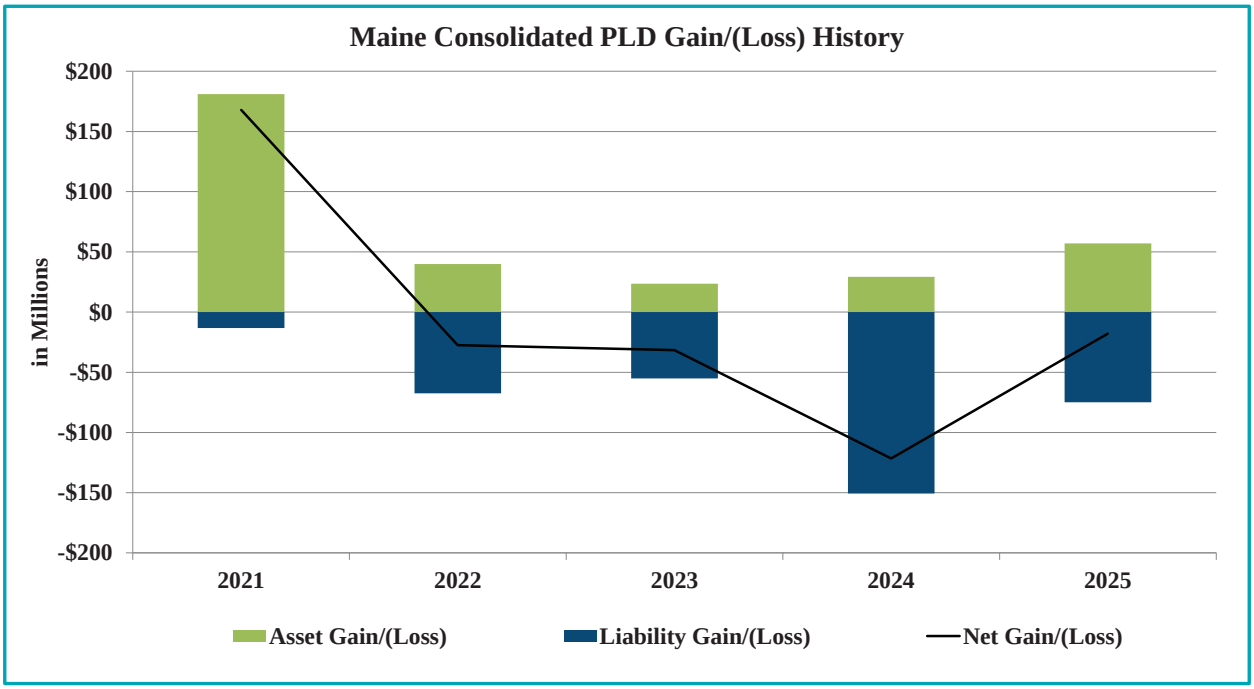
Actuarial assumptions are intended to be long-term in nature and should be both individually reasonable and consistent and reasonable in the aggregate. The purpose of this experience study is to evaluate whether the current demographic assumptions adequately reflect the current long-term expectations for MainePERS, and if not, to recommend any adjustments to these assumptions that might be needed. It is important to note that frequent and significant changes in the actuarial assumptions are not typically desirable, unless there are known fundamental changes with respect to MainePERS's membership or plan provisions that would warrant such frequent or significant changes.

Experience gains and losses can be broken down into two categories – liabilities and investments. The charts below show these two categories for the State Employees and Teachers and the Consolidated PLD Plans over the 5-year period since the prior experience study assumption changes were adopted. These charts do not include any changes in MainePERS's assets and liabilities attributable to changes in benefits, methods, procedures, or assumptions, as they are not the focus of the experience study.

For the State Employees and Teachers Plan, the total liability loss over the 5-year period shown has been approximately $805 million, and the total investment gain over the same period was approximately $1,130 million. For the Consolidated PLD Plan, the total liability loss over the 5-year period shown has been approximately $361 million, and the total investment gain over the same period was approximately $331 million. The investment losses in these charts are measured based on the smoothed actuarial value of assets. Taken together, the total experience over the 5-year period has been a net gain of $505 million for the State Employees and Teacher Plan and a net loss of $30 million for the Consolidated PLD Plan.



SECTION I - EXECUTIVE SUMMARY



The following table provides the gain/(loss) history for each of the four Programs in the System for both a 10-year period and a 5-year period for assets and liabilities. As in the prior charts, no changes attributable to changes in benefits, methods, procedures, or assumptions are included. The investment gains have more than offset the liability losses for the recent 5-year period. Over this period, high inflation was identified as a major contributor to these liability losses, appearing in both the salary experience as well as the COLA experience. The inflation assumption is reviewed as part of the annual economic experience analysis and is not included in this report. Demographic trends have been identified within this report, resulting in changes recommended to the applicable assumptions in an effort to mitigate future liability gains and losses.

Gain/(Loss) History (in $millions)					
		State Employee & Teacher Program	Consolidated Plan for PLDs	Judicial Program	Legislative Program
Fiscal Years Ending 2016-2025	Asset G/(L)	$1,057	$285	$7	$1
	Liability G/(L)	(1,225)	(333)	0	(2)
	Total G/(L)	($168)	($48)	$7	($1)
Fiscal Years Ending 2021-2025	Asset G/(L)	$1,310	$331	$8	$1
	Liability G/(L)	(805)	(361)	(3)	(1)
	Total G/(L)	$505	($30)	$5	$0

SECTION I - EXECUTIVE SUMMARY

Summary of Demographic Assumption Analysis

This experience study specifically analyzed and offered recommendations for changes to the following demographic assumptions (we have noted the most significant changes within each assumption below as well).

- **Merit salary increases** – increases for Teachers, State employees, and PLD members, a slight increase for Judicial members, and no change for Legislative members
- **Retirement rates** – adjustments to rates for all Tiers for State and Teachers, adjustments for PLD members, including movement to separate tables for Special Plans 1 and 2 through 4, and minor adjustments to Judicial and Legislative members
- **Termination rates** – slight changes in termination rates for Teachers, State Employees, and Legislators as well as PLD members
- **Disability rates** – decreases for Teachers, State Regular Employees, and PLD members; slight increase to State Special disability rates; no disability is assumed for Judicial or Legislative members
- **Mortality rates** – change to the Public Sector 2016 Mortality tables and IRS Adjusted MP-2021 mortality improvement scale for all Programs
- **Family composition** – slight changes in the percent married assumption for female participants, spouse age differences, and ages at which members have children

The details of the full recommendations for each plan are provided in Appendix A to this report.

The most significant demographic assumption change recommended is to the merit salary increase assumptions. Over the entire study period, pay increases have exceeded expectations. While a portion of the liability losses experienced as a result of this can be attributed to high inflation over this period, these increases have also exceeded various metrics analyzed as inflationary-based. Some of these increases are necessary to attract and retain members and are expected to persist into the foreseeable future.

The body of this report provides additional detail and support for our conclusions and recommendations.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MERIT SALARY INCREASES

The demographic assumptions used in actuarial valuations of pension plans are intended to be long-term in nature and should be both individually reasonable and consistent with each other. The specific assumptions analyzed in this report are as follows:

- **Merit salary increases**
- **Retirement rates**
- **Termination rates**
- **Disability rates**
- **Mortality rates**
- **Family composition**

The factors considered in developing recommendations for these assumptions are primarily based on MainePERS's own experience. In addition to considering the actual experience during the study period, we also considered regulatory and professional standards, expectations for the future, and the preferences and risk tolerance of the MainePERS Board. Finally, while industry trends are not a primary consideration in recommending these assumptions, we did consider them for informational purposes prior to finalizing our recommendations on these demographic assumptions.

These demographic assumptions are generally developed for each individual MainePERS Program rather than for all the Programs as one. The full details of the current and recommended demographic assumptions by each MainePERS Program are provided in Appendix A to this report.

We first discuss the merit salary increase assumptions, with the remainder of this section comprised of analysis relating to the demographic rate assumptions.

Merit Salary Increases

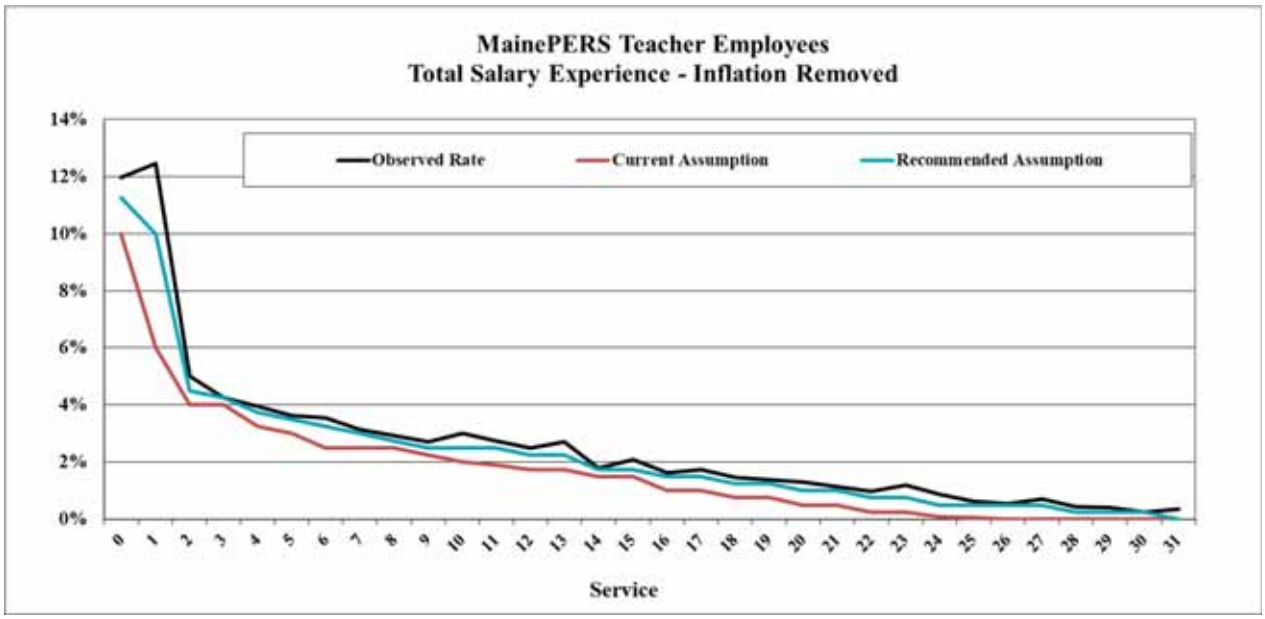
Inflation is one of two components of total individual salary increases. In this section, the analysis develops the second of these individual salary increase components, the merit increase. Generally, newly hired employees are more likely to earn a step increase or receive a promotion, so their salary increases tend to be greater than those for longer-service employees. In some plans, the merit increase is best predicted by service, while in other plans it is best predicted by age. As part of our analysis, we examined both approaches and found service to be a better fit than age for all of the MainePERS Programs.

The merit salary increase assumption is applied in addition to the inflation assumption to determine the total salary increase expected for an individual. To analyze the merit component, the increase in the average salary paid to members of the Plan for a given year is reduced by the component assumed to relate to growth due to general wage inflation. Assumed merit salary increases for members of each Program, net of assumed inflation rates, are then developed for each year of service.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MERIT SALARY INCREASES

Charts II-S1, II-S2, and II-S3 show the current total merit salary increase assumption (red line) compared to the actual experience (black line) and the recommended assumption (teal line) for each year of service for Teachers, State Employees, and PLD Employees, respectively. The analysis of salary increases was performed using data from the 2019-2025 valuations (for analyzing only merit salary increases, we reflected an additional year of experience to balance out the effects of low and high inflationary periods). Compared to the current assumption for teachers, the recommended assumption reflects greater salary increases for all employees. Compared to the current assumption for State Employees, the recommended assumption reflects larger total salary increases for nearly all employees. The PLD recommended assumption also recommends greater salary increases than the current assumption for all employees. Details of these recommendations are included in Appendix A of this report.

Chart II-S1 - Teachers



SECTION II - DEMOGRAPHIC ASSUMPTIONS
MERIT SALARY INCREASES

Chart II-S2 - State Employees

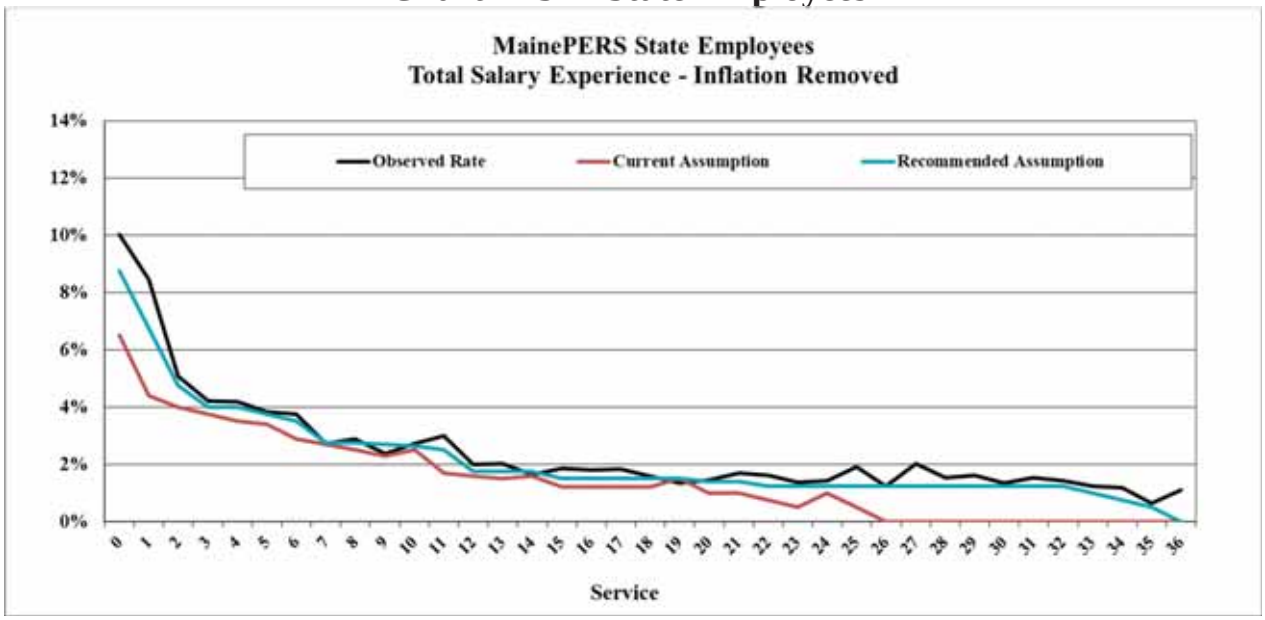
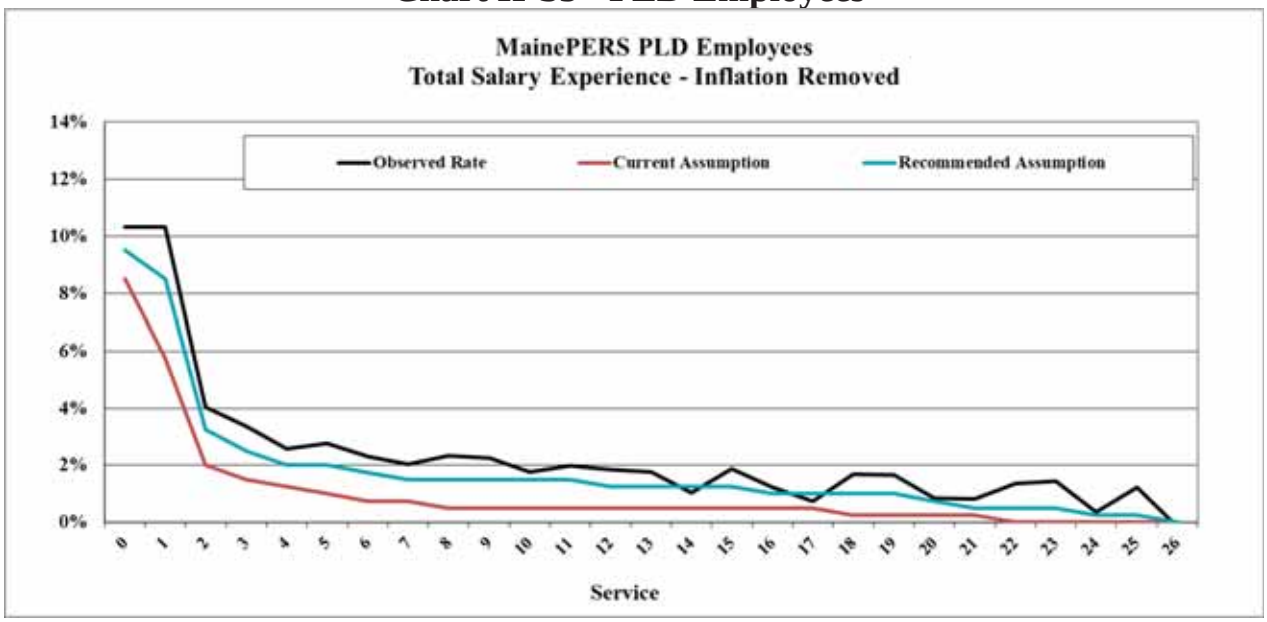


Chart II-S3 - PLD Employees



SECTION II - DEMOGRAPHIC ASSUMPTIONS

MERIT SALARY INCREASES

In general, salary increases for Judicial and Legislative members are statutorily set using the same basis as cost-of-living adjustments (inflationary only). Salaries for members of the Legislature were reset for 2025 and 2026 in Chapter 446 (L.D. 1155) but are expected to maintain the methodology of inflationary increases in future years. As such, there is no merit component of the salary increase recommended for the Legislative Plan; however, we will refine our salary projection for valuation purposes to be more in line with how Legislative pay is reported to us on the valuation data. For members of the Judicial Plan, our analysis shows higher increases have been provided for this group over this entire study period – even in periods where inflation was lower. We recommend a total salary increase for this group of 3.00% per year, which is comprised of 0.25% in excess of the current inflation assumption of 2.75%.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Introduction to Analysis of Demographic Rate Assumptions

For the remainder of the demographic assumptions, we determined the ratio of the actual number of decrements for each membership group compared to the expected number of decrements (A/E ratio or actual-to-expected ratio). If an assumption were perfect, this ratio would be 100%, and any recommended assumption change should move from the current A/E ratio towards an A/E ratio closer to 100%, unless future experience is expected to be different from the experience during the period of study.

We considered both headcount-weighted assumptions, where each individual is counted once, and benefits-weighted assumptions for each of the assumptions, and determined that it was more appropriate to use headcount-weighted assumptions in all cases but mortality.

We also calculated an r-squared statistic for each assumption. R-squared values measure how well an assumption fits the actual data and can be thought of as the percentage of the variation in the actual data that is explained by the assumption. Ideally, r-squared values would equal 100%, but this is never the case in reality. A recommended assumption will generally increase the r-squared value compared to the r-squared value of the current assumption, moving it closer to 100%, unless the pattern of future decrements is expected to be different from the pattern experienced during the period of study. Note, however, that the recommended assumptions will typically only move the r-squared value closer to 100% rather than all the way, reflecting the desire to adjust assumptions gradually.

In addition, we calculated 90% confidence intervals for each demographic rate assumption, which represent the range within which the true decrement rate during the experience study period fell within 90% confidence. (If there is insufficient data to calculate a confidence interval for a given group and assumption, the confidence interval is shown as the entire range of the graph.) We generally recommend assumption changes when the current assumption is outside the 90% confidence interval of the observed experience. However, adjustments are made to account for differences between future expectations and historical experience, to account for the past experience represented by the current assumption, and to maintain a neutral to slightly conservative bias in the selection of the assumption.

Retirement Rates

The current retirement rates vary primarily by age and are different for Teachers and State Regular Employees, State Special Employees, PLD Regular Employees, PLD Special Plan Employees, Judicial, and Legislative.

For the Teachers, State Regular Employees, and Judicial groups, the current assumptions are further developed based on the following subgroups:

- NRA 60 (Tier 1) – members with at least 10 years of creditable service on July 1, 1993 (Normal Retirement Age = 60),
- NRA 62 (Tier 2) – members with less than 10 years of creditable service on July 1, 1993, but five or more years of creditable service on July 1, 2011 (Normal Retirement Age = 62), and
- NRA 65 (Tier 3) – members with less than five years of creditable service on July 1, 2011 (Normal Retirement Age = 65).

For the PLD Regular Plan Employees, the current assumptions are further developed based on the following subgroups:

- NRA 60 – employees hired prior to July 1, 2014, and
- NRA 65 – employees hired on or after July 1, 2014 (Normal Retirement Age = 65).

For the State Special Plans, we developed separate retirement assumptions, with specific, distinct assumptions for the 25 & Out Plan, the 98 Special Plan, and the Fire Marshals.

For the PLD Special Plans, we developed separate retirement assumptions for Plan 1 due to experience suggesting that this Plan experiences different behavior than Plans 2-4 as a result of the 20-year service retirement eligibility.

We discuss significant changes in the retirement rates for the various Programs in the following sections, but Appendix A of this report should be referred to for complete details of the recommended retirement rates for all of the Programs.

State & Teacher Retirement Program – Retirement Rates

We analyzed the State Regular and Teachers' retirement experience as two separate groups, both excluding the State Special experience. The separate experience proved to be a better fit for the data, so we recommend keeping separate sets of retirement assumption tables for the three tiers for State Regular Employees and Teachers.

Table II-R1 shows the calculation of actual-to-expected ratios and the r-squared statistic for Teachers in the NRA 60 (Tier 1) group, and Chart II-R1 shows this information graphically along with the 90% confidence intervals. The analysis for this group was limited to reviewing only the experience at ages 63 and over because there are no active members under age 63 remaining in Tier 1.

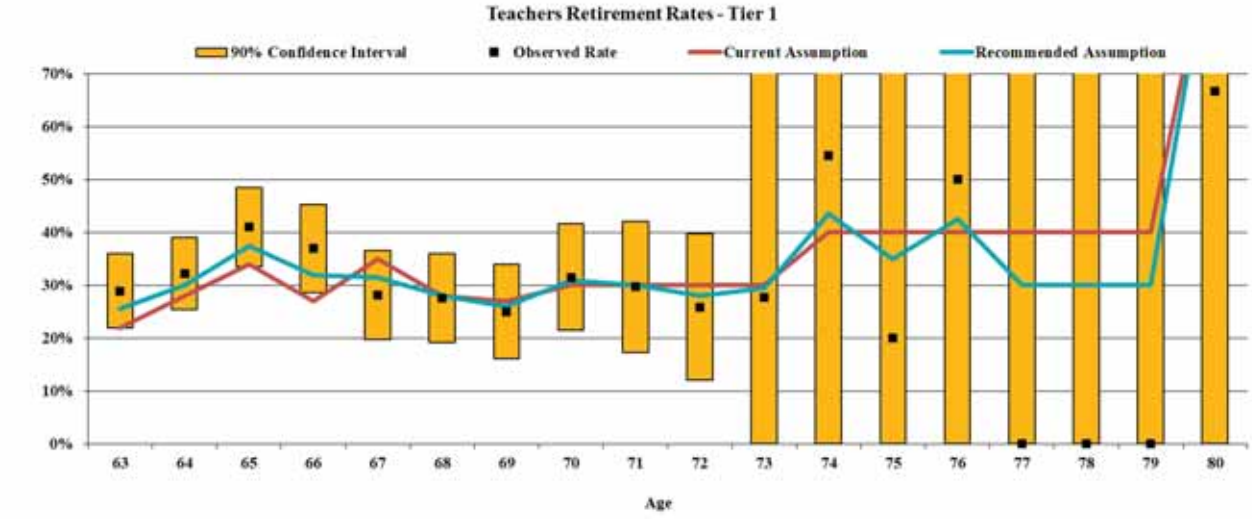
SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

The data shows higher actual retirement rates than expected at ages prior to 67 under the current assumption. The recommended assumption, shown as the teal line in Chart II-R1, adjusts the assumed rate of retirement and decreases the aggregate A/E ratio from 109% to 104%. The r-squared increases from 0.9573 to 0.9908.

Table II-R1

Teachers Retirement Rates - Tier 1						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
63	114	33	25	29	132%	114%
64	127	41	36	38	115%	108%
65	117	48	40	44	121%	109%
66	92	34	25	29	137%	115%
67	78	22	27	25	81%	90%
68	76	21	21	21	99%	99%
69	64	16	17	17	93%	96%
70	57	18	17	18	105%	102%
71	37	11	11	11	99%	99%
72	27	7	8	8	86%	93%
73	18	5	5	5	93%	94%
74	11	6	4	5	136%	125%
75	5	1	2	2	50%	57%
76	4	2	2	2	125%	118%
77	1	0	0	0	0%	0%
78	1	0	0	0	0%	0%
79	2	0	1	1	0%	0%
80	3	2	3	3	67%	67%
Total	**834**	**267**	**245**	**257**	**109%**	**104%**
R-squared			**0.9573**	**0.9908**		

Chart II-R1



SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R2 shows the calculation of actual-to-expected ratios and the r-squared statistic for Teachers in the NRA 62 (Tier 2) group, and Chart II-R2 shows this information graphically along with the 90% confidence intervals.

The data shows higher actual retirement rates than expected under the current assumption for ages 61-74, tapering down for ages 76+. The recommended assumption, shown as the teal line in Chart II-R2, generally increases the assumed rate of retirement and decreases the aggregate A/E ratio from 118% to 106%. The r-squared increases from 0.9878 to 0.9980.

Table II-R2

Teachers Retirement Rates - Tier 2						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
57	1,190	35	42	36	84%	98%
58	1,239	60	50	56	121%	108%
59	1,276	75	57	64	131%	118%
60	1,317	113	105	112	107%	101%
61	1,212	363	291	339	125%	107%
62	1,773	505	390	474	129%	106%
63	1,330	302	239	279	126%	108%
64	1,106	294	243	271	121%	108%
65	874	270	262	267	103%	101%
66	640	199	179	189	111%	105%
67	464	149	130	139	115%	107%
68	322	88	71	79	124%	112%
69	243	67	61	64	110%	104%
70	193	58	39	48	150%	120%
71	152	52	30	43	171%	122%
72	116	23	23	23	99%	99%
73	105	26	21	22	124%	118%
74	77	21	15	17	136%	124%
75	54	11	11	11	102%	102%
76	40	6	14	10	43%	62%
77	22	5	8	7	65%	71%
78	16	3	6	5	54%	60%
79	11	2	4	3	52%	59%
80	31	14	31	31	45%	45%
Total	**13,803**	**2,741**	**2,322**	**2,589**	**118%**	**106%**
R-squared			**0.9878**	**0.9980**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R2

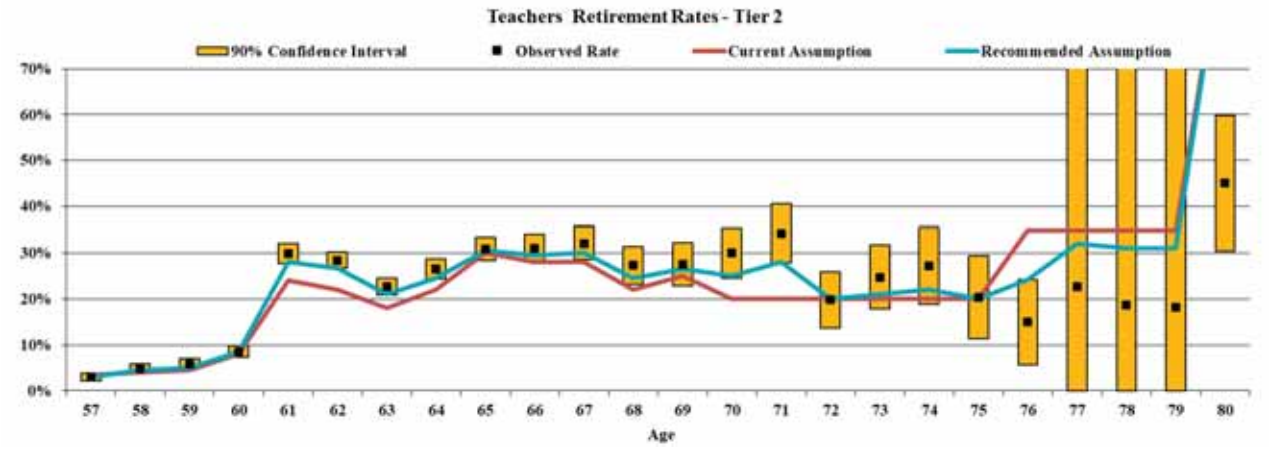


Table II-R3 shows the calculation of actual-to-expected ratios and the r-squared statistic for Teachers in the NRA 65 (Tier 3) group, and Chart II-R3 shows this information graphically along with the 90% confidence intervals.

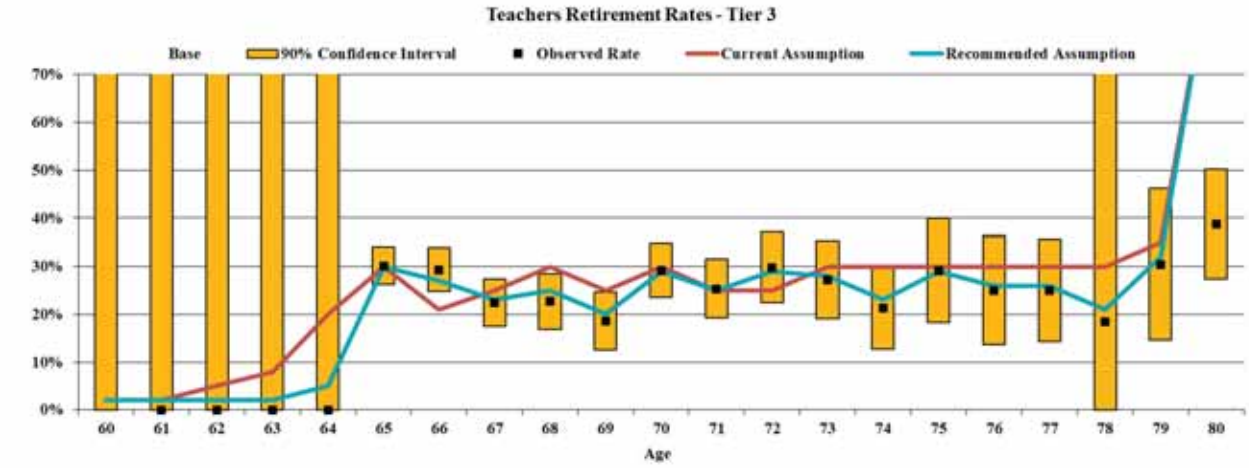
The data shows moderate adjustments needed at most retirement rates with the emergence of more data within this group than had been available under the prior study. The recommended assumption, shown as the teal line in Chart II-R3, generally decreases the assumed rate of retirement and increases the aggregate A/E ratio from 92% to 94%. The r-squared increases from 0.9032 to 0.9447.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R3

Teachers Retirement Rates - Tier 3						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
60	1	1	0	0	5000%	5000%
61	1	0	0	0	0%	0%
62	2	0	0	0	0%	0%
63	2	0	0	0	0%	0%
64	3	0	1	0	0%	0%
65	375	113	113	113	100%	100%
66	269	79	56	73	140%	109%
67	192	43	48	44	90%	97%
68	141	32	42	35	76%	91%
69	113	21	28	23	74%	93%
70	178	52	53	52	97%	101%
71	134	34	34	34	101%	101%
72	104	31	26	30	119%	103%
73	81	22	24	23	91%	97%
74	61	13	18	14	71%	93%
75	48	14	14	14	97%	101%
76	40	10	12	10	83%	96%
77	44	11	13	11	83%	96%
78	27	5	8	6	62%	88%
79	23	7	8	7	87%	95%
80	49	19	49	49	39%	39%
Total	**1,888**	**507**	**549**	**537**	**92%**	**94%**
R-squared			**0.9032**	**0.9447**		

Chart II-R3



SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R4 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Regular Employees in the NRA 60 (Tier 1) group, and Chart II-R4 shows this information graphically along with the 90% confidence intervals. The analysis for this group was limited to reviewing only the experience at ages 63 and over because there are no active members under age 63 remaining in Tier 1.

The data shows that only minor adjustments are needed at most ages. Recommended retirement rates were set at 100% beginning at age 75 (accelerated from the current age 80 assumption) due to the lack of credible data at those advanced ages and for consistency with the State Special Plans. The recommended assumption, shown as the teal line in Chart II-R4, decreases the aggregate A/E ratio from 98% to 89%. The r-squared increases from 0.7101 to 0.7643.

Table II-R4

State Regular Retirement Rates - Tier 1						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
63	62	9	16	12	58%	73%
64	64	16	12	14	132%	114%
65	56	13	12	12	111%	106%
66	50	13	11	12	124%	108%
67	43	4	9	8	47%	52%
68	47	10	14	12	71%	82%
69	42	10	8	9	119%	108%
70	32	8	6	7	125%	109%
71	30	8	6	7	133%	116%
72	21	6	4	5	143%	119%
73	17	8	6	7	134%	115%
74	12	2	4	4	48%	56%
75	9	1	3	9	32%	11%
76	5	3	2	5	171%	60%
77	1	1	0	1	286%	100%
78	0	0	0	0	0%	0%
79	0	0	0	0	0%	0%
80	2	1	2	2	50%	50%
Total	**493**	**113**	**115**	**127**	**98%**	**89%**
R-squared			**0.7101**	**0.7643**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R4

Table II-R5 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Regular employees in the NRA 62 (Tier 2) group, and Chart II-R5 shows this information graphically along with the 90% confidence intervals.

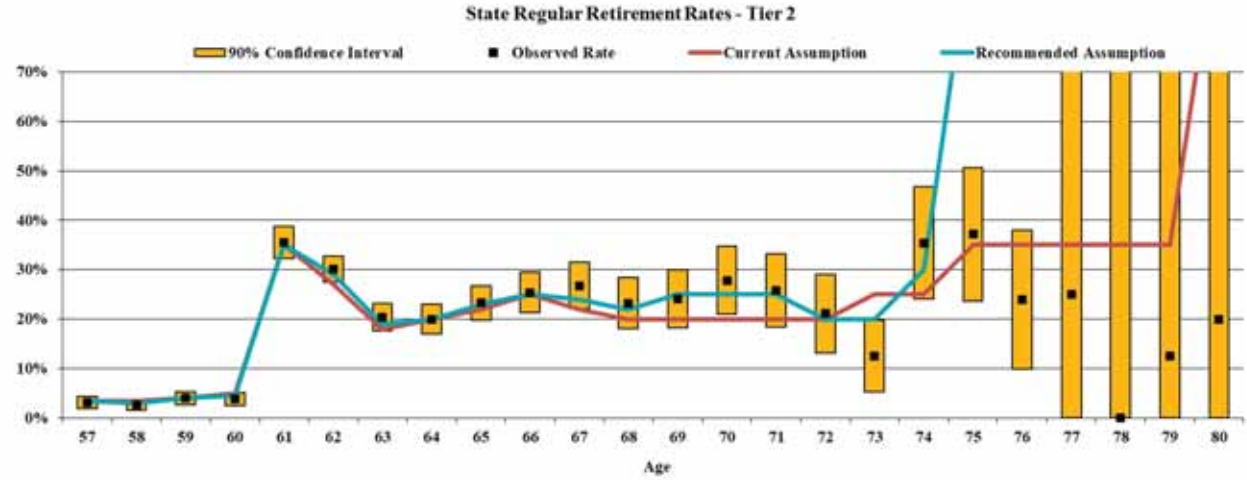
The data shows higher actual retirement rates than expected under the current assumption. Recommended retirement rates were set at 100% beginning at age 75 (accelerated from the current age 80 assumption) due to the lack of credible data at those advanced ages and for consistency with the State Special Plans. The recommended assumption, shown as the teal line in Chart II-R5, generally increases the assumed rate of retirement and decreases the aggregate A/E ratio from 105% to 96%. The r-squared decreases from 0.9919 to 0.9900.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R5

State Regular Retirement Rates - Tier 2						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
57	520	16	18	18	88%	88%
58	572	15	20	17	75%	87%
59	599	24	24	24	100%	100%
60	622	24	31	28	77%	86%
61	602	214	211	211	102%	102%
62	825	248	223	239	111%	104%
63	587	120	106	112	114%	108%
64	481	96	96	96	100%	100%
65	408	95	90	94	106%	101%
66	315	80	79	79	102%	102%
67	239	64	53	57	122%	112%
68	181	42	36	40	116%	105%
69	141	34	28	35	121%	96%
70	115	32	23	29	139%	111%
71	93	24	19	23	129%	103%
72	71	15	14	14	106%	106%
73	56	7	14	11	50%	63%
74	48	17	12	14	142%	118%
75	35	13	12	35	106%	37%
76	25	6	9	25	69%	24%
77	12	3	4	12	71%	25%
78	9	0	3	9	0%	0%
79	8	1	3	8	36%	13%
80	10	2	10	10	20%	20%
Total	**6,574**	**1,192**	**1,137**	**1,241**	**105%**	**96%**
R-squared			**0.9919**	**0.9900**		

Chart II-R5



SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R6 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Regular Employees in the NRA 65 (Tier 3) group, and Chart II-R6 shows this information graphically along with the 90% confidence intervals.

The data shows minor adjustments needed at most retirement rates with the emergence of more data within this group than had been available under the prior study. Recommended retirement rates were set at 100% beginning at age 75 (accelerated from the current age 80 assumption) due to the lack of credible data at those advanced ages and for consistency with the State Special Plans. The recommended assumption, shown as the teal line in Chart II-R6, generally increases the assumed rate of retirement and decreases the aggregate A/E ratio from 109% to 89%. The r-squared decreases from 0.9806 to 0.9382.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R6

State Regular Retirement Rates - Tier 3						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
60	2	1	0	0	2500%	1250%
61	0	0	0	0	0%	0%
62	0	0	0	0	0%	0%
63	0	0	0	0	0%	0%
64	0	0	0	0	0%	0%
65	298	81	75	77	109%	105%
66	229	66	62	64	107%	103%
67	160	36	32	40	113%	90%
68	127	33	34	32	96%	104%
69	92	22	18	23	120%	96%
70	117	30	23	29	128%	103%
71	92	27	18	23	147%	117%
72	61	10	12	12	82%	82%
73	51	10	13	11	78%	89%
74	36	9	9	9	100%	100%
75	27	6	7	27	89%	22%
76	17	5	4	17	118%	29%
77	12	7	3	12	233%	58%
78	6	5	2	6	238%	83%
79	3	0	1	3	0%	0%
80	10	4	10	10	40%	40%
Total	**1,340**	**352**	**324**	**396**	**109%**	**89%**
R-squared			**0.9806**	**0.9382**		

Chart II-R6

Table II-R7 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Special Employees in the 25 & Out Plan, and Chart II-R7 shows this information graphically along with the 90% confidence intervals.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

For members of this Plan, retirement rates applicable to their State Regular Plan Tier are assumed prior to reaching 25 years of service. As such, this analysis only includes those who have at least 25 years of service. The analysis shows that actual retirement rates were less than expected under the current assumption across most service levels. Retirement rates are also recommended to increase the age for 100% retirement, regardless of service level, to age 75 from age 70. The recommended assumption, shown as the green line in Chart II-R7, therefore generally decreases the assumed rates of retirement, thus increasing the aggregate A/E ratio from 84% to 88%. The r-squared value increases from 0.8882 to 0.9673.

Table II-R7

State Special - 25 & Out Retirement Rates						
		Retirements			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
25	78	26	20	23	133%	111%
26	76	13	19	17	68%	78%
27	52	14	13	13	108%	108%
28	33	6	8	8	73%	79%
29	25	5	6	6	80%	87%
30	23	2	6	4	35%	51%
31	15	3	4	3	80%	87%
32	12	3	5	4	63%	76%
33	8	2	3	3	63%	76%
34	8	2	3	3	63%	76%
35	5	0	2	2	0%	0%
36	4	1	2	1	63%	76%
37	2	0	1	1	0%	0%
38	1	0	1	1	0%	0%
TOTAL	**342**	**77**	**92**	**88**	**84%**	**88%**
R-squared			**0.8882**	**0.9673**		

Chart II-R7

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

The 1998 Special Plan assumptions are based on age with experience divided into those with less than 25 years of service and those with 25 or more years of service. Table II-R8-1 shows the calculation of the actual-to-expected ratios and the r-squared statistic for State Special members in the 1998 Special Plan with less than 25 years of service, and Chart II-R8-1 shows this information graphically along with the 90% confidence intervals.

This shows that actual retirement rates were slightly less than expected under the current assumption at most ages. Recommended retirement rates were set at 100% beginning at age 75 (extended from the current age 70 assumption) for consistency with the State Regular Plans. The recommended assumption, shown as the teal line in Chart II-R8-1, shows adjustments to fit the structure of the actual experience better. This results in an increase in the aggregate A/E ratio from 83% to 93%, and increases the r-squared value from 0.6729 to 0.9029 reflecting the improved alignment of this assumption with actual experience.

Table II-R8-1

State Special - 1998 Special Plan Retirement Rates - Less than 25 Years of Service						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
55	57	13	11	12	114%	109%
56	56	7	8	8	83%	89%
57	54	9	5	7	167%	128%
58	52	6	5	6	115%	105%
59	50	3	5	4	60%	75%
60	38	8	8	8	105%	100%
61	30	2	6	4	33%	51%
62	34	5	10	7	49%	67%
63	32	7	10	8	73%	84%
64	19	5	3	4	158%	120%
65	16	3	4	3	80%	89%
66	12	7	4	4	194%	167%
67	5	2	2	2	109%	105%
68	2	0	1	1	0%	0%
69	2	1	1	1	100%	100%
70	4	1	4	2	25%	50%
71	4	1	4	2	25%	50%
72	3	1	3	2	33%	67%
73	3	0	3	2	0%	0%
74	3	2	3	2	67%	89%
75	0	0	0	0	0%	0%
Total	**477**	**83**	**100**	**89**	**83%**	**93%**
R-squared			**0.6729**	**0.9029**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R8-1

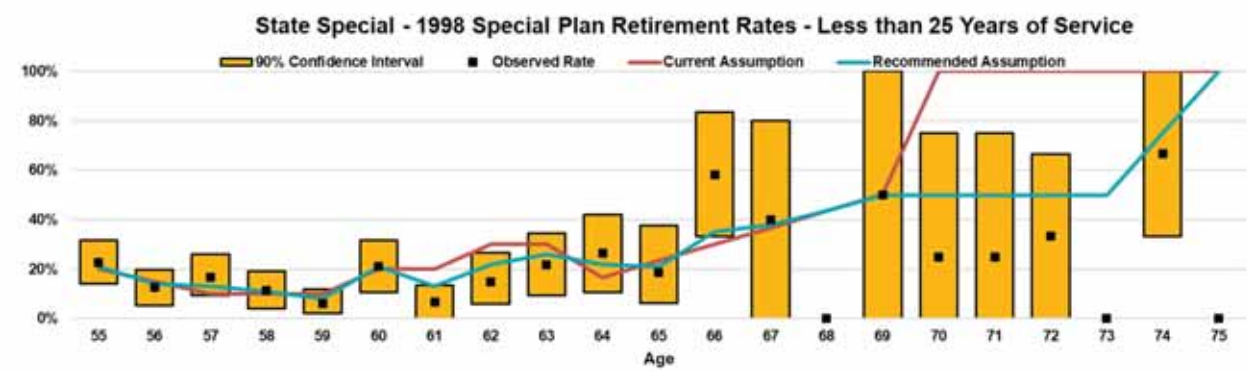


Table II-R8-2 shows the calculation of the actual-to-expected ratios and the r-squared statistic for State Special members in the 1998 Special Plan with greater than 25 years of service, and Chart II-R8-2 shows this information graphically along with the 90% confidence intervals.

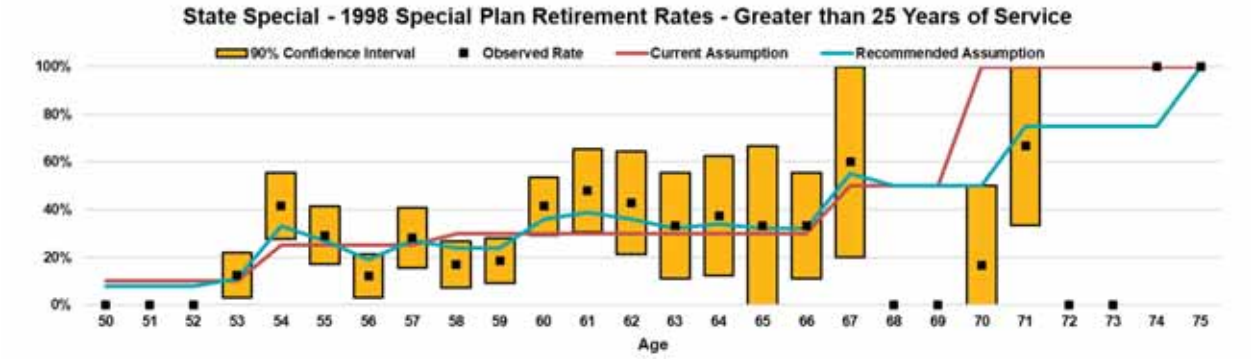
This shows that actual retirement rates were generally lower than expected under the current assumption. Recommended retirement rates were set at 100% beginning at age 75 (extended from the current age 70 assumption) for consistency with the State Regular Plans. The recommended assumption, shown as the teal line in Chart II-R8-2, shows adjustments to fit the structure of the actual experience better. This results in an increase in the aggregate A/E ratio from 91% to 93%, and increases the r-squared value from 0.6676 to 0.9191, reflecting the improved alignment of this assumption with actual experience.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R8-2

State Special - 1998 Special Plan Retirement Rates - Greater than 25 Years of Service						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
50	14	0	1	1	0%	0%
51	15	0	2	1	0%	0%
52	20	0	2	2	0%	0%
53	32	4	3	4	125%	114%
54	36	15	9	12	167%	126%
55	41	12	10	11	117%	108%
56	33	4	8	6	48%	64%
57	32	9	8	9	113%	104%
58	41	7	12	10	57%	71%
59	43	8	13	10	62%	78%
60	41	17	12	15	138%	115%
61	23	11	7	9	159%	123%
62	14	6	4	5	143%	119%
63	9	3	3	3	111%	104%
64	8	3	2	3	125%	110%
65	6	2	2	2	111%	104%
66	9	3	3	3	111%	104%
67	5	3	3	3	120%	109%
68	3	0	2	2	0%	0%
69	5	0	3	3	0%	0%
70	6	1	6	3	17%	33%
71	6	4	6	5	67%	89%
72	1	0	1	1	0%	0%
73	2	0	2	2	0%	0%
74	1	1	1	1	100%	133%
75	1	1	1	1	100%	100%
Total	**447**	**114**	**125**	**123**	**91%**	**93%**
R-squared			**0.6676**	**0.9191**		

Chart II-R8-2



SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

The Fire Marshals' Plan does not have sufficient experience upon which to determine an appropriate assumption. Because the Plan structure is similar to the 25 & Out Plan but with retirement eligibility beginning at 20 years instead of 25 years, the recommendation is to apply the 25 & Out Plan assumptions for the Fire Marshals Plan as well – with rates applied at service levels five years earlier. In addition, recommended retirement rates were set at 100% beginning at age 75 (extended from the current age 70 assumption) for consistency with the State Regular Plans.

PLD Consolidated Program – Retirement Rates

Our analysis of retirement rates for the PLDs split apart the Regular Tier 1 (NRA 60), Regular Tier 2 (NRA 65), and Special Plan members. Table II-R9 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Regular NRA 60 members, and Chart II-R9 shows this information graphically along with the 90% confidence intervals.

The data shows higher actual retirement rates than expected at ages 59-62, age 66, and ages 68-69 under the current assumption, and members are working well past their NRA. The recommended assumption decreases the overall assumed rate of retirement and increases the aggregate A/E ratio from 83% to 96%. The r-squared increases from 0.7149 to 0.9605.

Table II-R9

PLD Regular Retirement Rates - NRA 60						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
57	146	7	9	7	80%	96%
58	164	8	10	8	81%	98%
59	177	37	18	30	209%	123%
60	867	140	104	130	135%	108%
61	792	113	95	103	119%	110%
62	749	147	120	135	123%	109%
63	641	96	103	96	94%	100%
64	593	120	119	119	101%	101%
65	507	153	152	152	101%	101%
66	375	148	113	135	132%	110%
67	229	51	57	55	89%	93%
68	190	58	48	53	122%	109%
69	133	41	33	37	123%	110%
70	96	27	96	24	28%	113%
71	78	19	78	20	24%	97%
72	72	17	72	18	24%	94%
73	62	10	62	16	16%	65%
74	56	14	56	14	25%	100%
75+	150	38	150	150	25%	25%
Total	**6,077**	**1,244**	**1,493**	**1,302**	**83%**	**96%**
R-squared			**0.7149**	**0.9605**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R9

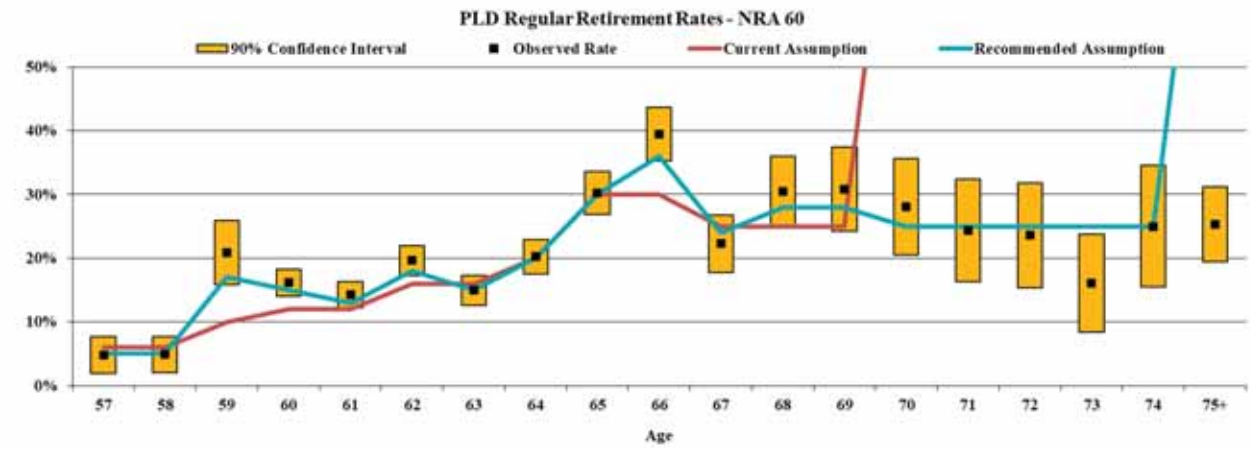


Table II-R10 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Regular NRA 65 members, and Chart II-R10 shows this information graphically along with the 90% confidence intervals. The data shows lower actual retirement rates than expected under the current assumption prior to age 64 and higher than expected for most ages 64+. The recommended assumption adjusts the assumed rate of retirement and decreases the aggregate A/E ratio from 112% to 96%. The r-squared increases from 0.8590 to 0.9594.

Table II-R10

PLD Regular Retirement Rates - NRA 65						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
57	2	0	0	0	0%	0%
58	2	1	0	0	833%	1667%
59	1	0	0	0	0%	0%
60	1	0	0	0	0%	0%
61	0	0	0	0	0%	0%
62	0	0	0	0	0%	0%
63	2	0	0	0	0%	0%
64	3	1	0	1	278%	145%
65	230	63	46	55	137%	114%
66	169	54	27	46	200%	118%
67	132	36	21	29	170%	124%
68	115	22	18	21	120%	106%
69	87	21	17	19	121%	110%
70	71	13	18	16	73%	83%
71	64	13	16	15	81%	88%
72	51	15	13	14	118%	109%
73	33	11	8	10	133%	111%
74	19	5	5	5	105%	101%
75+	58	22	58	58	38%	38%
Total	**1,040**	**277**	**248**	**288**	**112%**	**96%**
R-squared			**0.8590**	**0.9594**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R10

In our review of the retirement rates for the PLD Special Plan members, we found a different pattern of retirements for service prior to 30 years between those who participate in Special Plan 1 and those who participate in Special Plans 2-4. As such, we are recommending different tables for service prior to 30 years for Special Plans. Table II-R11-1 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Special Plan 1 members, and Chart II-R11-1 shows this information graphically along with the 90% confidence intervals.

The data generally shows higher actual retirement rates than expected under the current assumption for those with less than 27 years of service, and generally lower actual retirement rates than expected under the current assumptions at greater than 26 years of service. The recommended assumption adjusts the assumed rates of retirement and increases the aggregate A/E ratio from 93% to 94%. The r-squared increases from 0.3605 to 0.8772.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R11-1

PLD Special Plan 1 Retirement Rates						
		Retirements			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
< 20	35	10	12	9	82%	114%
20	25	18	9	15	206%	120%
21	16	12	5	10	250%	125%
22	7	4	2	3	204%	127%
23	7	3	2	2	171%	122%
24	7	4	1	3	286%	143%
25	6	2	2	2	95%	95%
26	4	2	1	2	200%	125%
27	3	0	1	1	0%	0%
28	1	0	0	0	0%	0%
29	1	0	0	0	0%	0%
30	30	5	8	7	67%	72%
31	34	10	9	9	118%	118%
32	30	4	8	6	53%	67%
33	35	9	9	9	103%	103%
34	23	4	8	6	53%	70%
35	18	7	6	6	118%	111%
36	12	3	12	6	25%	50%
37	5	1	5	3	20%	40%
38	2	0	2	2	0%	0%
39	3	2	3	3	67%	67%
40	6	2	6	6	33%	33%
TOTAL	**310**	**102**	**109**	**108**	**93%**	**94%**
R-squared			**0.3605**	**0.8772**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R11-1

Table II-R11-2 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Special Plans 2-4 members, and Chart II-R11-2 shows this information graphically along with the 90% confidence intervals.

The data generally shows lower actual retirement rates than expected for those under 25 years of service and higher for those with more than 24 years under the current assumption. The recommended assumption adjusts the assumed rates of retirement and increases the aggregate A/E ratio from 94% to 95%. The r-squared increases from 0.7280 to 0.9666.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R11-2

PLD Special Plan 2-4 Retirement Rates						
		Retirements			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
< 20	314	62	110	79	56%	79%
20	22	4	8	6	52%	73%
21	29	7	9	7	80%	97%
22	25	7	7	6	100%	112%
23	22	10	6	7	182%	152%
24	42	13	8	8	155%	155%
25	181	90	63	91	142%	99%
26	108	42	27	35	156%	122%
27	68	19	16	20	121%	93%
28	57	19	14	17	133%	111%
29	45	17	18	18	94%	94%
30	30	5	8	7	67%	72%
31	34	10	9	9	118%	118%
32	30	4	8	6	53%	67%
33	35	9	9	9	103%	103%
34	23	4	8	6	53%	70%
35	18	7	6	6	118%	111%
36	12	3	12	6	25%	50%
37	5	1	5	3	20%	40%
38	2	0	2	2	0%	0%
39	3	2	3	3	67%	67%
40	6	2	6	6	33%	33%
TOTAL	**1,111**	**337**	**359**	**355**	**94%**	**95%**
R-squared			**0.7280**	**0.9666**		

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Chart II-R11-2

Judicial Retirement Program – Retirement Rates

As of the 2025 valuation, there were no active judges with an age 60 normal retirement age (Tier 1).

Table II-R12 shows the calculation of actual-to-expected ratios and the r-squared statistic for Judges in the NRA 62 group, and Chart II-R12 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual retirement rates than expected under the current assumption. The recommended assumption, shown as the teal line in Chart II-R12, generally decreases the assumed rate of retirement and increases the aggregate A/E ratio from 48% to 57%. The r-squared increases from 0.2726 to 0.3723.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R12

Judicial Plan Retirement Rates - NRA 62						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
60	3	0	0	0	0%	0%
61	4	1	0	0	0%	0%
62	8	0	2	1	0%	0%
63	10	2	3	3	73%	80%
64	5	2	2	2	114%	100%
65	7	1	3	2	34%	48%
66	9	2	5	3	44%	63%
67	6	0	3	2	0%	0%
68	7	0	3	1	0%	0%
69	8	3	3	3	107%	107%
70	5	1	2	1	67%	80%
71	4	0	1	1	0%	0%
72	4	1	1	1	100%	100%
73	2	0	1	0	0%	0%
74	2	0	1	0	0%	0%
75	3	0	1	3	0%	0%
Total	**87**	**13**	**27**	**23**	**48%**	**57%**
R-squared			**0.2726**	**0.3723**		

Chart II-R12

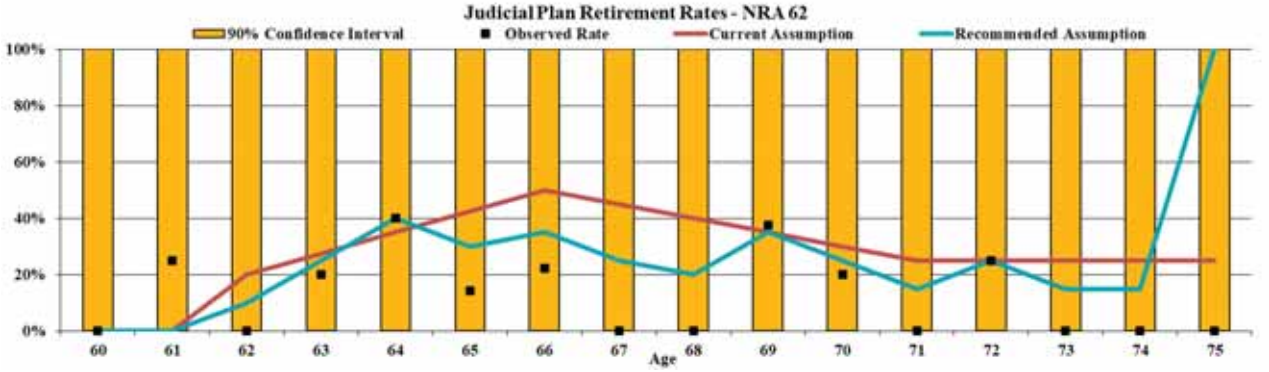


Table II-R13 shows the calculation of actual-to-expected ratios and the r-squared statistic for Judges in the NRA 65 group, and Chart II-R13 shows this information graphically along with the 90% confidence intervals.

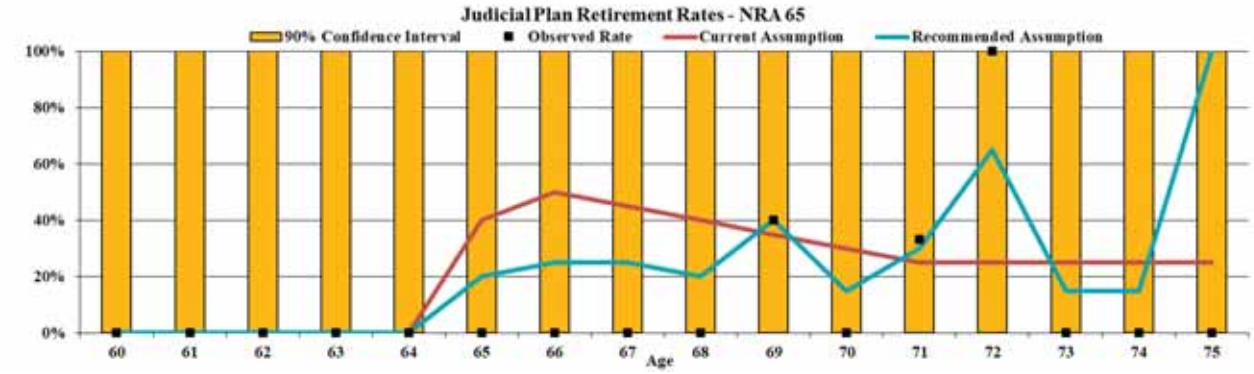
The data shows lower actual retirement rates than expected under the current assumption. The recommended assumption, shown as the teal line in Chart II-R13, generally decreases the assumed rate of retirement and increases the aggregate A/E ratio from 36% to 46%. The r-squared increases from 0.0732 to 0.4797.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES

Table II-R13

Judicial Plan Retirement Rates - NRA 65						
		Retirements			Actual to Expected Ratios	
Age	Exposures	Actual	Current	Recommended	Current	Recommended
60	0	0	0	0	0%	0%
61	0	0	0	0	0%	0%
62	0	0	0	0	0%	0%
63	0	0	0	0	0%	0%
64	0	0	0	0	0%	0%
65	4	0	2	1	0%	0%
66	4	0	2	1	0%	0%
67	4	0	2	1	0%	0%
68	3	0	1	1	0%	0%
69	5	2	2	2	114%	100%
70	3	0	1	0	0%	0%
71	3	1	1	1	133%	111%
72	1	1	0	1	400%	154%
73	1	0	0	0	0%	0%
74	1	0	0	0	0%	0%
75	1	0	0	1	0%	0%
Total	**30**	**4**	**11**	**9**	**36%**	**46%**
R-squared			**0.0732**	**0.4797**		

Chart II-R13



Legislative Retirement Program – Retirement Rates

Legislative retirement assumptions are set differently than the groups above. The House and Senate are up for reelection every two years, and there is a term limit of four consecutive terms. The current assumption is 25% probability of retirement upon reaching eligibility for all tiers and only applies this assumption in years following a biennial term (with 0% rates in the other years) until the assumption of 100% retirement at age 70. We recommend continuing to use the 25% assumption, but only assuming retirement beginning at age 62 and extending the age of 100% retirement to 75.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

Rates of termination from active employment have a significant impact on the cost of MainePERS. The current assumption is based on service for State, Teacher, Legislative, and PLD plans, and on age for the Judicial Program.

For each service group, we determined the ratio of the actual number of terminations at each age compared to the expected number of terminations (A/E ratio), similar to what we developed for retirements. If the assumption were perfect, this ratio would be 100%. In addition, we calculated the 90% confidence intervals, which represent the range within which the true termination rate during the experience study period fell with 90% confidence. (If there is insufficient data to calculate a confidence interval, the confidence interval is shown as the entire range of the graph.) We generally recommend assumption changes when the current assumption is outside the 90% confidence interval of the observed experience. However, adjustments are made to account for differences between future expectations and historical experience, to account for the past experience represented by the current assumption, and to maintain a neutral to slightly conservative bias in the selection of the assumption.

State & Teacher Retirement Program – Termination Rates

We analyzed the State and Teacher termination experience separately and on a combined basis, looking at age-based rates, service-based rates, and rates based on gender. The separate service-based experience proved to be a better fit for the data, and gender was not a significant predictor, so we recommend continuing to use separate tables for Teachers and State Employees. In addition, to the extent the data was available, we reduced the number of terminations observed for those who were ultimately rehired at a later date. The netting out of rehires has resulted in a recommendation to lower the rates of termination in order to capture the expected loss that occurs for rehired individuals.

Table II-T1 shows the calculation of actual-to-expected ratios and the r-squared statistic for Teacher employees, and Chart II-T1 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual termination rates than expected under the current assumptions for teachers. The proposed assumption decreases the assumed rates of termination and increases the aggregate A/E ratio from 81% to 93%. The r-squared increases from 0.9851 to 0.9951.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

Table II-T1

Teacher Termination Rates						
		Terminations			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
0-4	41,169	5,099	6,557	5,482	78%	93%
5-9	26,064	1,605	1,940	1,729	83%	93%
10-14	17,208	716	783	746	91%	96%
15-19	16,020	467	546	505	86%	92%
20-24	12,610	349	378	347	92%	101%
25+	8,773	213	263	241	81%	88%
Total	**121,844**	**8,449**	**10,467**	**9,051**	**81%**	**93%**
R-squared			**0.9851**	**0.9951**		

Chart II-T1

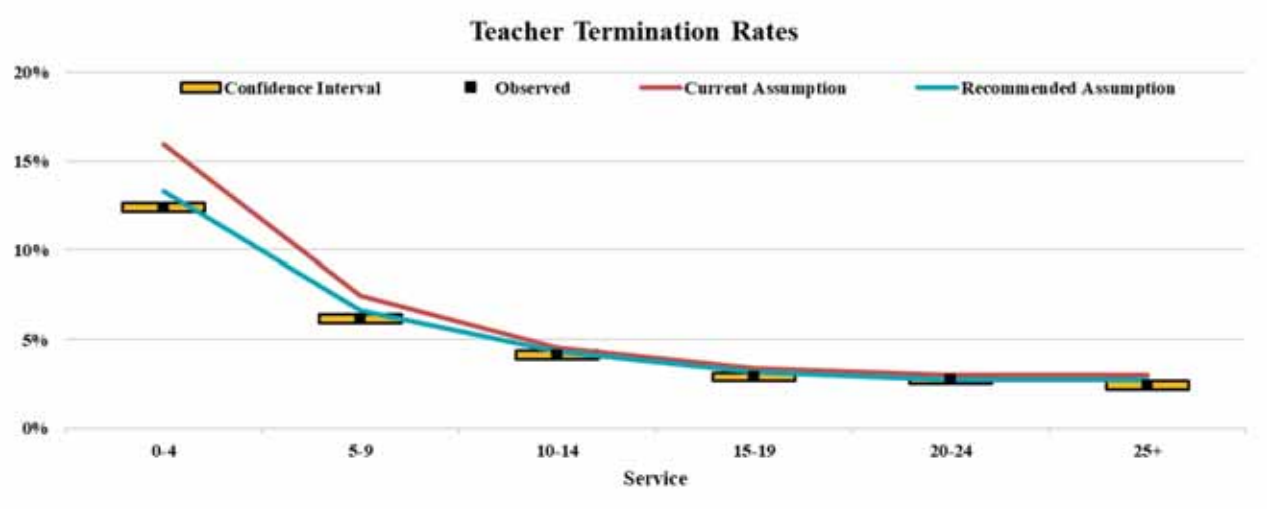


Table II-T2 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Regular Employees, and Chart II-T2 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual termination rates than expected under the current assumptions for state employees. The recommended assumption decreases the assumed rates of termination and increases the aggregate A/E ratio from 89% to 96%. The r-squared increases slightly from 0.9982 to 0.9996.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

Table II-T2

State Regular Termination Rates						
		Terminations			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
0-4	20,003	3,395	3,793	3,523	90%	96%
5-9	10,113	732	858	761	85%	96%
10-14	5,647	280	288	284	97%	98%
15-19	4,463	140	166	164	84%	86%
20-24	3,909	93	114	108	81%	86%
25+	2,401	68	60	60	113%	113%
Total	**46,536**	**4,708**	**5,278**	**4,900**	**89%**	**96%**
R-squared			**0.9982**	**0.9996**		

Chart II-T2

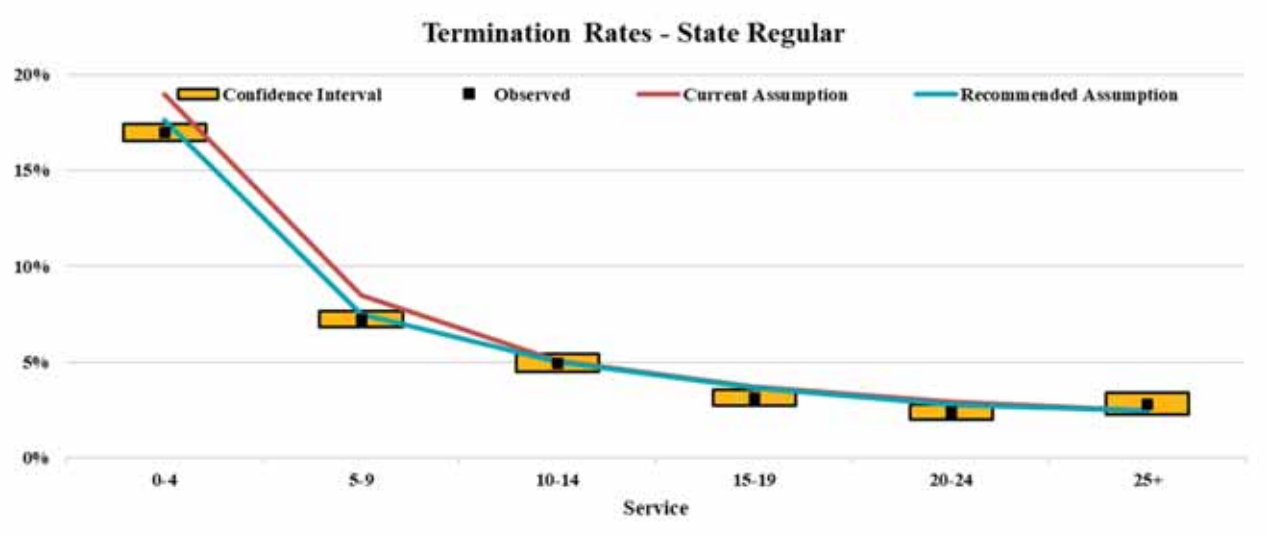


Table II-T3 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Special Employees, and Chart II-T3 shows this information graphically along with the 90% confidence intervals.

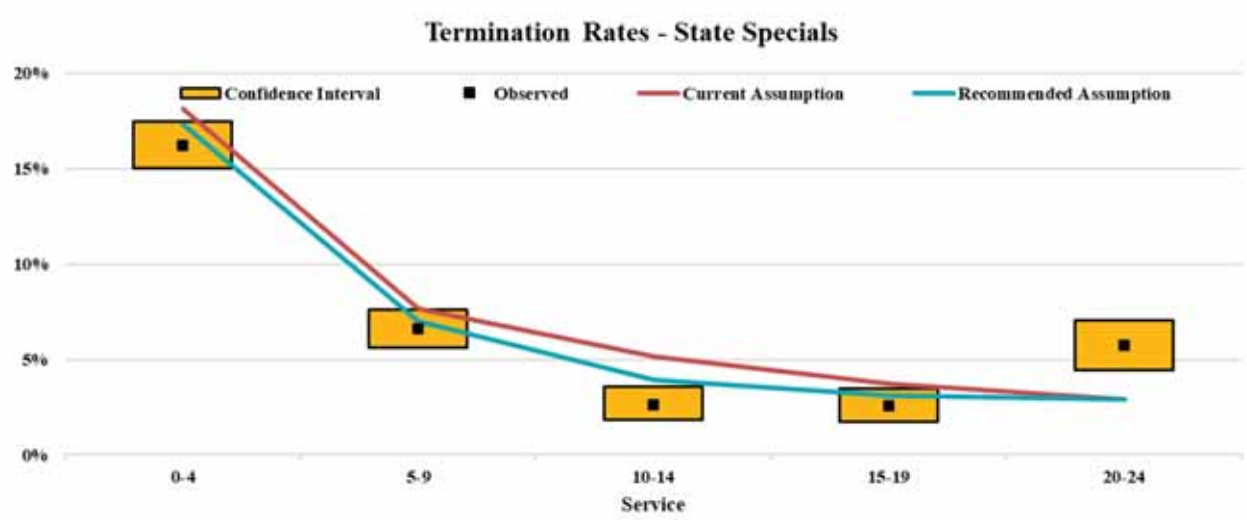
The data shows lower actual termination rates than expected under the current assumptions for state special employees. The recommended assumption decreases the assumed rates of termination and increases the aggregate A/E ratio from 90% to 97%. The r-squared increases slightly from 0.9607 to 0.9707.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

Table II-T3

State Special Termination Rates						
		Terminations			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
0-4	2,416	392	438	417	89%	94%
5-9	1,713	113	131	120	86%	94%
10-14	984	26	51	39	51%	67%
15-19	861	22	32	27	69%	82%
20-24	854	49	25	25	197%	197%
25+	136	10	3	3	294%	294%
Total	**6,964**	**612**	**680**	**631**	**90%**	**97%**
R-squared			**0.9607**	**0.9707**		

Chart II-T3



PLD Consolidated Retirement Program – Termination Rates

Table II-T4 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Regular Employees, and Chart II-T4 shows this information graphically along with the 90% confidence intervals.

The data shows higher actual termination rates than expected under the current assumption. The recommended assumption increases the assumed rates of termination and decreases the aggregate A/E ratio from 115% to 106%. The r-squared increases very slightly from 0.9981 to 0.9997.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

Table II-T4

PLD Regular Termination Rates - All Ages						
		Terminations			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
0-4	20,283	4,084	3,684	3,917	111%	104%
5-9	8,140	749	583	690	129%	109%
10-14	4,402	251	198	223	127%	112%
15-19	2,364	112	83	101	135%	111%
20-24	1,458	60	49	58	123%	103%
25+	628	40	19	25	212%	159%
Total	**37,275**	**5,296**	**4,615**	**5,014**	**115%**	**106%**
R-squared			**0.9981**	**0.9997**		

Chart II-T4

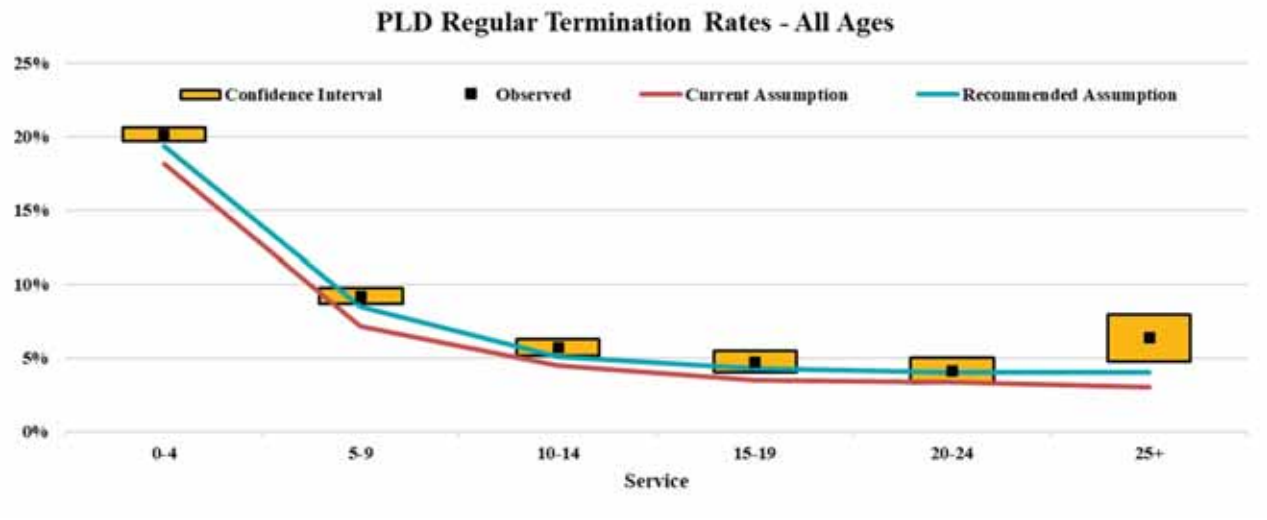


Table II-T5 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Special Employees, and Chart II-T5 shows this information graphically along with the 90% confidence intervals.

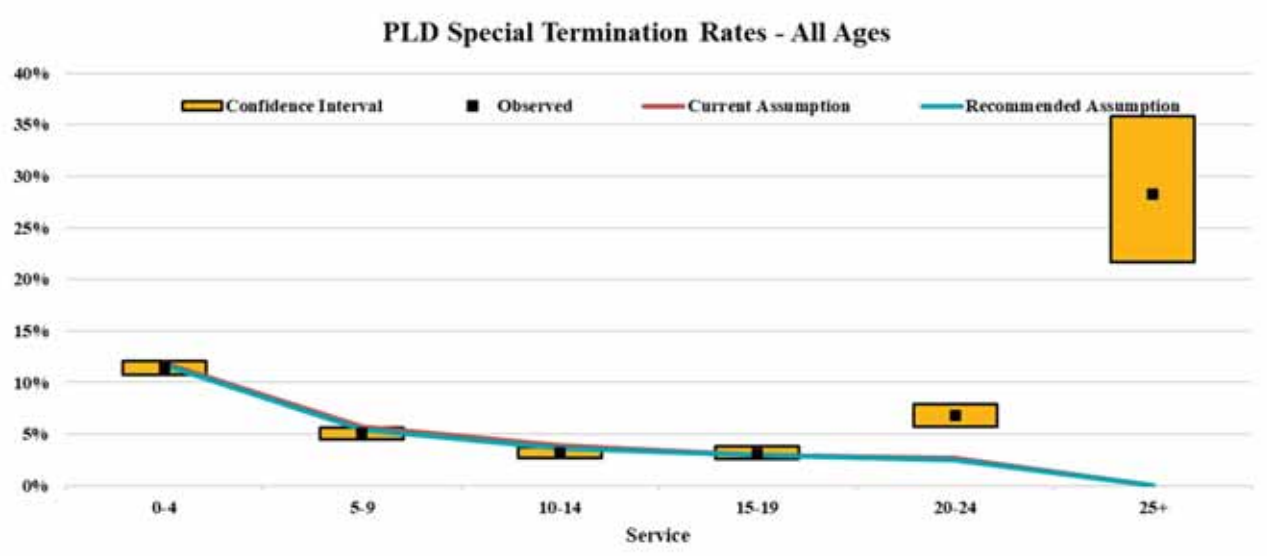
The data shows lower actual termination rates than expected under the current assumption, with the exception of participants with more than 20 years of service. Changes are being made to the valuation programming to capture some of the high service within retirement eligibility, versus adjusting termination rates for this. The recommended assumption generally decreases the assumed rates of termination and increases the aggregate A/E ratio from 102% to 104%. The r-squared increases from 0.9546 to 0.9610.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

Table II-T5

PLD Special Termination Rates - All Ages						
		Terminations			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
0-4	6,431	735	765	750	96%	98%
5-9	3,868	196	219	210	89%	93%
10-14	2,909	92	115	105	80%	87%
15-19	2,226	70	65	67	108%	105%
20-24	1,449	98	39	37	254%	268%
25+	106	30	0	0	0%	0%
Total	**16,989**	**1,221**	**1,202**	**1,169**	**102%**	**104%**
R-squared			**0.9546**	**0.9610**		

Chart II-T5



Judicial Retirement Program – Termination Rates

Over the study period, there were only two terminations from the Judicial program out of 169 possible exposure years. The termination rates are already very low (7% at age 25, dropping to 1% at age 55), and due to the lack of credible data, we do not recommend making any changes at this time.

Legislative Retirement Program – Termination Rates

Due to the election cycle and term limits of the House and Senate, the current assumption is a service-based table for the Legislative that is only applied in even years, with zero percent assumed in the odd years. We recommend keeping this format but adjusting the termination rates at certain service amounts to better align with actual experience.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES

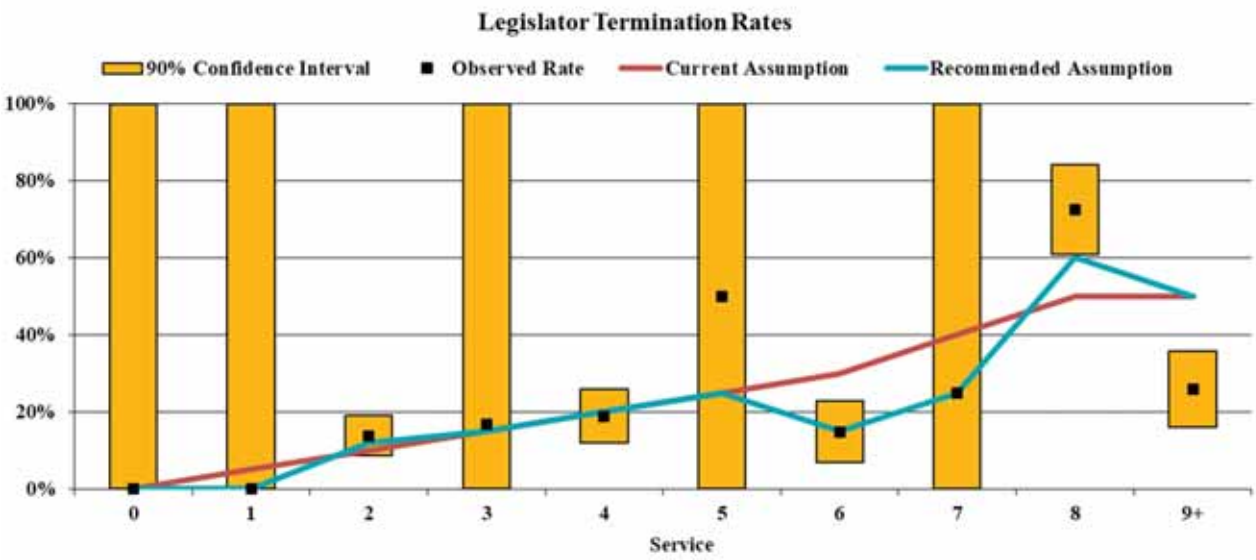
Table II-T6 shows the calculation of actual-to-expected ratios and the r-squared statistic for Legislative Employees, and Chart II-T6 shows this information graphically along with the 90% confidence intervals.

The recommended assumption generally decreases the assumed rates of termination and increases the aggregate A/E ratio from 91% to 94%. The r-squared increases from 0.8252 to 0.9486.

Table II-T6

Legislator Termination Rates						
		Terminations			Actual to Expected Ratios	
Service	Exposures	Actual	Current	Recommended	Current	Recommended
0	0	0	0	0	0%	0%
1	4	0	0	0	0%	0%
2	116	16	12	14	138%	115%
3	6	1	1	1	111%	111%
4	85	16	17	17	94%	94%
5	4	2	1	1	200%	200%
6	54	8	16	8	49%	99%
7	4	1	2	1	63%	100%
8	40	29	20	24	145%	121%
9+	54	14	27	27	52%	52%
Total	**367**	**87**	**96**	**93**	**91%**	**94%**
R-squared			**0.8252**	**0.9486**		

Chart II-T6



SECTION II - DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES

This section analyzes the incidence of disability by the age of the employee for each of the MainePERS Programs. These assumptions are developed as one unisex assumption for males and females at each age, as no significant difference in disability incidence related to gender was seen in the actual experience for these Programs. Similar information and graphs are developed as in the retirement and termination sections.

Teacher Program – Disability Rates

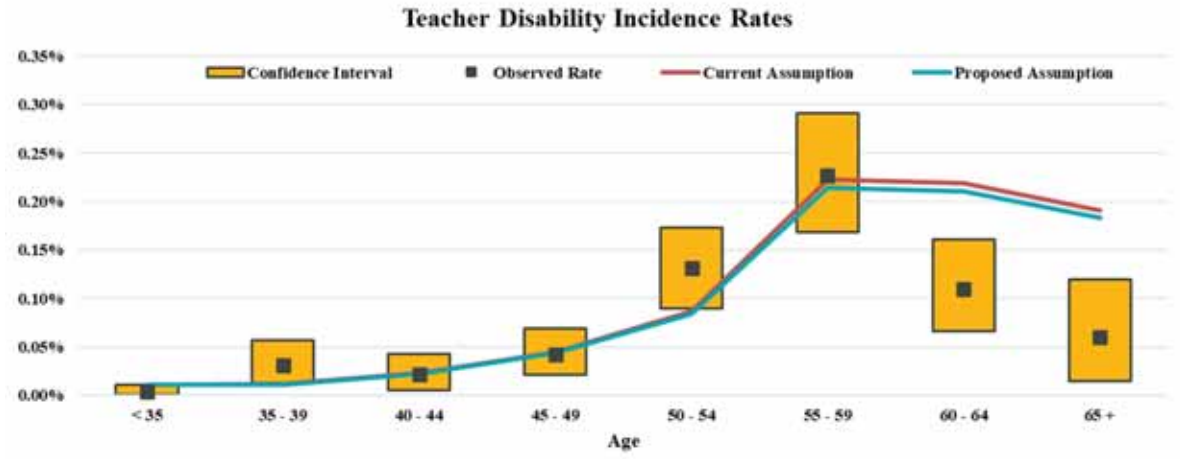
We examined the disability experience for the State Employees and Teachers members and concluded that the best fit was produced by developing assumptions separately for each of the Teachers, State Regular, and State Special. Table II-D1 shows the calculation of actual-to-expected ratios and the r-squared statistic for Teachers, and Chart II-D1 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual disability rates than expected at most ages under the current assumption. The recommended assumption decreases the assumed rates of disability and increases the aggregate A/E ratio from 88% to 91%. The r-squared remains at 0.7272.

Table II-D1

Teacher Disability Incidence Rates						
Age Band	Exposures	Terminations			Actual to Expected Ratios	
		Actual	Current	Recommended	Current	Recommended
< 35	28,445	1	3	3	32%	33%
35 - 39	15,952	5	2	2	273%	283%
40 - 44	18,651	4	4	4	92%	96%
45 - 49	18,865	8	8	8	94%	98%
50 - 54	19,070	25	17	16	151%	157%
55 - 59	17,192	39	38	37	102%	106%
60 - 64	13,673	15	30	29	50%	52%
65 +	6,702	4	13	12	31%	32%
Total	**138,550**	**101**	**115**	**111**	**88%**	**91%**
R-squared			**0.7272**	**0.7272**		

Chart II-D1



SECTION II - DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES

State Regular Program – Disability Rates

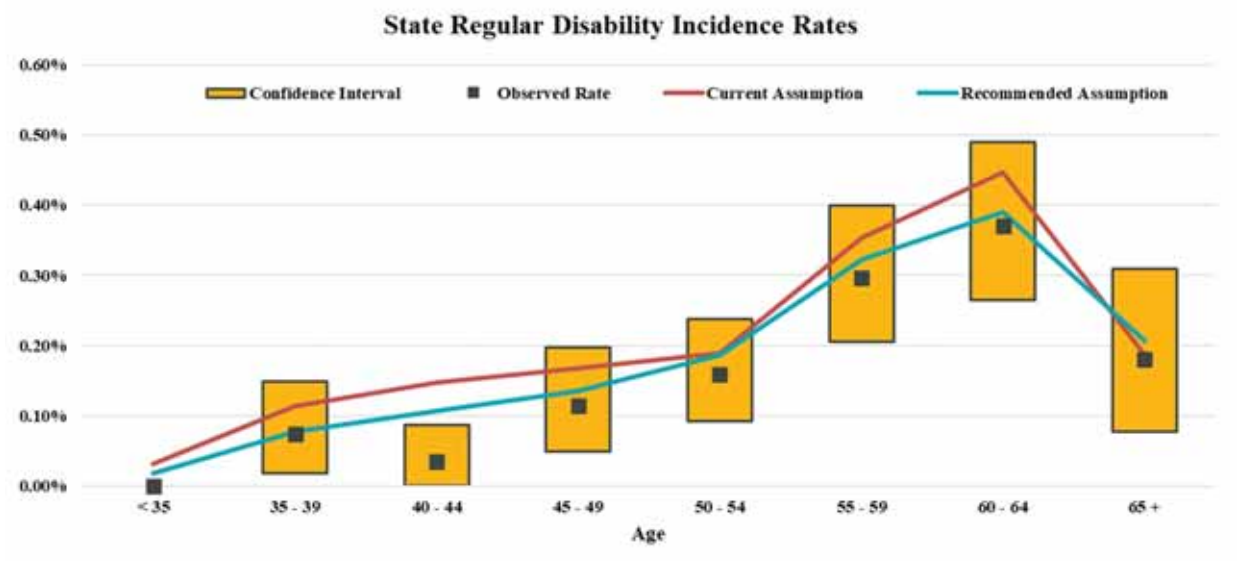
Table II-D2 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Regular Employees, and Chart II-D2 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual disability rates than expected at most ages under the current assumption. The recommended assumption decreases the assumed rates of disability and increases the aggregate A/E ratio from 75% to 86%. The r-squared increases from 0.9720 to 0.9875.

Table II-D2

State Regular Disability Incidence Rates						
Age Band	Exposures	Terminations			Actual to Expected Ratios	
		Actual	Current	Recommended	Current	Recommended
< 35	10,051	0	3	2	0%	0%
35 - 39	5,370	4	6	4	65%	97%
40 - 44	5,806	2	9	6	23%	32%
45 - 49	6,096	7	10	8	68%	85%
50 - 54	7,568	12	14	14	84%	85%
55 - 59	8,771	26	31	28	84%	92%
60 - 64	7,561	28	34	29	83%	95%
65 +	3,884	7	7	8	97%	87%
Total	**55,107**	**86**	**114**	**100**	**75%**	**86%**
R-squared			**0.9720**	**0.9875**		

Chart II-D2



SECTION II - DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES

State Special Program – Disability Rates

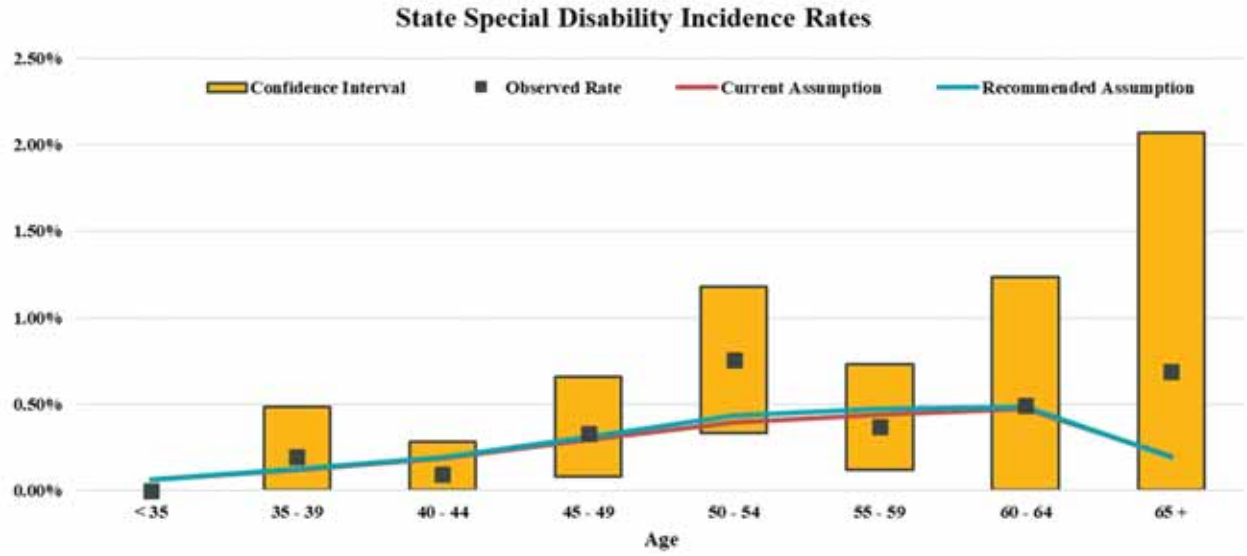
Table II-D3 shows the calculation of actual-to-expected ratios and the r-squared statistic for State Regular Employees, and Chart II-D3 shows this information graphically along with the 90% confidence intervals.

The data shows higher actual disability rates than expected under the current assumption. The recommended assumption very slightly increases the assumed rates of disability and decreases the aggregate A/E ratio from 116% to 110%. The r-squared increases from 0.6994 to 0.7294.

Table II-D3

State Special Disability Incidence Rates						
Age Band	Exposures	Terminations			Actual to Expected Ratios	
		Actual	Current	Recommended	Current	Recommended
< 35	2,402	0	2	2	0%	0%
35 - 39	1,035	2	1	1	159%	155%
40 - 44	1,067	1	2	2	50%	49%
45 - 49	1,210	4	4	4	112%	106%
50 - 54	1,191	9	5	5	191%	173%
55 - 59	817	3	4	4	83%	78%
60 - 64	405	2	2	2	104%	101%
65 +	145	1	0	0	346%	356%
Total	**8,272**	**22**	**19**	**20**	**116%**	**110%**
R-squared			**0.6994**	**0.7294**		

Chart II-D3



SECTION II - DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES

PLD Consolidated Program – Disability Rates

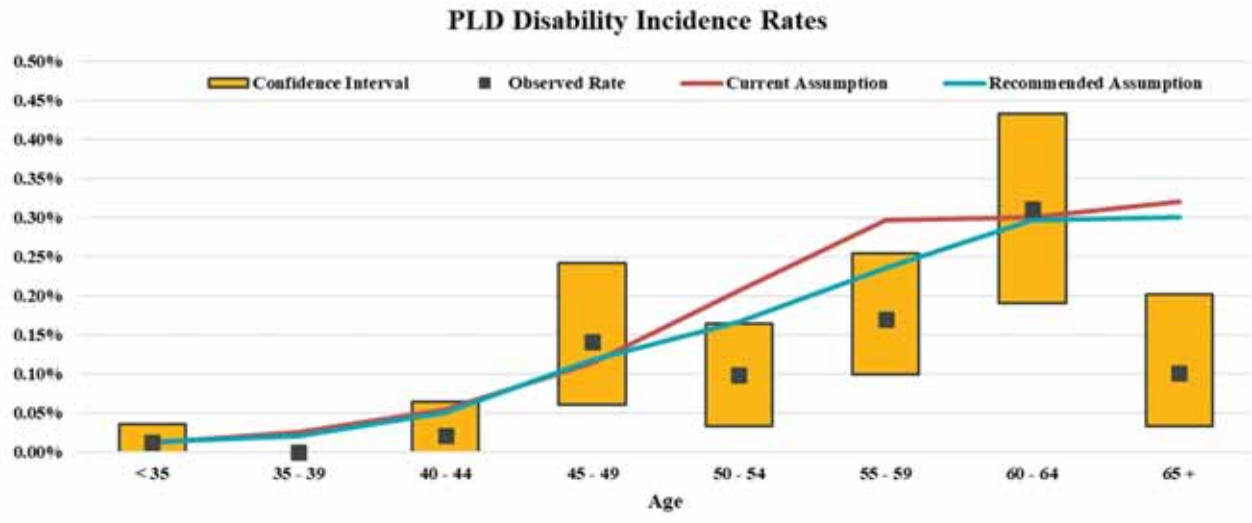
Table II-D4 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Regular employees, and Chart II-D4 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual disability rates than expected under the current assumption. The recommended assumption decreases the assumed rates of disability and increases the aggregate A/E ratio from 68% to 76%. The r-squared increases from 0.7347 to 0.8340.

Table II-D4

PLD Regular Disability Incidence Rates						
Age Band	Exposures	Terminations			Actual to Expected Ratios	
		Actual	Current	Recommended	Current	Recommended
< 35	8,267	1	1	1	99%	91%
35 - 39	4,126	0	1	1	0%	0%
40 - 44	4,683	1	3	2	39%	42%
45 - 49	4,953	7	6	6	124%	120%
50 - 54	6,082	6	13	10	48%	59%
55 - 59	7,065	12	21	17	57%	72%
60 - 64	5,778	18	17	17	104%	105%
65 +	2,977	3	10	9	31%	34%
Total	**43,931**	**48**	**71**	**63**	**68%**	**76%**
R-squared			**0.7347**	**0.8340**		

Chart II-D4



SECTION II - DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES

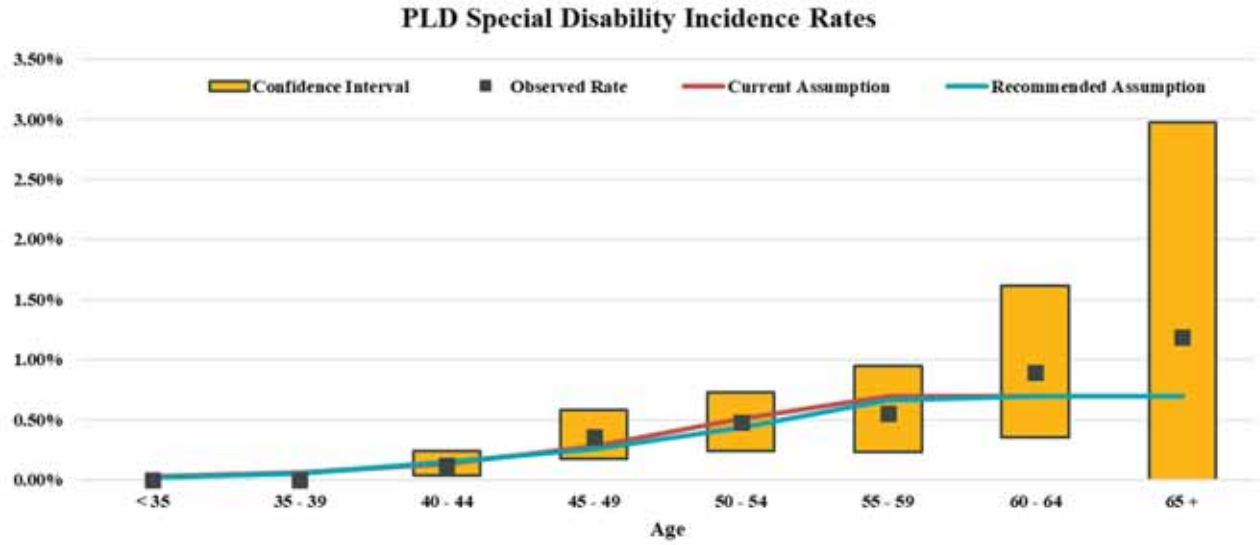
Table II-D5 shows the calculation of actual-to-expected ratios and the r-squared statistic for PLD Special employees, and Chart II-D5 shows this information graphically along with the 90% confidence intervals.

The data shows lower actual disability rates than expected under the current assumption. The recommended assumption decreases the assumed rates of disability and increases the aggregate A/E ratio from 93% to 100%. The r-squared increases from 0.8512 to 0.8534.

Table II-D5

PLD Special Disability Incidence Rates						
Age Band	Exposures	Terminations			Actual to Expected Ratios	
		Actual	Current	Recommended	Current	Recommended
< 35	6,891	0	2	2	0%	0%
35 - 39	2,546	0	2	1	0%	0%
40 - 44	2,445	3	3	4	91%	80%
45 - 49	2,220	8	6	6	126%	138%
50 - 54	2,063	10	10	9	96%	111%
55 - 59	1,268	7	9	8	79%	83%
60 - 64	556	5	4	4	128%	128%
65 +	168	2	1	1	170%	170%
Total	**18,157**	**35**	**38**	**35**	**93%**	**100%**
R-squared			**0.8512**	**0.8534**		

Chart II-D5



SECTION II - DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES

Judicial and Legislative Program – Disability Rates

Over the experience study period, there were no disabilities in the Judicial and Legislative Programs. We recommend continuing to assume no disability decrement for these programs, as disabilities for these groups are very rare.

SECTION II - DEMOGRAPHIC ASSUMPTIONS

MORTALITY RATES

Post-retirement mortality assumptions are typically developed separately by gender for both healthy annuitants and disabled annuitants. Pre-retirement mortality assumptions are developed separately for males and females. Unlike most of the other demographic assumptions that rely exclusively on the experience of the Program, for mortality, standard mortality tables and mortality improvement projection scales serve as the primary basis for the assumption, which is then adjusted to reflect the experience of the Program.

In 2025, the Society of Actuaries (SOA) Research Institute's Retirement Plans Experience Committee (RPEC) completed a second extensive study of mortality based on Public Sector experience and released its report, *Pub-2016 Public Retirement Plans Mortality Tables* (Pub-2016). Due to the pandemic, the SOA has not released an updated mortality improvement projection scale since the MP-2021 scale was produced in 2021. In 2023, the IRS released an Adjusted MP-2021 scale that reflected zero mortality improvement for the 2020-2023 period to approximate the effects of the pandemic and a lower ultimate mortality improvement rate reflecting slowed mortality improvement experience seen in recent years. We used the Pub-2016 base mortality tables and the IRS Adjusted MP-2021 mortality improvement scale as the basis for our analysis.

The steps in our analysis are as follows:

1. Select a standard mortality table that is based on experience most closely matching the anticipated experience of the MainePERS group being studied.
2. Compare actual MainePERS experience to what would have been predicted by the selected standard table for the period of the experience study.
3. Adjust the standard table either fully or partially, depending on the level of credibility for the group for MainePERS experience. This adjusted table is called the base table.
4. Select an appropriate standard mortality improvement projection scale and apply it to the developed base table.

Similar to the methodology used to develop the Pub-2016 tables, when actual MainePERS experience is compared to that of the standard table, the experience is weighted based on the amount of benefit being paid for annuitants. Mortality studies in the U.S. have consistently shown that higher-income individuals have longer life expectancies than lower-income individuals. Because higher-income individuals also typically have higher pension benefit amounts, it is important for a pension plan to use assumptions that are weighted to reflect this impact on liabilities.

The fourth step described above develops a generational mortality improvement assumption. With a generational assumption, anticipated improvements in mortality are built into the assumption. Similar to how we evaluate the most recent base mortality tables for an appropriate fit, we recommend using the most recent published mortality improvement scale.

The sections below develop the base tables (that were identified in step three above) for each of the separate mortality assumptions.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Healthy Annuitant Mortality: Teachers

Table II-M1 below summarizes our analysis and development of the base mortality table for teacher healthy male annuitants. We adjusted the Pub-2016 Benefits-Weighted Teacher Healthy Annuitants table to the midpoint of the study period (2023) using the IRS Adjusted MP-2021 improvement scale before making the comparisons. The exposure and retirement counts in the tables in this section are benefits-weighted, so an individual with a larger benefit impacts the developed ratios more than an individual with a lower benefit. This benefit-weighted approach is the one recommended for use with the Pub-2016 tables as previously discussed. Further, for this group and the others analyzed in this mortality section, we restricted the ages used in the analysis to those providing the best fit with the tables being adjusted. Based on this analysis, we recommend rates for healthy male teacher annuitants based on 109.9% of the Pub-2016 Teacher Healthy Annuitant Mortality Table for males. These rates are projected generationally using the IRS Adjusted MP-2021 mortality improvement scale.

Table II-M1

Healthy Retiree Mortality - Base Table for Males								
Age		Actual	Weighted	Weighted Deaths			A/E Ratios	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
50 - 54	47	-	1,992,507	-	1,262	-	0%	0%
55 - 59	61	1	2,428,893	27,882	6,287	7,357	444%	379%
60 - 64	1,336	8	53,821,285	279,411	260,775	302,011	107%	93%
65 - 69	4,805	26	173,223,906	842,403	1,278,734	1,485,250	66%	57%
70 - 74	7,807	134	267,830,077	4,219,171	3,387,688	3,818,289	125%	110%
75 - 79	6,710	176	228,044,971	5,500,332	5,245,344	5,835,292	105%	94%
80 - 84	3,792	197	127,541,041	6,335,464	5,518,310	6,295,197	115%	101%
85 - 89	1,857	201	59,636,484	6,137,885	5,389,445	5,839,289	114%	105%
90 - 94	641	126	20,110,137	3,828,349	3,154,147	3,464,234	121%	111%
95 +	111	36	3,088,704	976,534	775,436	872,681	126%	112%
Total	**27,167**	**905**	**937,718,005**	**28,147,430**	**25,017,428**	**27,919,601**	**113%**	**101%**

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Similarly, for female teachers, we recommend rates for healthy female teacher annuitants based on 98.0% of the Pub-2016 Teacher Healthy Annuitant Mortality Table for females under age 82 and 125.0% of the Pub-2016 Teacher Healthy Annuitant Mortality Table for females age 82+. These rates are projected with the female version of the same projection rates mentioned with the male teacher assumptions.

Table II-M2

Healthy Retiree Mortality - Base Table for Females								
Age		Actual	Weighted	Weighted Deaths			A/E Ratios	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
50 - 54	7	0	163,210	0	0	0	0%	0%
55 - 59	108	0	2,841,336	0	6,111	6,483	0%	0%
60 - 64	4,159	14	140,954,358	573,184	459,773	460,334	125%	125%
65 - 69	15,685	67	483,730,418	1,948,329	2,203,201	2,311,874	88%	84%
70 - 74	20,690	171	620,104,351	4,859,208	4,809,758	5,218,037	101%	93%
75 - 79	13,319	216	376,233,935	5,918,268	5,529,703	6,061,887	107%	98%
80 - 84	6,912	270	187,655,327	7,739,304	7,701,817	7,406,931	100%	104%
85 - 89	3,299	284	85,939,948	7,493,711	6,817,026	7,472,364	110%	100%
90 - 94	1,659	267	41,384,009	6,609,619	6,050,001	6,574,825	109%	101%
95 +	509	140	10,631,904	2,932,324	2,668,793	2,847,709	110%	103%
Total	**66,347**	**1,429**	**1,949,638,796**	**38,073,947**	**36,246,184**	**38,360,442**	**105%**	**99%**

Healthy Annuitant Mortality: Non-Teachers

For non-teachers, we performed the analysis using the non-teacher members of the State Employees and Teacher Program as the most credible group. We recommend that these non-teacher mortality assumptions be applied to all non-teacher members of MainePERS, including State Regular, State Special, PLD Regular, PLD Special, Judicial, and Legislative.

For male non-teachers, we recommend rates based on 112.7% of the Pub-2016 General Healthy Annuitant Mortality Tables for males projected with the same generational projection rates described for the Teachers. This is illustrated in Table II-M3 below.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Table II-M3

Healthy Retiree Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Recommended	Current	Recommended
50 - 54	251	2	11,209,718	88,197	42,329	42,164	208%	209%
55 - 59	657	3	24,848,775	64,371	140,966	137,655	46%	47%
60 - 64	2,801	16	90,754,865	523,208	788,975	771,866	66%	68%
65 - 69	6,610	84	194,640,448	2,062,441	2,411,546	2,336,056	86%	88%
70 - 74	8,002	170	235,621,690	4,231,778	4,646,521	4,451,861	91%	95%
75 - 79	6,092	190	178,316,577	5,376,748	5,949,101	5,825,497	90%	92%
80 - 84	3,123	226	88,219,956	6,251,402	5,331,150	5,306,859	117%	118%
85 - 89	1,916	233	51,909,435	6,253,519	5,747,488	5,861,440	109%	107%
90 - 94	883	178	23,699,810	4,663,558	4,289,348	4,619,354	109%	101%
95 +	183	49	4,803,734	1,273,066	1,309,259	1,444,660	97%	88%
Total	**30,518**	**1,151**	**904,025,008**	**30,788,288**	**30,656,682**	**30,797,412**	**100%**	**100%**

For female non-teachers, we recommend rates based on 117.3% of the Pub-2016 General Healthy Annuitant Mortality Tables for females projected with the same generational projection rates described for the Teachers. This is illustrated in Table II-M4 below.

Table II-M4

Healthy Retiree Mortality - Base Table for Females								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Recommended	Current	Recommended
50 - 54	19	0	842,359	0	2,540	2,519	0%	0%
55 - 59	182	1	4,419,952	18,755	19,848	17,421	94%	108%
60 - 64	2,431	13	73,409,215	439,848	466,989	402,864	94%	109%
65 - 69	6,815	43	181,428,433	901,888	1,691,367	1,420,361	53%	63%
70 - 74	6,946	86	175,428,125	2,240,685	2,766,709	2,329,518	81%	96%
75 - 79	4,499	126	107,191,321	2,604,551	3,023,912	2,615,326	86%	100%
80 - 84	2,498	139	55,075,119	3,059,742	2,939,660	2,645,934	104%	116%
85 - 89	1,451	151	28,320,352	2,962,880	2,850,405	2,599,951	104%	114%
90 - 94	693	127	13,419,535	2,432,188	2,350,237	2,175,912	103%	112%
95 +	260	73	5,118,581	1,308,567	1,381,960	1,306,687	95%	100%
Total	**25,794**	**759**	**644,652,994**	**15,969,105**	**17,493,627**	**15,516,494**	**91%**	**103%**

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Employee Mortality

Tables II-M5 through II-M8 below summarize our analysis and development of the base mortality tables for active members. Similar to the process for healthy annuitants, we developed gender-specific separate assumptions for teachers and non-teachers. The resulting base tables used for teachers are 101.5% and 102.2% of the Pub-2016 Teacher Employees Mortality Tables for females and males, respectively. The base tables for non-teachers are 101.0% and 119.9% of the Pub-2016 General Employees Mortality Tables for females and males, respectively. Note that in both the case of the healthy annuitant mortality assumptions and the employee mortality assumptions, if mortality rates are needed at ages not defined in the published table, we use the rates from the other table for those ages with the rating for the table that needs extension.

Table II-M5

Teachers Non-Annuitant Mortality - Base Table for Males								
Age		Actual	Weighted	Weighted Deaths			A/E Ratio	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
20 - 29	3,338	0	3,338	0	1	1	0%	0%
30 - 39	6,890	1	6,890	1	3	3	36%	38%
40 - 49	10,088	8	10,088	8	7	7	120%	108%
50 - 59	10,814	22	10,814	22	16	18	134%	122%
60 - 69	5,525	20	5,525	20	19	19	104%	103%
70 +	697	7	697	7	5	6	130%	122%
Total	**37,352**	**58**	**37,352**	**58**	**51**	**54**	**113%**	**107%**

Table II-M6

Teachers Non-Annuitant Mortality - Base Table for Females								
Age		Actual	Weighted	Weighted Deaths			A/E Ratio	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
20 - 29	12,107	1	12,107	1	1	1	68%	84%
30 - 39	25,647	5	25,647	5	7	6	76%	89%
40 - 49	34,203	18	34,203	18	15	16	120%	111%
50 - 59	35,037	35	35,037	35	34	36	102%	98%
60 - 69	20,680	43	20,680	43	43	44	100%	97%
70 +	1,720	14	1,720	14	9	9	151%	150%
Total	**129,394**	**116**	**129,394**	**116**	**110**	**112**	**106%**	**103%**

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Table II-M7

Non-Annuitant Mortality - Base Table for Males								
Age		Actual	Weighted	Weighted Deaths			A/E Ratio	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
20 - 29	3,407	1	3,407	1	1	2	89%	58%
30 - 39	7,245	3	7,245	3	4	5	73%	61%
40 - 49	8,689	10	8,689	10	8	11	132%	94%
50 - 59	11,688	34	11,688	34	21	31	163%	111%
60 - 69	6,849	48	6,849	48	24	35	201%	139%
70 +	725	15	725	15	5	8	315%	198%
Total	**38,603**	**111**	**38,603**	**111**	**62**	**90**	**178%**	**123%**

Table II-M8

Non-Annuitant Mortality - Base Table for Females								
Age		Actual	Weighted	Weighted Deaths			A/E Ratio	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
20 - 29	3,238	0	3,238	0	0	0	0%	0%
30 - 39	7,164	2	7,164	2	2	2	100%	94%
40 - 49	9,471	5	9,471	5	5	6	108%	87%
50 - 59	13,453	17	13,453	17	15	18	113%	94%
60 - 69	8,474	23	8,474	23	19	22	124%	104%
70 +	646	7	646	7	3	4	223%	196%
Total	**42,446**	**54**	**42,446**	**54**	**44**	**52**	**123%**	**104%**

The mortality improvement assumption for the employee mortality is also the same as the healthy annuitants.

Disabled Annuitant Mortality

While MainePERS is not large enough to have very credible experience for disabled annuitant mortality, there is a large body of evidence that disabled annuitant mortality is higher than healthy annuitant mortality. The degree to which disabled mortality is higher depends on a number of factors, particularly the definition of disability used in practice to award disability benefits. Based on the analysis below, we recommend that the Board adopt mortality assumptions for disabled annuitants from the same Pub-2016 study as was used for healthy annuitants.

For male teacher disabled members, we recommend rates based on 106.3% of the Pub-2016 Non-Public Safety Disabled Annuitant Mortality Tables for males projected with the same generational mortality improvements described for Healthy Annuitants. This is illustrated in Table II-M9 below.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Table II-M9

Disabled Retiree Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Recommended	Current	Recommended
50 - 54	14	1	394,583	32,135	6,947	4,361	463%	737%
55 - 59	34	2	1,165,220	56,802	24,655	19,295	230%	294%
60 - 64	60	2	2,343,437	75,906	62,333	55,669	122%	136%
65 - 69	150	4	5,440,524	167,592	170,055	147,812	99%	113%
70 - 74	232	7	7,977,424	206,281	300,148	265,136	69%	78%
75 - 79	167	8	5,915,350	287,054	291,520	285,091	98%	101%
80 - 84	57	7	1,854,695	266,147	131,373	136,770	203%	195%
85 - 89	39	5	1,213,663	153,114	136,271	152,199	112%	101%
90 - 94	15	5	400,241	142,449	66,746	79,126	213%	180%
95 +	6	3	142,115	73,780	31,242	38,481	236%	192%
Total	**774**	**44**	**26,847,252**	**1,461,261**	**1,221,289**	**1,183,941**	**120%**	**123%**

For female teacher disabled members, we recommend rates based on 118.2% of the Pub-2016 Non-Public Safety Disabled Annuitant Mortality Tables for females projected with the same generational mortality improvements described for Healthy Annuitants. This is illustrated in Table II-M10 below.

Table II-M10

Disabled Retiree Mortality - Base Table for Females								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Recommended	Current	Recommended
50 - 54	111	1	3,172,011	34,383	63,213	32,012	54%	107%
55 - 59	195	8	6,193,033	292,053	148,704	97,478	196%	300%
60 - 64	380	12	12,322,503	371,113	319,402	259,566	116%	143%
65 - 69	586	19	18,458,859	679,032	519,421	422,114	131%	161%
70 - 74	573	21	18,367,992	682,388	657,294	532,336	104%	128%
75 - 79	405	20	13,342,170	687,503	685,667	607,395	100%	113%
80 - 84	166	14	4,948,262	410,502	397,888	367,891	103%	112%
85 - 89	66	11	2,097,315	307,756	270,513	247,287	114%	124%
90 - 94	23	2	746,953	97,089	133,838	127,959	73%	76%
95 +	2	0	48,093	0	11,549	11,318	0%	0%
Total	**2,507**	**108**	**79,697,192**	**3,561,819**	**3,207,491**	**2,705,356**	**111%**	**132%**

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

For male non-teacher disabled members, we recommend rates based on 114.5% of the Pub-2016 Non-Public Safety Disabled Annuitant Mortality Tables for males projected with the same generational mortality improvements described for Healthy Annuitants. This is illustrated in Table II-M11 below.

Table II-M11

Disabled Retiree Mortality - Base Table for Males								
Age		Actual	Weighted	Weighted Deaths			A/E Ratios	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
50 - 54	137	4	3,439,025	105,130	64,899	41,026	162%	256%
55 - 59	205	7	6,176,952	242,591	152,026	110,319	160%	220%
60 - 64	391	14	11,254,954	403,982	339,260	286,469	119%	141%
65 - 69	450	18	12,759,620	426,960	446,662	370,536	96%	115%
70 - 74	387	17	11,489,055	468,283	488,492	408,175	96%	115%
75 - 79	250	17	7,282,049	488,607	410,573	379,053	119%	129%
80 - 84	116	10	2,819,218	249,567	230,347	226,929	108%	110%
85 - 89	54	8	1,274,898	165,849	160,439	168,511	103%	98%
90 - 94	15	5	367,406	126,504	63,610	70,947	199%	178%
95 +	-	-	-	-	-	-	0%	0%
Total	**2,005**	**100**	**56,863,179**	**2,677,472**	**2,356,309**	**2,061,966**	**114%**	**130%**

For female non-teacher disabled members, we recommend rates based on 127.7% of the Pub-2016 Non-Public Safety Disabled Annuitant Mortality Tables for females projected with the same generational mortality improvements described for Healthy Annuitants. This is illustrated in Table II-M12 below.

Table II-M12

Disabled Retiree Mortality - Base Table for Females								
Age		Actual	Weighted	Weighted Deaths			A/E Ratios	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
50 - 54	75	2	2,083,594	51,745	33,590	22,214	154%	233%
55 - 59	230	6	5,923,380	146,606	119,121	102,226	123%	143%
60 - 64	475	18	13,000,891	550,147	281,151	296,027	196%	186%
65 - 69	454	10	12,722,441	246,998	297,075	313,298	83%	79%
70 - 74	419	29	11,440,871	776,889	338,328	354,631	230%	219%
75 - 79	308	18	7,858,894	502,512	344,512	396,583	146%	127%
80 - 84	139	17	3,226,001	363,909	213,927	256,363	170%	142%
85 - 89	49	4	1,217,348	102,319	131,289	155,546	78%	66%
90 - 94	33	9	803,556	239,891	120,763	149,315	199%	161%
95 +	2	1	16,217	8,228	3,224	4,123	255%	200%
Total	**2,184**	**114**	**58,293,194**	**2,989,243**	**1,882,981**	**2,050,327**	**159%**	**146%**

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Survivor/Beneficiary Mortality

Table II-M13 below summarizes our analysis and development of the base mortality table for male contingent survivors. The analysis and subsequent results are the same for both teachers and non-teachers contingent survivors. Based on this analysis, we recommend rates for male contingent survivors based on 98.8% of the Pub-2016 Contingent Survivor Mortality Tables for males with the same generational mortality improvements described for Healthy Annuitants.

Table II-M13

Survivors Mortality - Base Table for Males								
Age		Actual	Weighted	Weighted Deaths			A/E Ratios	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
50 - 54	323	4	3,941,404	14,576	14,457	30,496	101%	48%
55 - 59	394	10	5,505,737	75,165	31,792	50,657	236%	148%
60 - 64	623	9	14,508,023	173,012	124,295	167,827	139%	103%
65 - 69	1,238	12	37,361,428	295,895	468,164	564,119	63%	52%
70 - 74	1,991	43	62,089,391	1,231,924	1,236,358	1,364,322	100%	90%
75 - 79	1,861	59	56,829,873	1,741,719	1,908,129	2,051,791	91%	85%
80 - 84	1,044	73	32,303,693	1,976,191	1,954,044	2,043,758	101%	97%
85 - 89	661	86	18,617,845	2,405,426	2,077,620	2,110,496	116%	114%
90 - 94	360	81	9,276,806	2,043,132	1,689,708	1,731,394	121%	118%
95 +	89	19	2,103,228	383,471	550,735	570,235	70%	67%
Total	**8,584**	**396**	**242,537,427**	**10,340,512**	**10,055,302**	**10,685,095**	**103%**	**97%**

For female contingent survivors, we recommend rates based on 110.6% of the Pub-2016 Contingent Survivor Mortality Tables for females projected with the same generational mortality improvements described for Healthy Annuitants. This is illustrated in Table II-M14 below.

Table II-M14

Survivors Mortality - Base Table for Females								
Age		Actual	Weighted	Weighted Deaths			A/E Ratios	
Band	Exposures	Deaths	Exposures	Actual	Current	Recommended	Current	Recommended
50 - 54	520	3	10,202,150	53,460	29,044	35,061	184%	152%
55 - 59	855	6	18,464,530	90,273	74,658	95,058	121%	95%
60 - 64	1,720	11	49,202,604	293,081	280,927	377,936	104%	78%
65 - 69	3,227	32	102,273,038	800,252	874,306	1,112,633	92%	72%
70 - 74	4,666	61	154,637,500	1,888,261	2,222,453	2,511,356	85%	75%
75 - 79	4,413	114	140,550,405	3,100,999	3,586,099	3,714,601	86%	83%
80 - 84	3,655	199	110,264,846	5,473,213	5,263,564	5,251,794	104%	104%
85 - 89	2,602	257	71,639,630	6,929,534	6,424,233	6,217,769	108%	111%
90 - 94	1,648	267	42,730,761	6,719,301	6,742,795	6,441,628	100%	104%
95 +	482	132	10,570,608	2,672,160	2,598,295	2,511,204	103%	106%
Total	**23,788**	**1,082**	**710,536,071**	**28,020,533**	**28,096,374**	**28,269,040**	**100%**	**99%**

SECTION II - DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES

Projection of Mortality Improvement

There has been a long history of mortality improvement among pensioners in the U.S., and there is an expectation that mortality rates will continue to improve in the future. From 2014 - 2021, the Society of Actuaries has been publishing projection scales designed to predict future increases in mortality. These are developed based on three key concepts:

- Recently observed experience is the best predictor of future near-term mortality improvement rates.
- Long-term rates of mortality improvement should be based on “expert opinion” and analysis of longer-term mortality patterns.
- Near-term rates should transition smoothly into the assumed long-term mortality improvement rates over appropriately selected convergence periods.

Since the MP-2021 mortality improvement scale was released by the SOA in 2021, which is based on U.S. population mortality experience through 2019, the COVID-19 pandemic changed the landscape of mortality improvements. As a result, the SOA has reviewed the mortality data annually since 2021 and concluded every year since that time that the data is not reliable for publishing a new mortality improvement scale. The IRS and the U.S. Department of the Treasury made adjustments to the MP-2021 mortality improvement scale to remove mortality improvements during the 2020-2023 pandemic and post-pandemic period, in addition to capping all future annual rates of improvement to 0.78%. We believe that these adjustments are appropriate and, as such, we recommend adopting the IRS Adjusted MP-2021 mortality improvement scale.

SECTION II - DEMOGRAPHIC ASSUMPTIONS
FAMILY COMPOSITION

Family composition includes assumptions relevant for the valuation of death benefits provided under the Plan for members who have not yet started receiving their retirement benefits. These assumptions are used for all Programs to determine who should receive such death benefits and for how long, based on the provisions of each Plan. Benefits under MainePERS may be payable to a surviving spouse and surviving dependent children in these situations.

MainePERS does not have family data on all members upon which to reliably base these assumptions. For purposes of the percentage of members assumed to be married, we first evaluated the recent retiree population to determine the forms of payment elected. The percentage of members electing a payment form that provides for benefits to a beneficiary upon death is presumed to be a subset of those who are married. We found that 55% of male members and 25% of female members elected a joint and survivor payment form (Options 2-8) with a beneficiary within 25 years of their age (anything outside of this range has been assumed to be someone other than a spouse). We have assumed that 25% of married participants who elect to receive their benefit in Full or under Option 1 are married as well. Therefore, we recommend an assumption of married members as 80% of male participants and 50% of female participants.

In addition to the percentage of members who are married, we have an assumption related to the age of the spouses of members. For this purpose, we evaluated the recent retiree group and determined the average age of spouses. We recommend an assumption that married male members have female spouses 2 years younger and married female members have male spouses 1 year older.

Lastly, surviving dependent children are eligible to receive a temporary death benefit if a member dies in active service with MainePERS. There is no data available from MainePERS on the number and ages of children of its members. For this purpose, we reviewed national studies on the topic of maternal age and the number of dependent children for the State of Maine. Maternal ages have trended up in recent years, and as such, we recommend a change to assume that female members have two children born when the member is 28 and 32, and male members have two children born when the member is 30 and 34. We recommend no change to the assumption that children are assumed to remain dependent until age 18.

APPENDIX A - SUMMARY OF ASSUMPTIONS
INTRODUCTION

This Appendix A includes summaries of the assumptions for each MainePERS plan. This information is provided organized by Program. The assumptions shown with no shading are the current assumptions that were in place for the 2025 valuations, while the assumptions shown with grey shading are those recommended in this report and adopted by the MainePERS board for the 2026 valuations.

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

A. Actuarial Assumptions

1. Discount Rate:

	Current
State Employees	6.50%
Teachers	6.50

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate:

	Current
State Employees	2.20%
Teachers	2.20

3. Sample Rates of Individual Salary Increases (% at Selected Years of Service):

	Current Assumption		Recommended Assumption	
Service	State Employees	Teachers	State Employees	Teachers
0	9.43%	13.03%	11.74%	14.31%
5	6.24	5.83	6.60	6.35
10	5.32	4.81	5.47	5.32
15	3.98	4.29	4.29	4.55
20	3.78	3.26	4.19	3.78
25	3.26	2.80	4.03	3.26
30	2.75	2.75	4.03	3.01
35	2.75	2.75	3.26	2.75

The current rates include a 2.75% across-the-board increase at each year of service. The recommended rates include a 2.75% across-the-board increase at each year of service.

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

4. Sample Rates of Termination (% at Selected Years of Service):

	Current Assumption			Recommended Assumption		
Service	Regular State Employees	Teachers	State Special Employees	Regular State Employees	Teachers	State Special Employees
0	32.5%	26.0%	30.0%	29.00%	20.00%	26.50%
5	10.0	9.0	9.0	9.00	8.25	8.75
10	6.0	5.5	6.5	5.75	5.00	5.00
15	4.0	3.5	4.0	4.00	3.50	3.25
20	3.0	3.0	3.0	3.00	2.75	3.00
25	2.5	3.0	2.5	2.50	2.75	2.50

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at the time of termination.

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)				Recommended Assumption (showing values in 2026)			
	State Employees		Teachers		State Employees		Teachers	
Age	Male	Female	Male	Female	Male	Female	Male	Female
50	30	24	10	6	32	28	12	7
55	45	34	20	17	46	34	24	18
60	69	46	35	26	70	45	41	26
65	100	67	57	36	100	63	68	38
70	154	108	94	58	151	105	111	65
75	259	192	173	110	262	195	200	126
80	469	357	330	309	486	375	388	260
85	873	687	698	615	899	733	771	686
90	1,537	1,300	1,319	1,178	1,651	1,342	1,461	1,302
95	2,418	2,140	2,237	2,114	2,685	2,208	2,524	2,280

State Employees are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. Current rates for Teachers are based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table adjusted as follows:

- 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

- 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on and after age 80

The current rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Recommended rates for State Employees are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Recommended rates for Teachers are based on the 2016 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table adjusted as follows:

- 109.9% of the rates for males
- 98% of the rates for females prior to age 82, and 125% of the rates for females on and after age 82

The recommended rates are projected generationally using the published IRS Adjusted MP-2021 scale.

6. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*:

	Current Assumption (showing values in 2026)				Recommended Assumption (showing values in 2026)			
	State Employees		Teachers		State Employees		Teachers	
Age	Male	Female	Male	Female	Male	Female	Male	Female
20	3	1	3	1	4	1	2	1
25	3	1	2	1	5	1	3	1
30	4	2	3	2	7	2	3	2
35	6	3	4	3	8	3	5	2
40	7	4	5	3	11	5	6	4
45	8	5	6	4	14	6	8	5
50	11	7	9	6	18	9	11	7
55	17	11	15	10	26	13	17	10
60	27	17	25	15	41	21	27	16
65	38	24	40	23	59	31	42	26

* For State Regular and Teachers, 5% of deaths assumed to arise out of and in the course of employment; for State Special, 20% of deaths are assumed to arise out of and in the course of employment.

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

Current rates for State Employees are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. Recommended rates for Teachers are based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Recommended rates for State Employees are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. Recommended rates for Teachers are based on 102.2% and 101.5% of the 2016 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)				Recommended Assumption (showing values in 2026)			
	State Employees		Teachers		State Employees		Teachers	
Age	Male	Female	Male	Female	Male	Female	Male	Female
25	35	21	31	25	42	13	39	12
30	53	37	47	44	40	22	37	20
35	73	57	64	68	44	34	41	32
40	89	75	79	90	56	47	52	44
45	111	97	98	116	75	62	70	57
50	157	139	138	166	99	89	92	82
55	212	178	186	213	146	137	136	127
60	269	206	236	247	229	217	212	201
65	319	215	280	258	275	235	255	218
70	376	253	330	303	315	273	293	253

Current rates for State Employees are based on 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. Recommended rates for Teachers are based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

Recommended rates for State Employees are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. Recommended rates for Teachers are based on 106.3% and 118.2% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

8. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)				Recommended Assumption (showing values in 2026)	
	State Employees		Teachers		All	
Age	Male	Female	Male	Female	Male	Female
45	11	6	7	4	57	27
50	30	24	10	6	75	30
55	45	34	20	17	84	43
60	69	46	35	26	103	64
65	100	67	57	36	130	91
70	154	108	94	58	180	135
75	259	192	173	110	293	216
80	469	357	330	309	520	377
85	873	687	698	615	915	691
90	1,537	1,300	1,319	1,178	1,601	1,251

Current assumptions are the same as described for healthy annuitants.

Recommended rates for Contingent Survivors are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

9. Sample Rates of Retirement at Selected Ages (number retiring per 1,000 members):

	Current Assumptions State Regular Employees			Current Assumptions Teachers		
Age	NRA 60	NRA 62	NRA 65	NRA 60	NRA 62	NRA 65
57	4%	3.5%	N/A	4%	3.5%	N/A
59	26	4	N/A	20	4.5	N/A
60	21	5	2%	27.5	8	2%
61	21	35	2	21	24	2
62	21	27	5	23	22	5
63	25	18	8	22	18	8
64	19	20	30	28	22	20
65	21	22	25	34	30	30
70	20	20	20	30	20	30
75	35	35	25	40	20	30
80	100	100	100	100	100	100

	Recommended Assumptions State Regular Employees			Recommended Assumptions Teachers		
Age	NRA 60	NRA 62	NRA 65	NRA 60	NRA 62	NRA 65
57	4%	3.5%	N/A	4%	3%	N/A
59	26	4	N/A	20	5	N/A
60	21	4.5	4%	27.5	8.5	2%
61	21	35	2	21	28	2
62	21	29	5	23	26.8	2
63	20	19	8	25.5	21	2
64	22	20	20	30	24.5	5
65	22	23	26	37.5	30.5	30
70	23	25	25	31	25	29
75	100	100	100	35	20	29
80	100	100	100	100	100	100

In the case of State Regular and Teacher employees, NRA 60 (Tier 1) refers to those who had accrued at least 10 years of service by July 1, 1993. NRA 62 (Tier 2) refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 (Tier 3) refers to those who did not have five years of service by July 1, 2011. Rates are only applied for early retirement when the member is at least age 57.

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

State Special Plans

Members of the 1998 Special Plan are assumed to retire at rates that vary by age and whether service is less than 25 years or not. Sample rates are as follows:

1998 Special Plan				
	Current Assumption		Recommended Assumption	
Age	Service < 25	Service >= 25	Service < 25	Service >= 25
50	0%	10%	0%	8%
55	20	25	21	27%
57	10	25	13	27
60	20	30	21	36
62	30	30	22	36
65	23.4	30	21	32
67	36.8	50	38	55
70	100	100	50	50
75	100	100	100	100

Members of the 25 & Out Plan are assumed to retire at rates that vary by service with 100% retirement assumed by age 75. Sample rates are as follows:

25 & Out Plan		
Service	Current Assumption	Recommended Assumption
<25	Same as State Regular	Same as State Regular (recommended)
25	25%	30%
30	25	17
32	40	33
35	40	33
38+	100	100

Members of the Fire Marshals Plan are currently assumed to retire at a rate of 50% per year, beginning when they reach eligibility for unreduced benefits, with a 100% assumed rate at age 70. Rates are only applied when the member is at least age 50. Recommended change to rates that vary by service with 100% retirement by age 75. Sample rates are as follows:

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

Fire Marshals Plan	
Service	Recommended Assumption
<20	0%
20	30
25	17
27	33
30	33
33+	100

10. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)*:

	Current Assumptions			Recommended Assumptions		
	State Employees			State Employees		
Age	Regular	Special	Teachers	Regular	Special	Teachers
25	2.5	5.4	1.1	1.3	5.3	1.0
30	3.1	6.5	1.2	1.5	6.3	1.1
35	9.3	9.9	1.2	6.1	10.2	1.1
40	14.0	15.8	1.6	9.9	16.1	1.5
45	16.0	24.4	3.1	12.2	25.0	3.0
50	18.0	36.4	6.6	16.1	40.0	6.4
55	25.0	42.6	22.1	25.0	45.8	21.3
60	43.4	46.4	22.2	38.4	47.5	21.4

* 10% assumed to receive Workers Compensation benefits offsetting disability benefit.

11. Family Composition Assumptions:

Current assumptions are 80% of active members are assumed to be married and have two children born when the member is 24 and 28; children are assumed dependent until age 18; a female spouse is assumed to be three years younger than a male spouse; member is assumed to have no dependent parents; unmarried members are assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

Recommended assumptions are 80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents. 50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children

APPENDIX A - SUMMARY OF ASSUMPTIONS
STATE EMPLOYEES AND TEACHERS PROGRAM

are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents. An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

12. Vacation/Sick Leave Credits:

For members who had 10 years of service on July 1, 1993, credits for unused vacation and sick leave may be used to increase final average compensation and/or creditable service. In order to reflect this, projected retirement benefits are increased by 0.48% for state (regular) employees and 0.75% for teachers for impacted members.

No change was recommended to this assumption.

13. . Technical and Miscellaneous Assumptions:

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Reflect actual historical member contribution rates from 1970 through the valuation; future contribution interest to equal the inflation assumption of 2.75%. No change was recommended to this assumption.

COLA Timing: September 1

Special Plan Member Contribution Rates: For members of Special Plans where the contribution rate drops from 8.65% to 7.65% after a given number of years, 8.65% is used for all years for valuation purposes as a simplifying assumption reflecting data limitations.

14. Rationale for Assumptions:

The assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting for all programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 13, 2021 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2015 through June 30, 2020, and the economic assumptions are based on this experience study along with the advice of the MainePERS investment consultants.

The recommended assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting for all Programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 14, 2026 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025.

APPENDIX A - SUMMARY OF ASSUMPTIONS
PARTICIPATING LOCAL DISTRICTS

A. Actuarial Assumptions

1. Discount Rate:

	Current
PLDs	6.50%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate:

	Current
PLDs	1.91%

3. Sample Rates of Individual Salary Increases (% at Selected Years of Service):

Years of Service	Current	Recommended
0	11.48%	12.51%
1	8.66	11.48
2	4.81	6.09
3	4.29	5.32
4	4.03	4.81
5	3.78	4.81
10	3.26	4.29
15	3.26	4.03
20	3.01	3.52
25	2.75	3.01
30	2.75	2.75

The current rates include a 2.75% across-the-board increase at each year of service. The recommended rates include a 2.75% across-the-board increase at each year of service.

APPENDIX A - SUMMARY OF ASSUMPTIONS
PARTICIPATING LOCAL DISTRICTS

4. Sample Rates of Termination (% at Selected Years of Service):

	Current Assumption		Recommended Assumption	
Service	Regular	Special	Regular	Special
0	28.0%	17.90%	29.5%	18.00%
1	21.0	14.4	22.0	14.35
2	15.0	10.5	15.5	10.25
3	12.0	9.5	14.0	9.3
4	10.0	7.8	11.0	7.0
5	9.0	7.9	10.0	6.9
10	5.0	4.5	5.5	4.0
15	3.5	2.9	4.5	3.0
20	3.5	2.7	4.0	3.0
25	3.0	0.0	4.0	0.0

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at the time of termination.

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
50	30	24	32	28
55	45	34	46	34
60	69	46	70	45
65	100	67	100	63
70	154	108	151	105
75	259	192	262	195
80	469	357	486	375
85	873	687	899	733
90	1,537	1,300	1,651	1,342
95	2,418	2,140	2,685	2,208

Current rates are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The

recommended rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Recommended rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

6. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*:

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
20	3	1	4	1
25	3	1	5	1
30	4	2	7	2
35	6	3	8	3
40	7	4	11	5
45	8	5	14	6
50	11	7	18	9
55	17	11	26	13
60	27	17	41	21
65	38	24	59	31

* 5% of deaths assumed to arise out of and in the course of employment.

Recommended rates are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Recommended rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
PARTICIPATING LOCAL DISTRICTS

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
25	35	21	42	13
30	53	37	40	22
35	73	57	44	34
40	89	75	56	47
45	111	97	75	62
50	157	139	99	89
55	212	178	146	137
60	269	206	229	217
65	319	215	275	235
70	376	253	315	273

Current rates for are based on 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Recommended rates for are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

8. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption		Recommended Assumption	
Age	Male	Female	Male	Female
45	11	6	57	27
50	30	24	75	30
55	45	34	84	43
60	69	46	103	64
65	100	67	130	91
70	154	108	180	135
75	259	192	293	216
80	469	357	520	377
85	873	687	915	691
90	1,537	1,300	1,601	1,251

APPENDIX A - SUMMARY OF ASSUMPTIONS
PARTICIPATING LOCAL DISTRICTS

Current assumptions are the same as described for healthy annuitants.

Recommended rates for Contingent Survivors are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

9. Sample Rates of Retirement at Selected Ages (number retiring per 1,000 members):

	Regular Plans			
	Current Assumption		Recommended Assumption	
	NRA 60	NRA 65	NRA 60	NRA 65
45	N/A	N/A	N/A	N/A
50	N/A	N/A	N/A	N/A
55	N/A	N/A	N/A	N/A
60	120	60	150	30
65	250	200	300	240
70	1,000	250	250	220
75	1,000	1,000	1,000	1,000

In the case of PLD employees, NRA 60 refers to those who were hired prior to July 1, 2014, and Tier 2NRA 65 refers to those who were hired on or after July 1, 2014.

	Special Plans		
Years of Service	Current Assumption	Recommended Assumption	
	All Plans	Plan 1	Plans 2-4
20	35%	60%	25%
21	30	60	25
22	28	45	25
23	25	35	30
24	20	40	20
25	35	35	50
26	25	40	32
27	23	25	30
28	25	25	30
29	40	25	40
30	25	23	23

APPENDIX A - SUMMARY OF ASSUMPTIONS
PARTICIPATING LOCAL DISTRICTS

31	25	25	25
32	25	20	20
33	25	25	25
34	33	25	25
35	100	35	35
36-37	100	50	50
38+	100	100	100

Note that all retirement rates are only applied once the member is eligible to retire, so those in 25-year Plans are not assumed to retire at 20 years of service. For Special Plan retirements with less than 20 years of service, we assume 25% retire. We assume 100% retirement at age 70. Recommend changing to 100% retirement at age 75.

10. Sample Rates of Disability at Selected Ages (number becoming disabled per 10,000 members)*:

	Current Assumption		Recommended Assumption	
Age	Regular	Special	Regular	Special
25	0.9	2.3	0.9	2.0
30	1.2	3.0	1.0	2.5
35	1.8	4.5	1.5	3.8
40	4.2	10.5	3.3	12.3
45	8.7	21.8	10.3	21.0
50	16.5	41.3	14.5	35.5
55	28.5	70.0	20.3	60.0
60	30.0	70.0	28.8	70.0
65+	30.0	70.0	30.0	70.0

* 10% assumed to receive Workers Compensation benefits offsetting disability benefit.

11. Family Composition Assumptions:

Current assumptions are 80% of active members are assumed to be married and have two children born when the member is 24 and 28; children are assumed dependent until age 18; a female spouse is assumed to be three years younger than a male spouse; member is assumed to have no dependent parents; unmarried members are assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

APPENDIX A - SUMMARY OF ASSUMPTIONS
PARTICIPATING LOCAL DISTRICTS

Recommended assumptions are 80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents. 50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents. An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

12. Technical and Miscellaneous Assumptions:

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Reflect actual historical member contribution rates from 1970 through the valuation; future contribution interest to equal the inflation assumption of 2.75%. No change was recommended to this assumption.

COLA Timing: September 1

Member Contribution Rates: For purposes of developing liability amounts, the member contribution rates in effect for FY 2025 are assumed to continue for all periods in the future.

13. Rationale for Assumptions:

The assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting for all programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 13, 2021 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2015 through June 30, 2020, and the economic assumptions are based on this experience study along with the advice of the MainePERS investment consultants.

The recommended assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting for all Programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 14, 2026 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025.

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

1. Annual Rate of Investment Return:

	Current
Judicial	6.50%

Rate is net of both administrative and investment expense.

2. Cost-of-Living Adjustment (COLA) Assumed Rate:

	Current
Judicial	2.20%

3. Annual Rate of Individual Salary Increase:

	Current
Judicial	3.00%

4. Sample Rates of Termination (% at Selected Ages):

Age	Termination Rate
25	7%
30	6
35	5
40	4
45	3
50	2
55	1

Non-vested members are assumed to take a refund of contributions with interest. Once vested, the member is assumed to elect the greater of the deferred vested benefit or a refund of member contributions with interest based on present value at time of termination. No changes were recommended to these assumptions.

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
50	30	24	32	28
55	45	34	46	34
60	69	46	70	45
65	100	67	100	63
70	154	108	151	105
75	259	192	262	195
80	469	357	486	375
85	873	687	899	733
90	1,537	1,300	1,651	1,342
95	2,418	2,140	2,685	2,208

Current rates are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Recommended rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

6. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*:

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
20	3	1	4	1
25	3	1	5	1
30	4	2	7	2
35	6	3	8	3
40	7	4	11	5
45	8	5	14	6
50	11	7	18	9
55	17	11	26	13
60	27	17	41	21
65	38	24	59	31

* 5% of deaths assumed to arise out of and in the course of employment.

Current rates are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Recommended rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
25	35	21	42	13
30	53	37	40	22
35	73	57	44	34
40	89	75	56	47
45	111	97	75	62
50	157	139	99	89
55	212	178	146	137
60	269	206	229	217
65	319	215	275	235
70	376	253	315	273

Current rates for are based on 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Recommended rates for are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

8. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption		Recommended Assumption	
Age	Male	Female	Male	Female
45	11	6	57	27
50	30	24	75	30
55	45	34	84	43
60	69	46	103	64
65	100	67	130	91
70	154	108	180	135
75	259	192	293	216
80	469	357	520	377
85	873	687	915	691
90	1,537	1,300	1,601	1,251

Current assumptions are the same as described for healthy annuitants.

Recommended rates for Contingent Survivors are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

9. Sample Rates of Retirement at Selected Ages:

	Current Assumptions		Recommended Assumptions	
Age	NRA 62	NRA 65	NRA 62	NRA 65
62	20.0%	NA	10%	NA
63	27.5%	NA	25%	NA
64	35.0%	NA	40%	NA
65	42.5%	40%	30%	20%
66	50.0%	50%	35%	25%
67	45.0%	45%	25%	25%
68	40.0%	40%	20%	20%
69	35.0%	35%	35%	40%
70	30.0%	30%	25%	15%
71	25.0%	25%	15%	30%
72	25.0%	25%	25%	65%
73-74	25.0%	25%	15%	15%
75	25.0%	25%	100%	100%
76-79	50.0%	50%	100%	100%
80+	100%	100%	100%	100%

In the case of judicial employees, NRA 60 refers to those who had accrued at least 10 years of service by July 1, 1993 – there are no longer active members in this group. NRA 62 refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 refers to those who did not have five years of service by July 1, 2011.

10. Rates of Disability

None assumed

11. Family Composition Assumptions:

Current assumptions are 80% of active members are assumed to be married and have two children born when the member is 24 and 28; children are assumed dependent until age 18; a female spouse is assumed to be three years younger than a male spouse; member is assumed to have no dependent parents; unmarried members are assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

Recommended assumptions are 80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member;

APPENDIX A - SUMMARY OF ASSUMPTIONS
JUDICIAL PLAN

member is assumed to have no dependent parents. 50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents. An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

12. Technical and Miscellaneous Assumptions:

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Reflect actual historical member contribution rates from 1970 through the valuation; future contribution interest to equal the inflation assumption of 2.75%. No change was recommended to this assumption.

The recommended assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting for all Programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 14, 2026 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

1. **Discount Rate:**

	Current
Legislative	6.50%

Rate is net of both administrative and investment expense.

2. **Cost-of-Living Adjustment (COLA) Assumed Rate:**

	Current
Legislative	2.20%

3. **Annual Rate of Individual Salary Increase:**

	Current
Legislative	2.75%

4. **Sample Rates of Termination (% at Selected Years of Service):**

Service	Current Assumption	Service	Recommended Assumption
0	0%	0	0%
1	5	1	0
2	10	2	12
3	15	3	15
4	20	4	20
5	25	5	25
6	30	6	15
7	40	7	25
8	50	8	60
9+	50	9+	50

The rates shown are only applicable in the fiscal years ending in odd years while zero terminations are assumed in the fiscal years ending in even years.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

5. Sample Rates of Mortality for Healthy Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
50	30	24	32	28
55	45	34	46	34
60	69	46	70	45
65	100	67	100	63
70	154	108	151	105
75	259	192	262	195
80	469	357	486	375
85	873	687	899	733
90	1,537	1,300	1,651	1,342
95	2,418	2,140	2,685	2,208

Current rates are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale.

Recommended rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

6. Sample Rates of Mortality for Active Lives at Selected Ages (number of deaths per 10,000 members)*:

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
20	3	1	4	1
25	3	1	5	1
30	4	2	7	2
35	6	3	8	3
40	7	4	11	5
45	8	5	14	6
50	11	7	18	9
55	17	11	26	13
60	27	17	41	21
65	38	24	59	31

* 5% of deaths assumed to arise out of and in the course of employment.

Current rates are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality.

Recommended rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

7. Sample Rates of Mortality for Disabled Annuitant Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption (showing values in 2026)		Recommended Assumption (showing values in 2026)	
Age	Male	Female	Male	Female
25	35	21	42	13
30	53	37	40	22
35	73	57	44	34
40	89	75	56	47
45	111	97	75	62
50	157	139	99	89
55	212	178	146	137
60	269	206	229	217
65	319	215	275	235
70	376	253	315	273

Current rates for are based on 107.3% and 103.2% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Recommended rates for are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

8. Sample Rates of Mortality for Contingent Survivor Lives at Selected Ages (number of deaths per 10,000 members):

	Current Assumption		Recommended Assumption	
Age	Male	Female	Male	Female
45	11	6	57	27
50	30	24	75	30
55	45	34	84	43
60	69	46	103	64
65	100	67	130	91
70	154	108	180	135
75	259	192	293	216
80	469	357	520	377
85	873	687	915	691
90	1,537	1,300	1,601	1,251

Current assumptions are the same as described for healthy annuitants.

Recommended rates for Contingent Survivors are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

9. Sample Rates of Retirement at Selected Ages:

	Current Assumption		Recommended Assumption	
Ages	Fiscal Years Ending Even	Fiscal Years Ending Odd	Fiscal Years Ending Even	Fiscal Years Ending Odd
57-61	0%	25%	0%	0%
62-69	0%	25%	0%	25%
70-74	0%	100%	0%	25%
75+	0%	100%	0%	100%

Note that all retirement rates are only applied once the member is eligible to retire regardless of years of service.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

10. Rates of Disability

None assumed

11. Family Composition Assumptions:

Current assumptions are 80% of active members are assumed to be married and have two children born when the member is 24 and 28; children are assumed dependent until age 18; a female spouse is assumed to be three years younger than a male spouse; member is assumed to have no dependent parents; unmarried members are assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

Recommended assumptions are 80% of male active members are assumed to be married and have two children born when the member is 30 and 34; children are assumed dependent until age 18; a female spouse is assumed to be two years younger than a male member; member is assumed to have no dependent parents. 50% of female active members are assumed to be married and have two children born when the member is 28 and 32; children are assumed dependent until age 18; a male spouse is assumed to be one year older than a female member; member is assumed to have no dependent parents. An unmarried member is assumed to have beneficiaries entitled to benefits worth 80% as much as those of married members' beneficiaries.

12. Technical and Miscellaneous Assumptions:

Decrement Timing: Middle of the valuation year

Pay Increase Timing: Salary provided is treated as the rate of pay as of the valuation date. Annual increases are applied as of the beginning of each subsequent valuation.

Reflect actual historical member contribution rates from 1970 through the valuation; future contribution interest to equal the inflation assumption of 2.75%. No change was recommended to this assumption.

COLA Timing: September 1

13. Rationale for Actuarial Assumptions:

The assumptions were adopted by the Board of Trustees at their July 14, 2016 meeting. The demographic assumptions adopted are based on an experience study covering the period from June 30, 2012 through June 30, 2015, and the economic assumptions are based on this experience study along with the advice of the MainePERS investment consultants. The Board continuously reviews the investment return assumption and adopted a reduced rate of 6.75% effective with the 2018 valuation, at the advice of its investment consultant.

APPENDIX A - SUMMARY OF ASSUMPTIONS
LEGISLATIVE PLAN

The assumptions were adopted by the Board of Trustees at their March 11, 2021 meeting for all programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 13, 2021 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2015 through June 30, 2020, and the economic assumptions are based on this experience study along with the advice of the MainePERS investment consultants.

The recommended assumptions were adopted by the Board of Trustees at their March 12, 2026 meeting for all Programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 14, 2026 meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025.

APPENDIX B - DISCLOSURE OF MODELS USED

ProVal

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in the assumptions or output of ProVal that would affect this study.

Experience Study Tools

We have used Cheiron's Excel-based experience study tools to measure the actual versus expected experience before and after recommended assumption changes. We have not identified any material inconsistencies in the assumptions or output of the experience study tools that would affect this study.

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Group Life Insurance (GLI) 2026 Premium Study

Daniel J. Rhodes, FSA, MAAA
Ryan Benitez, ASA, MAAA

August 13, 2026

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Agenda

- GLI Benefits, Premium Structure, and Funding for Retirees
- Overview of Premium Study Key Findings
- Premium Study Recommendations
- Discuss Next Steps

MainePERS GLI Benefits Overview

Active Life Insurance Benefits

Basic Life 100% Salary

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)

AD&D – Amount Varies based on Cause:
Accidental Death – 200% including Basic Life
Dismemberment – payout determined per Certificate of Coverage

Retirement Basic Life Benefits

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

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Funding Overview

Basic Life (and AD&D)

Supplemental and Dependent

STATE		TEACHERS		PLDs		ALL
ACTIVES: State pays	RETIREES: State pays on Actives	ACTIVES: District/Teachers pay	RETIREES: State pays	ACTIVES: PLD/ Employees Pay	RETIREES: PLD pays	ACTIVES: Employees pay all*
.26	.78	.13	ADC	.26	.52	Varies
State Active Fund	State Retiree Fund	Teachers Active Fund	Teachers Retiree Fund	PLD Active Fund	PLD Retiree Fund	Respective Active Fund

.26

Amounts shown in arrows are monthly premiums per $1,000 of coverage
*Certain PLD Employers pay supplemental and dependent costs for their employees

Retiree Basic Life Benefits – Funded Status and Funding Goals

- 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, 2024	June 30, 2025				2024 to 2025 % Change
	Total	State[1]	Teachers	PLD	Total	
Assets and Liabilities						
Discount Rate	6.50%	6.50%	6.50%	6.50%		
Actuarial Liability	$ 283.2	$ 129.1	$ 128.0	$ 35.7	$ 292.8	3.4%
Market Value of Assets (MVA)	$ 187.8	$ 75.4	$ 112.2	$ 26.7	$ 214.3	14.1%
Unfunded Actuarial Liability (UAL)	$ 95.4	$ 53.7	$ 15.8	$ 9.0	$ 78.5	-17.7%
MVA Funded Ratio	66%	58%	88%	75%	73%	

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

Amounts shown are in millions

- 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)

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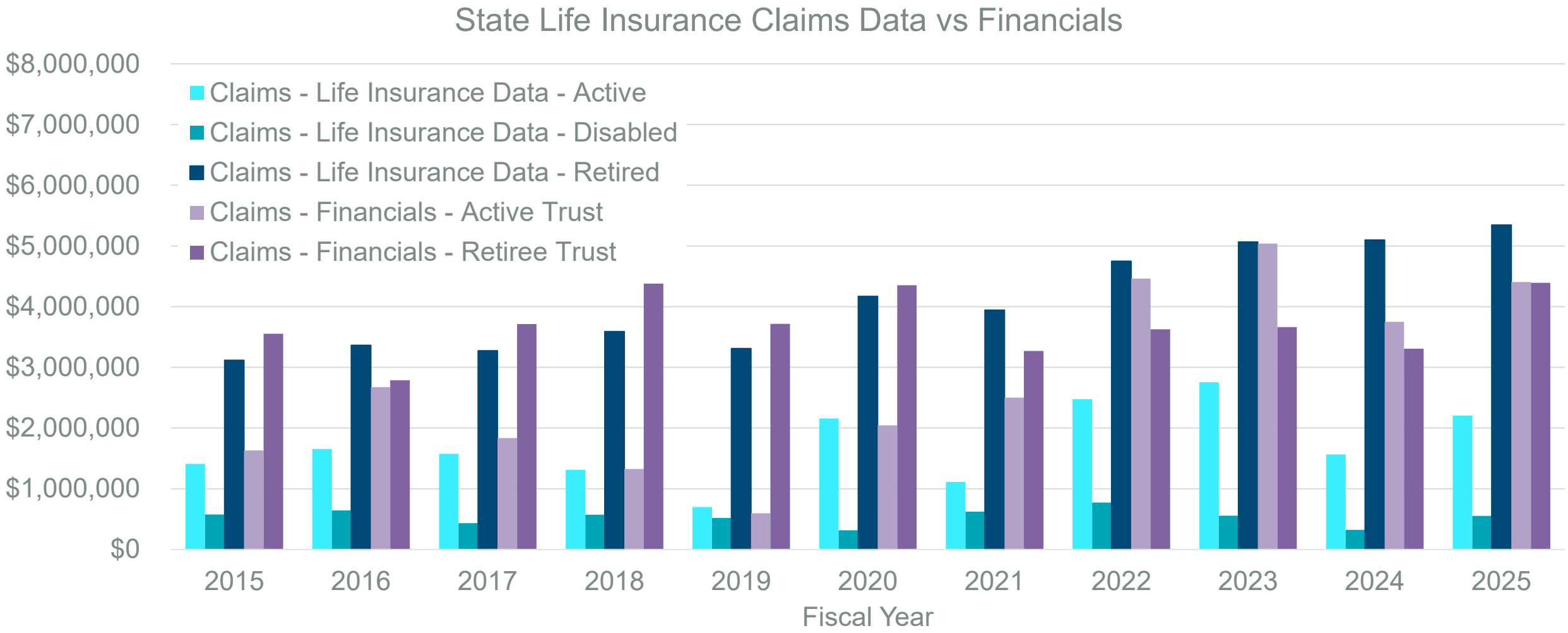
Key Findings and Recommendations

- Since 2021, Active claims in the financials have been higher than seen in life insurance data, while Retiree claims have been lower
  - MainePERS staff determined this was due to a logic error in the current V3 PAS system, which dates back to a 2016 change in GASB standards requiring separation of Active and Retiree members into separate GLI trusts
  - Due to the error, some retiree life insurance payments were taken from the Active trusts instead of the Retiree trusts.
  - In particular, GLI claims were taken from the Active trust instead of the Retiree trust for:
    - claims related to pension applications converted for V3,
    - disability retirees, and
    - certain PLD retirees who did not participate in a defined benefit plan
  - Recommend one-time transfer of assets from the Retiree trusts to reimburse the Active trusts
- Premium Rate Recommendations
  - No changes for State or Teachers Basic Life Insurance
  - Maintain scheduled increases for Active & Retiree Basic PLD participants in 2028 with possible additional increase in 2032 to maintain targeted funding date of 2036
  - No changes to Supplemental/Dependent Rates
- Next Premium Study recommended for 2028

State - Since 2021, Active Claims in the financials have been much higher than seen in life insurance data. Retiree Claims have been lower



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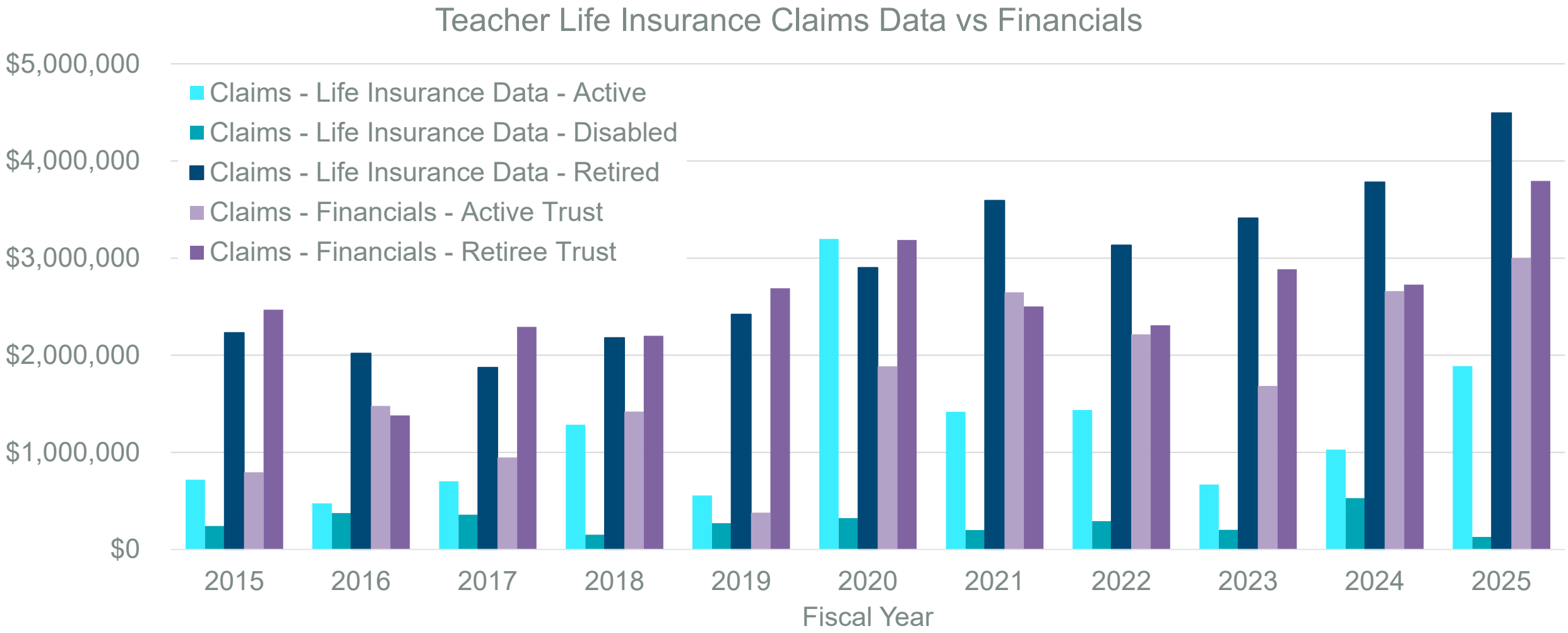
Life Insurance Data is based on Date of Death and will not perfectly match timing for financials

Teacher - Since 2021, Active Claims in the financials have been much higher than seen in life insurance data. Retiree Claims have been lower



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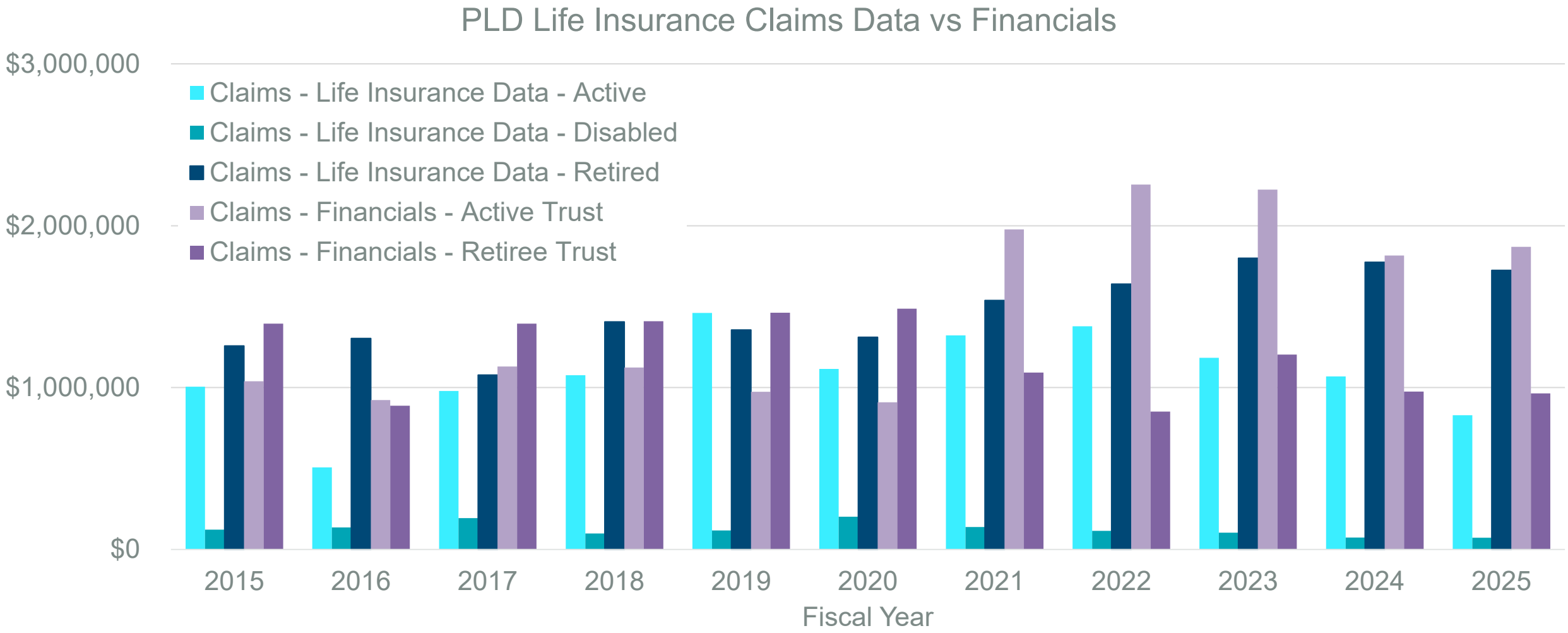
Life Insurance Data is based on Date of Death and will not perfectly match timing for financials

PLD - Since 2021, Active Claims in the financials have been much higher than seen in life insurance data. Retiree Claims have been lower



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Life Insurance Data is based on Date of Death and will not perfectly match timing for financials

One-Time Asset Transfer

- Payments for disabled individuals were coming from active trusts, but premiums are set for retiree trust. (Discussed in 2024 Premium Study, and corrected for FYE 2025)
- Payments came from active trust for some retired participants who had been miscategorized as active due to PAS logic error
- **The estimated impact (using actual investment return) is**
  - **State - $10.4 million, Teachers - $6.4 million, and PLD - $5.4 million**

One-Time Asset Transfer Amounts - Actual Investment Return for Retiree Funds

	State Actives						Teacher Actives						PLD Actives					
Fiscal Year Ending	Claims - Financials	Claims - Data	Difference	Annual Investment Return*	Cumulative Return to 6/30/2026	Value at 6/30/2026	Claims - Financials	Claims - Data	Difference	Annual Investment Return*	Cumulative Return to 6/30/2026	Value at 6/30/2026	Claims - Financials	Claims - Data	Difference	Annual Investment Return*	Cumulative Return to 6/30/2026	Value at 6/30/2026
2021	$2,500,845	$1,762,903	$737,942	-14.34%	146.84%	$1,083,611	$2,647,742	$1,598,254	$1,049,488	-14.36%	146.92%	$1,541,908	$1,976,676	$1,495,601	$481,075	-14.24%	146.72%	$705,829
2022	$4,461,447	$3,284,569	$1,176,878	11.41%	171.43%	$2,017,480	$2,215,615	$1,608,150	$607,465	11.51%	171.55%	$1,042,085	$2,254,515	$1,480,688	$773,827	11.32%	171.08%	$1,323,863
2023	$5,037,059	$3,438,849	$1,598,210	14.65%	153.87%	$2,459,149	$1,684,660	$930,181	$754,479	14.54%	153.85%	$1,160,738	$2,223,206	$1,429,526	$793,680	14.51%	153.68%	$1,219,753
2024	$3,750,182	$1,906,191	$1,843,991	13.38%	134.21%	$2,474,794	$2,660,577	$1,570,490	$1,090,087	13.38%	134.31%	$1,464,126	$1,816,180	$1,093,351	$722,829	13.34%	134.21%	$970,109
2025	$4,407,356	$2,395,007	$2,012,349	18.37%	118.37%	$2,381,975	$3,001,465	$1,970,219	$1,031,246	18.46%	118.46%	$1,221,656	$1,869,783	$894,974	$974,809	18.42%	118.42%	$1,154,340
Total	$20,156,889	$12,787,519	$7,369,370			$10,417,009	$12,210,059	$7,677,294	$4,532,765			$6,430,513	$10,140,360	$6,394,140	$3,746,220			$5,373,894

*Annual Investment Return indicates the return for the following Fiscal Year.

Claims Data has been scaled to match the total of retiree and active payments from the financials

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Asset Transfer Impact on Retiree Trusts

- Liabilities projected to June 30, 2026 based on June 30, 2025 valuation
  - Reflects changes to assumptions from 2026 Experience Study
- Asset Transfers (with investment earnings) shown in chart below
  - State - $10.4 million, Teachers - $6.4 million, and PLD - $5.4 million

	Projected to June 30, 2026 Without Asset Transfer				Projected to June 30, 2026 With Asset Transfer			
	State[1]	Teachers	PLD	Total	State[1]	Teachers	PLD	Total
Assets and Liabilities								
Discount Rate	6.50%	6.50%	6.50%		6.50%	6.50%	6.50%	
Actuarial Liability	$ 147.2	$ 148.8	$ 40.2	$ 336.2	$ 147.2	$ 148.8	$ 40.2	$ 336.2
Market Value of Assets (MVA)	$ 92.8	$ 131.8	$ 30.9	$ 255.5	$ 82.4	$ 125.4	$ 25.5	$ 233.3
Unfunded Actuarial Liability (UAL)	$ 54.4	$ 17.0	$ 9.3	$ 80.7	$ 64.8	$ 23.4	$ 14.7	$ 102.9
MVA Funded Ratio	63%	89%	77%	76%	56%	84%	63%	69%

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

Amounts shown are in millions

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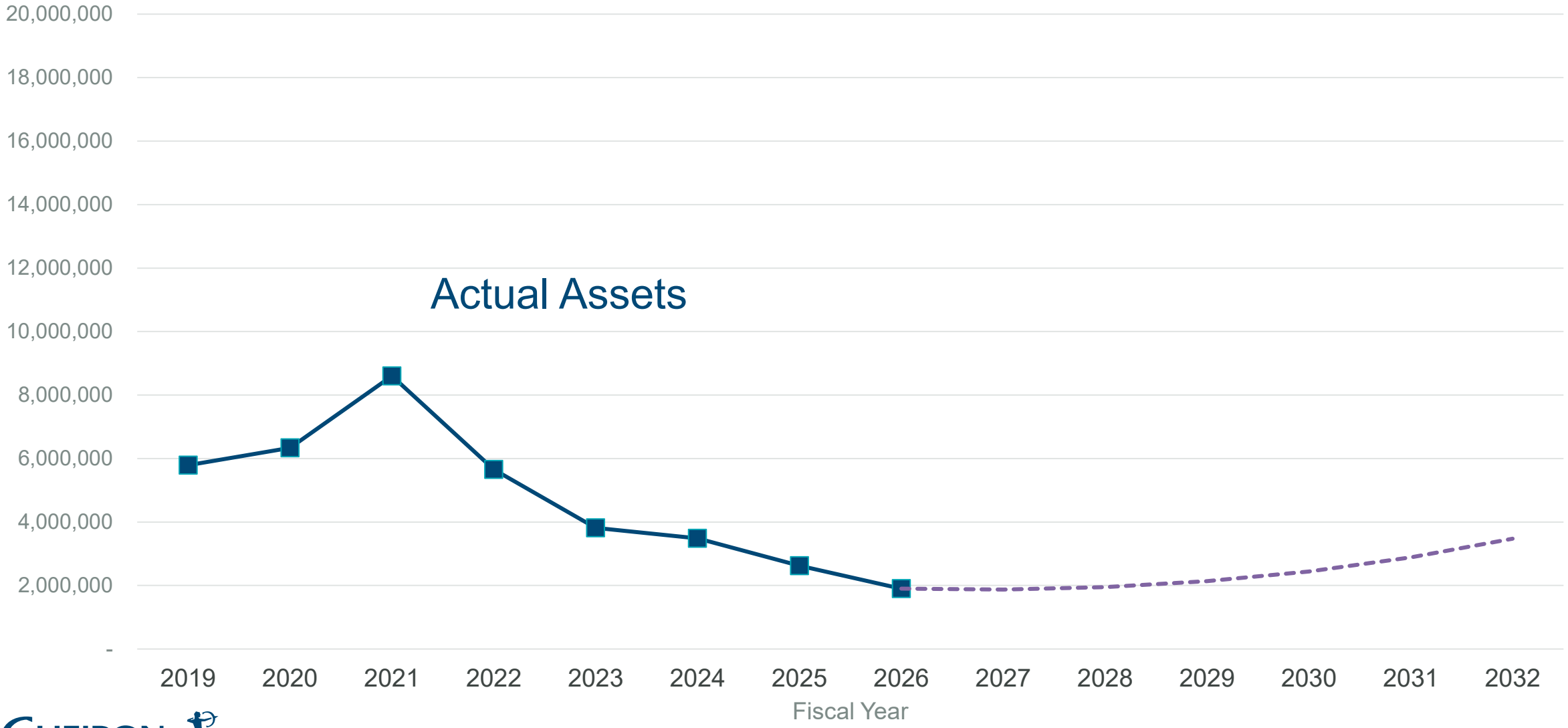
State Active Basic Assets – Without Asset Transfer



Assumes that beginning FY 2027, all retiree claims will be paid from the Retiree Trust.

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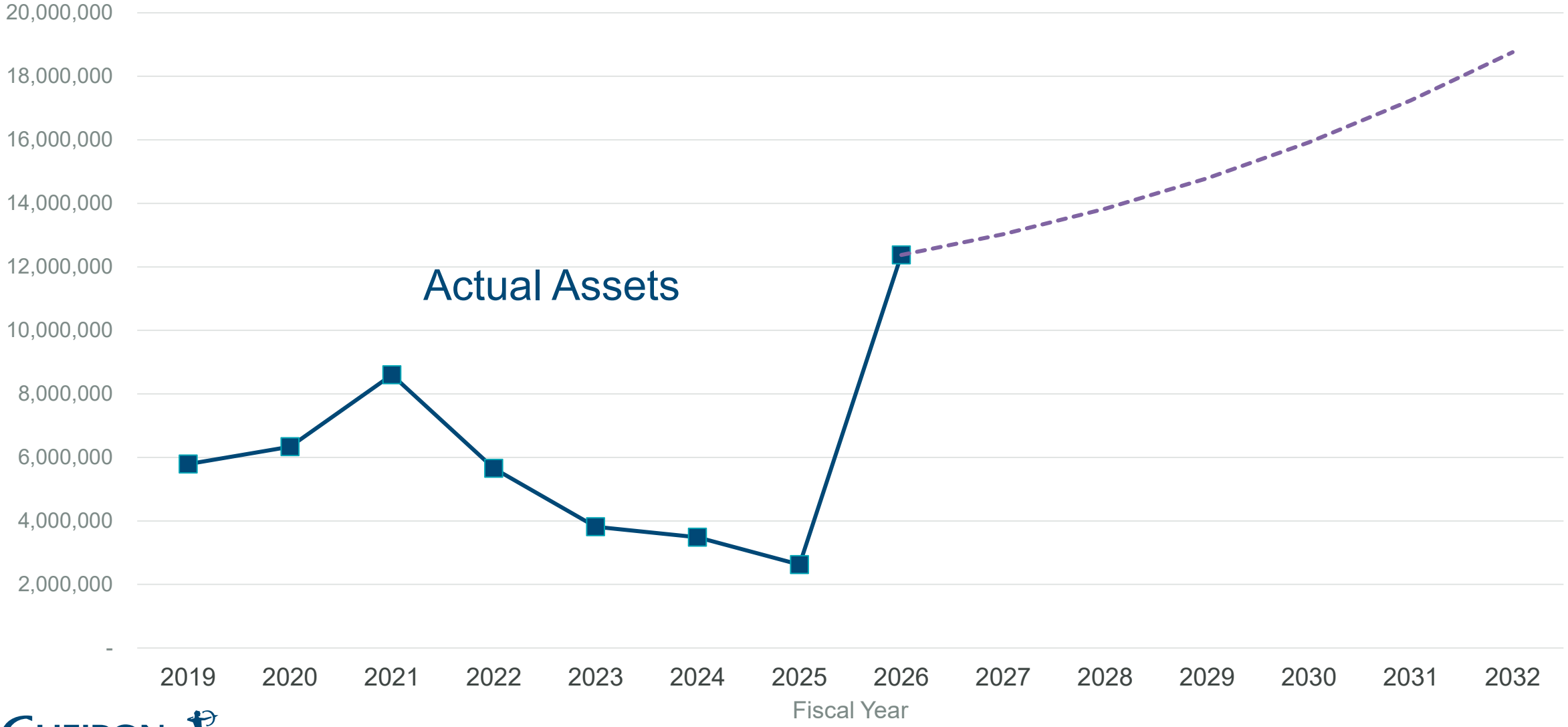
State Active Basic Assets – With Asset Transfer



Assumes that beginning FY 2027, all retiree claims will be paid from the Retiree Trust.

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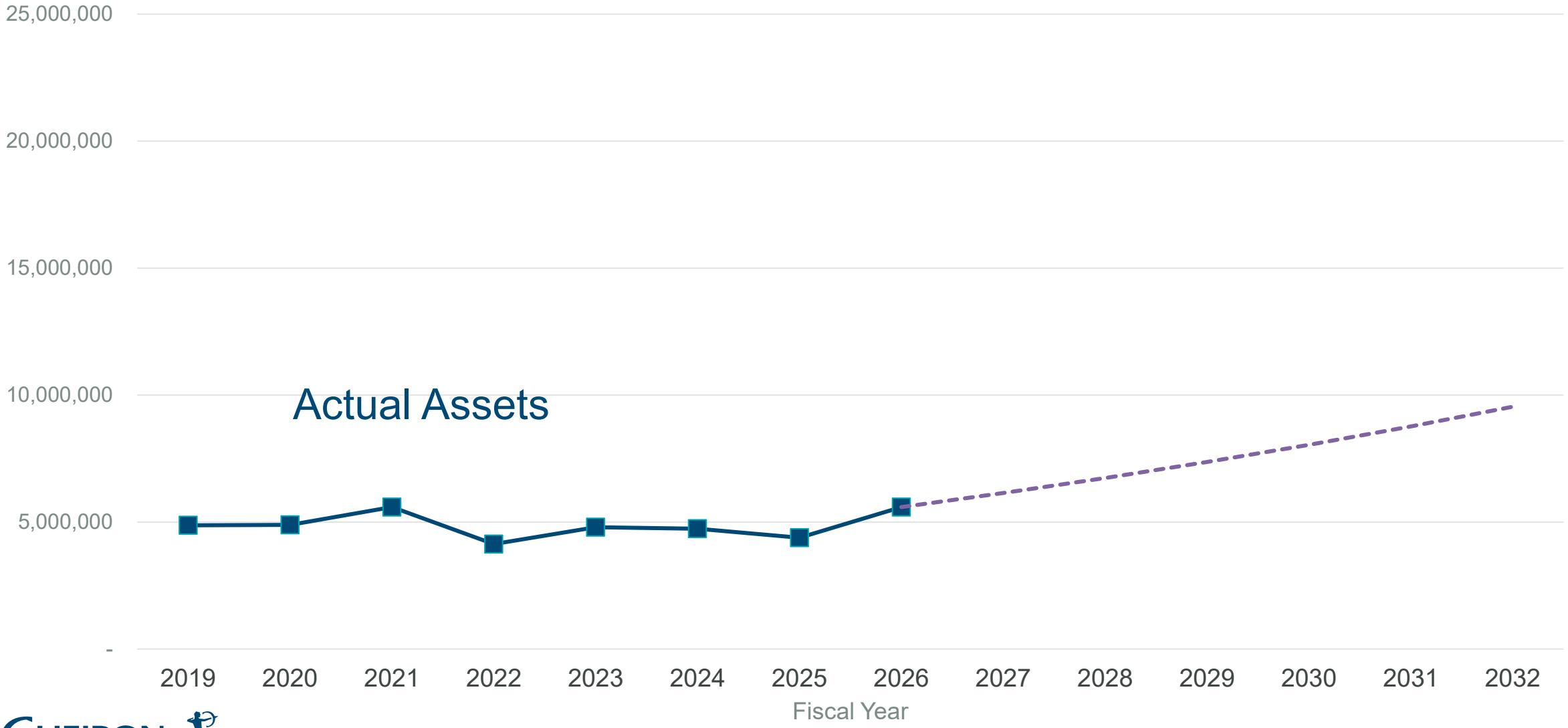
Teachers Active Basic Assets – Without Asset Transfer



Assumes that beginning FY 2027, all retiree claims will be paid from the Retiree Trust.

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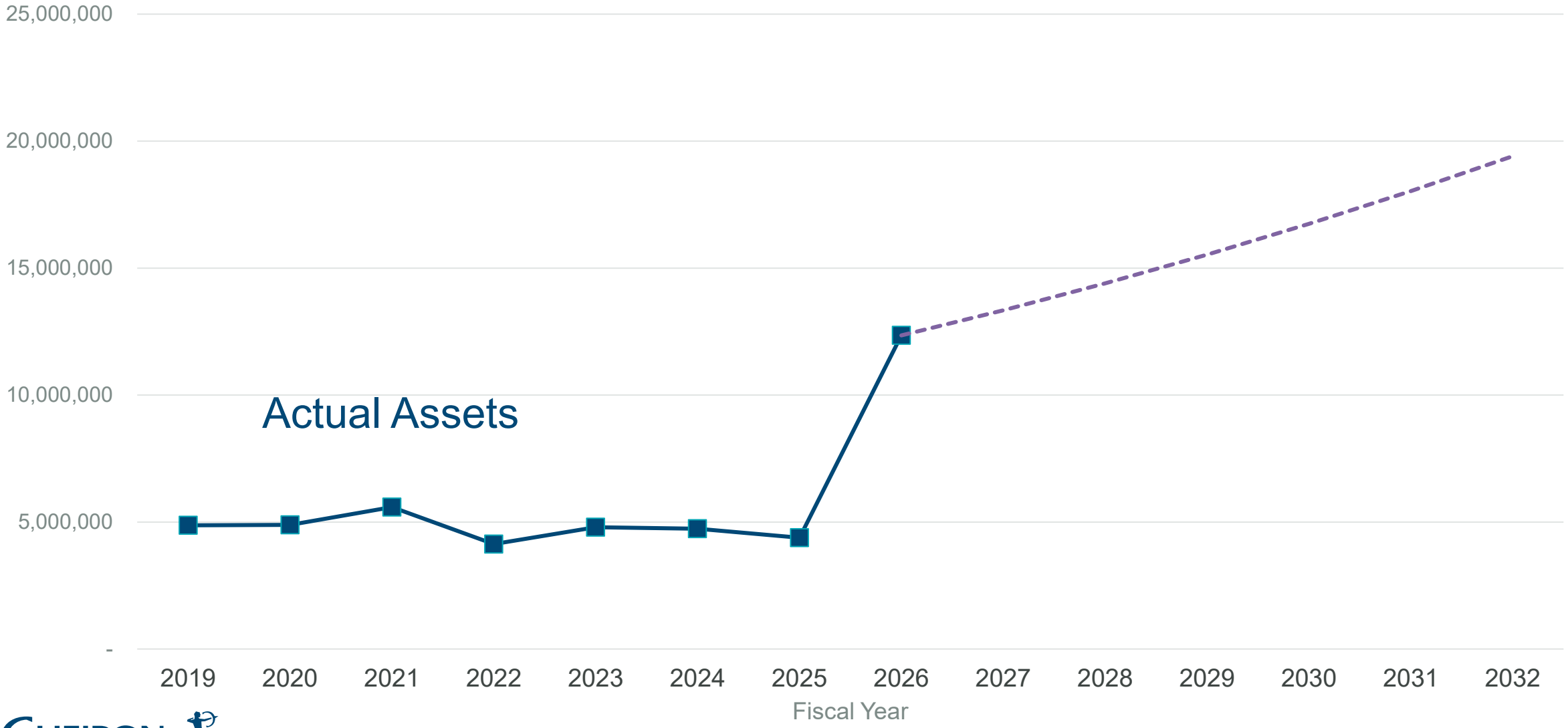
Teachers Active Basic Assets – With Asset Transfer



Assumes that beginning FY 2027, all retiree claims will be paid from the Retiree Trust.

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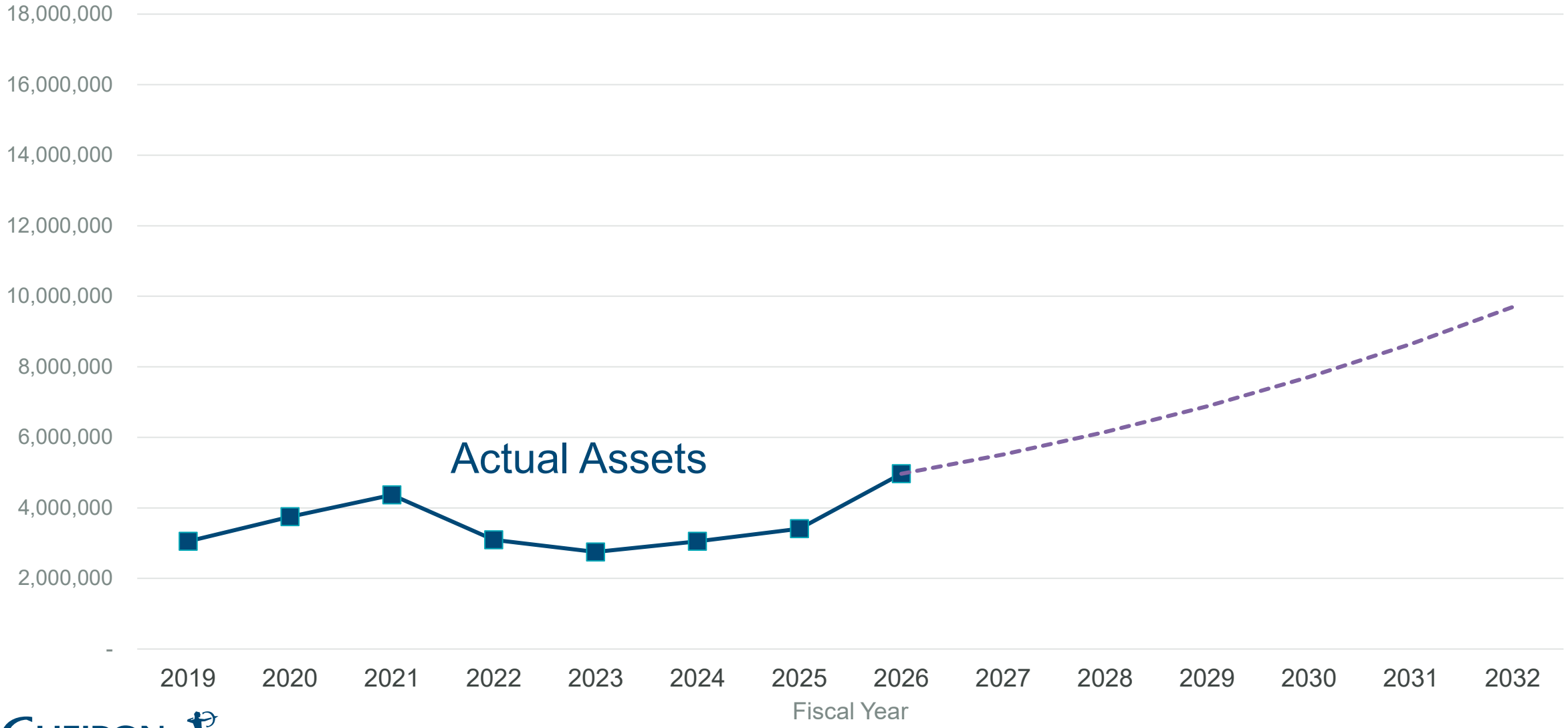
PLD Active Basic Assets – Without Asset Transfer



Assumes that beginning FY 2027, all retiree claims will be paid from the Retiree Trust.

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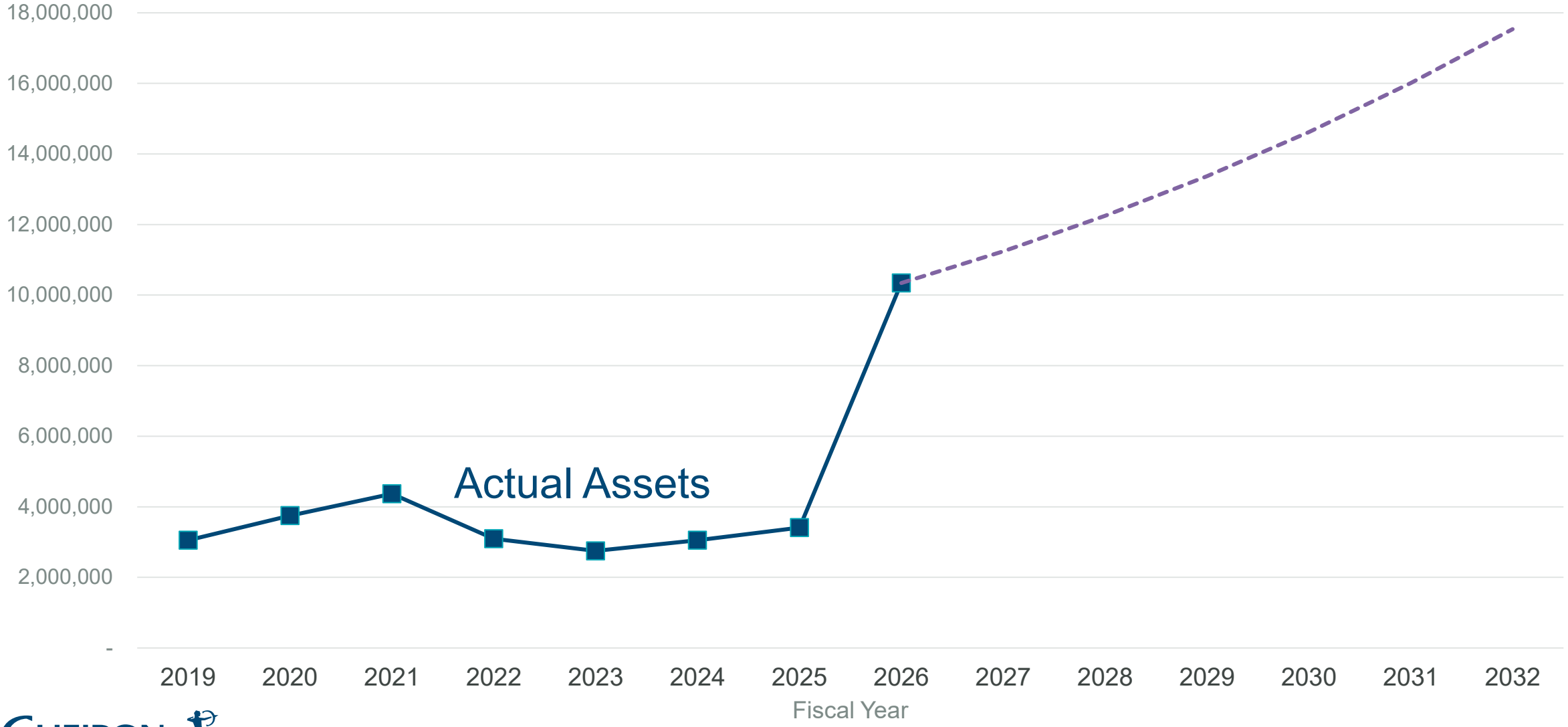
PLD Active Basic Assets – With Asset Transfer



Assumes that beginning FY 2027, all retiree claims will be paid from the Retiree Trust.

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Current and Recommended Premium Rates

Rate Schedule - Monthly Rates Per $1,000 of Coverage Current Rates	State	Teacher	PLD
Active Basic	$ 0.26	$ 0.13	$ 0.52
Retiree Basic	$ 0.78	ADC	
Supplemental			
Age <= 34	$ 0.04	$ 0.02	$ 0.04
35-44	$ 0.04	$ 0.02	$ 0.07
45-49	$ 0.08	$ 0.04	$ 0.11
50-54	$ 0.14	$ 0.09	$ 0.15
55-59	$ 0.22	$ 0.15	$ 0.30
60-64	$ 0.32	$ 0.22	$ 0.43
65 plus	$ 0.44	$ 0.28	$ 0.87
Dependent A	$ 1.93	$ 1.93	$ 1.93
Dependent B	$ 3.40	$ 3.40	$ 3.40

- **State & Teacher** no changes to rates
- **PLD** overall rate already scheduled to increase from $0.52 to $0.54 in 2028. Based on this Premium Study, recommend a possible additional increase in 2032 from $0.54 to $0.56
  - Allocation to active fund recommended to stay at $0.26 for active employees with difference allocated to retiree fund for the scheduled and recommended increases
  - Amount anticipated to maintain targeted full funding date of 2036

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Summary of Recommendations

- State
  - No change to Active, Retiree, Supplemental, or Dependent Premiums
  - Recommended transfer of assets from Retiree Trust to Active Trust
- Teacher
  - No change to Active, Retiree, Supplemental, or Dependent Premiums
  - Recommended transfer of assets from Retiree Trust to Active Trust
- PLD
  - Basic Life
    - Scheduled increase from $0.52 to $0.54 in 2028 (Adds $0.13 million in premiums in 2028)
    - Possible increase from $0.54 to $0.56 in 2032 (Adds $0.14 million in premiums in 2032) to maintain targeted full funding date
    - Recommend maintaining premium allocated to Active Fund at $0.26 in all years, with remainder going to the Retiree Fund
  - No change to Supplemental or Dependent Premium
  - Recommended transfer of assets from Retiree Trust to Active Trust
- Next Premium Study in 2028

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, 2025. Changes from the 2026 experience study have been reflected.

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. 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.

John Colberg, FSA, MAAA, EA
Principal Consulting Actuary

Daniel J. Rhodes, FSA, MAAA
Principal Consulting Actuary

Ryan Benitez, ASA, MAAA
Consulting Actuary

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Contact us if you have any questions

Daniel J. Rhodes, FSA, MAAA
Principal Consulting Actuary
tel: 703-893-1456 (ext. 1181)

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Maine Public Employees Retirement System Group Life Insurance Premium Study

Produced by Cheiron

August 2026

DRAFT

TABLE OF CONTENTS

Section I — Executive Summary 1

Section II — Historical Summary 3

Section III — Premium Projections and Scenarios 8

Section IV — Impact on Contributions 32

Appendix A — Participant Data, Assumptions, and Methods 33

Appendix B — Summary of Key Plan Provisions 49

DRAFT

Via Electronic Mail

August 6, 2026

Board of Trustees
Maine Public Employees Retirement System
P.O. Box 349
Augusta, Maine 04332-0349

Re: Maine Public Employees Retirement System Group Life Insurance Premium Study Report

Dear Members of the Board:

At your request, we have completed a study of premiums that are paid for the Maine Public Employees Retirement System (MainePERS) Group Life Insurance Benefits. Our study compares premiums collected vs. benefits paid for Basic, Supplemental, and Dependent Life Insurance for active participants and Basic Life Insurance for retirees. We analyzed results for participants in the Group Life Insurance Programs for the State Sponsored Plans, Teachers, and Participating Local Districts (PLDs). For this study, we looked at historical premium collection and life insurance claims for these groups, projected future claims, and income based on the future premium rates approved by the Board.

Section I summarizes the conclusions of this study.

Section II contains a historical summary of the premiums and claims for the Group Life Insurance obligations.

Sections III and IV contains the projections of claims and income based on current premiums and the future premiums approved by the Board. The projections are based on data through the valuation as of June 30, 2025 utilizing financial data through June 30, 2026. The changes to premiums will be effective on or after Fiscal Year Ending (FYE) 2028 but will be reflected in projections for the next full biennial valuation performed as of June 30, 2026 to the extent any changes are adopted by the Board.

Appendix A describes the Participant Data, Assumptions, and Methods used in the projections contained in Sections I-IV.

Appendix B contains the substantive plan provisions provided by the system.

DRAFT

Board of Trustees
Maine Public Employees Retirement System
August 6, 2026

The purpose of this report is to present the study of premium adequacy for the Group Life Insurance program as of June 30, 2026, for MainePERS. This report was prepared exclusively for the use of MainePERS. This report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

In preparing our report, we relied on information (some oral and some written) supplied by MainePERS. 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.

This report 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 report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

If you have any questions, please contact us.

Sincerely,
Cheiron

Daniel J. Rhodes, FSA, FCA, MAAA
Principal Consulting Actuary

Ryan Benitez, ASA, MAAA
Consulting Actuary

John L. Colberg, FSA, EA, MAAA
Principal Consulting Actuary

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SECTION I — EXECUTIVE SUMMARY

Maine Public Employees Retirement System (MainePERS) engaged Cheiron to provide an analysis of the Group Life Insurance premiums using census data through June 30, 2025, life insurance claims data through December 31, 2025, and financial data through June 30, 2026. The primary purpose of this study is to analyze if the premiums being charged for the Group Life Insurance Benefits are sufficient to fund the Plan and to show the impact of the premium changes approved by the Board.

Below is a summary of key findings:

Some retiree life insurance payments have been made with funds from the active trusts instead of the retiree trusts. This has been corrected going forward, but in order to correct the asset deficiencies that have developed in the active trusts as a result of this, **we recommend that Trustees consider a one-time transfer of assets from each retiree trust into the respective active trust to account for claims to individuals that would have been treated as retirees when developing premium rates.**

STATE EMPLOYEES

- Claim experience in the state active plan was 19% worse than projected over the four most recent fiscal years ending June 30, 2025. After correcting for the claims that should have been paid from the retiree trust, the experience was 25% better than projected.
- Claim payments for state retiree basic life insurance were 14% lower than expected over the same period. After correcting for the claims that should have been paid from the retiree trust, the experience was 25% worse than projected.
- Beginning in FYE 2026, the premiums for basic active coverage were increased from $0.20 to $0.26 monthly per $1,000 of coverage based on the results of the 2024 premium study. We recommend keeping premiums at this level.
- Beginning in FYE 2024, the premiums for basic retiree coverage were increased from $0.72 to $0.78 monthly per $1,000 of coverage. We recommend keeping premiums at this level.
- The current age-based premiums for supplemental insurance are sufficient, and no change is recommended.
- The premiums for dependent coverage are sufficient, and no change is recommended.

TEACHERS

- Claim experience in the teachers active plan was 31% worse than projected over the four most recent fiscal years ending June 30, 2025. After correcting for the claims that should have been paid from the retiree trust, the experience was 16% better than projected.

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SECTION I — EXECUTIVE SUMMARY

- Claim payments for teachers retiree basic life insurance were 10% lower than expected over the same period. After correcting for the claims that should have been paid from the retiree trust, the experience was 16% worse than projected.
- Effective July 1, 2026, based on the results of the 2024 Premium Study, the premiums for basic active coverage have increased from $0.11 to $0.13 monthly per $1,000. We recommend keeping premiums at this level.
- The State contributes the Actuarially Determined Contribution (ADC) for basic retiree coverage. No change is recommended to this method.
- The current age-based premiums for supplemental insurance are sufficient and no change is recommended.
- The premiums for dependent coverage are sufficient, and no change is recommended.

PARTICIPATING LOCAL DISTRICTS

- Claim experience in the PLD active plan was 8% worse than projected over the four most recent fiscal years ending June 30, 2025. After correcting for the claims that should have been paid from the retiree trust, the experience was 35% better than projected.
- Claim payments for PLD retiree basic life insurance were 28% lower than expected over the same period. After correcting for the claims that should have been paid from the retiree trust, the experience was 30% worse than projected.
- Based on the results of the 2024 Premium Study, the premium rate paid by both active and retired employees in the PLD Group Life Insurance program increased from $0.50 to $0.52 monthly per $1,000 of coverage effective July 1, 2025, with an additional increase to $0.54 scheduled to go into effect on July 1, 2027. In order to maintain the stated goal of achieving full funding for the retiree trust by 2036, an additional increase to $0.56 in 2036 would be needed based off current projections.
- The current age-based premiums for supplemental insurance are sufficient and no change is recommended.
- The premiums for dependent coverage are sufficient, and no change is recommended.

For all plans, we recommend reviewing the sufficiency of the premiums whenever the cash flows deviate significantly from the projections presented in this report. We recommend a study in 2028 to review the impact of the administrative corrections and any asset transfer.

The body of this report provides additional detail and support for our conclusions.

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SECTION II — HISTORICAL SUMMARY

Cheiron has developed premiums for the MainePERS Group Life Insurance program since the 2005 premium study. This study developed recommendations that went into effect for Fiscal Year Ending 2008 when the State needed to record the liability for Other Post-Employment Benefits paid by the State on its financial statements for the implementation of GASB 43/45. Since then, Cheiron has conducted premium studies in 2012, 2016, 2020, 2024, and now 2026.

Premium rates for retiree coverage have been set historically to ensure that the Unfunded Actuarial Liability (UAL) is paid within 30 years, the maximum acceptable period that was established by GASB 43/45 for recognizing the UAL for accounting purposes, as of the Fiscal Year Ending 2008 for State & Teachers. A 23-year period was used for PLDs, which was the projected period over which the current rates would amortize the UAL at that time.

Below is a historical summary of the premium rates paid for Maine's Basic Group Life Insurance benefits. Note that in past premium study reports, premiums were shown on a bi-weekly per $1,000 basis. They are now shown on a monthly per $1,000 basis in order to align with how the premiums are administered.

Monthly per $1,000	State Active Basic	State Retiree Basic	Teacher Active Basic	Teacher Retiree Basic	PLDs Active & Retiree Basic
FYE 2007	$0.30		$0.22		$0.46
FYE 2008	$0.13	$0.43	$0.11	ADC	$0.46
FYE 2010	$0.13	$0.43	$0.11	ADC	$0.46
FYE 2012	$0.13	$0.43	$0.11	ADC	$0.46
FYE 2014	$0.15	$0.48	$0.11	ADC	$0.46
FYE 2016	$0.15	$0.52	$0.11	ADC	$0.46
FYE 2018	$0.20	$0.56	$0.11	ADC	$0.46
FYE 2020	$0.20	$0.63	$0.11	ADC	$0.46
FYE 2022	$0.20	$0.72	$0.11	ADC	$0.48
FYE 2024	$0.20	$0.78	$0.11	ADC	$0.50
FYE 2025	$0.20	$0.78	$0.11	ADC	$0.50
FYE 2026	$0.26	$0.78	$0.13	ADC	$0.52

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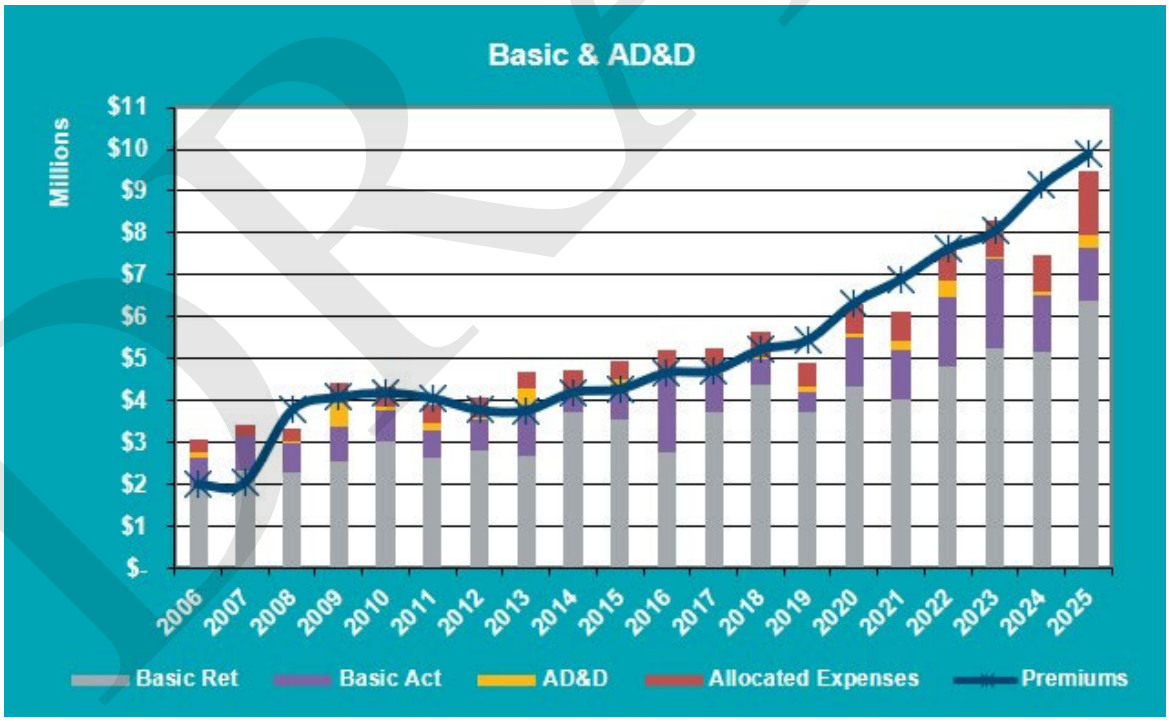
SECTION II — HISTORICAL SUMMARY

Contribution Year	Teacher Retiree ADC	Contribution Year	Teacher Retiree ADC
FYE 2008	$2,394,002	FYE 2019	$3,546,978
FYE 2009	$2,507,718	FYE 2020	$4,478,090
FYE 2010	$3,222,106	FYE 2021	$4,601,233
FYE 2011	$3,375,156	FYE 2022	$4,592,850
FYE 2012	$3,804,356	FYE 2023	$4,726,664
FYE 2013	$3,985,063	FYE 2024	$4,859,254
FYE 2014	$4,196,485	FYE 2025	$4,992,883
FYE 2015	$4,343,362	FYE 2026	$5,048,951
FYE 2016	$3,160,319	FYE 2027	$5,187,797
FYE 2017	$3,270,928	FYE 2028	$4,635,459
FYE 2018	$3,459,442	FYE 2029	$4,762,935

The chart below shows the historical premiums and claims for State Employees for Basic Active Life Insurance, Accidental Death and Dismemberment (AD&D), Basic Retiree Life Insurance, and expenses.



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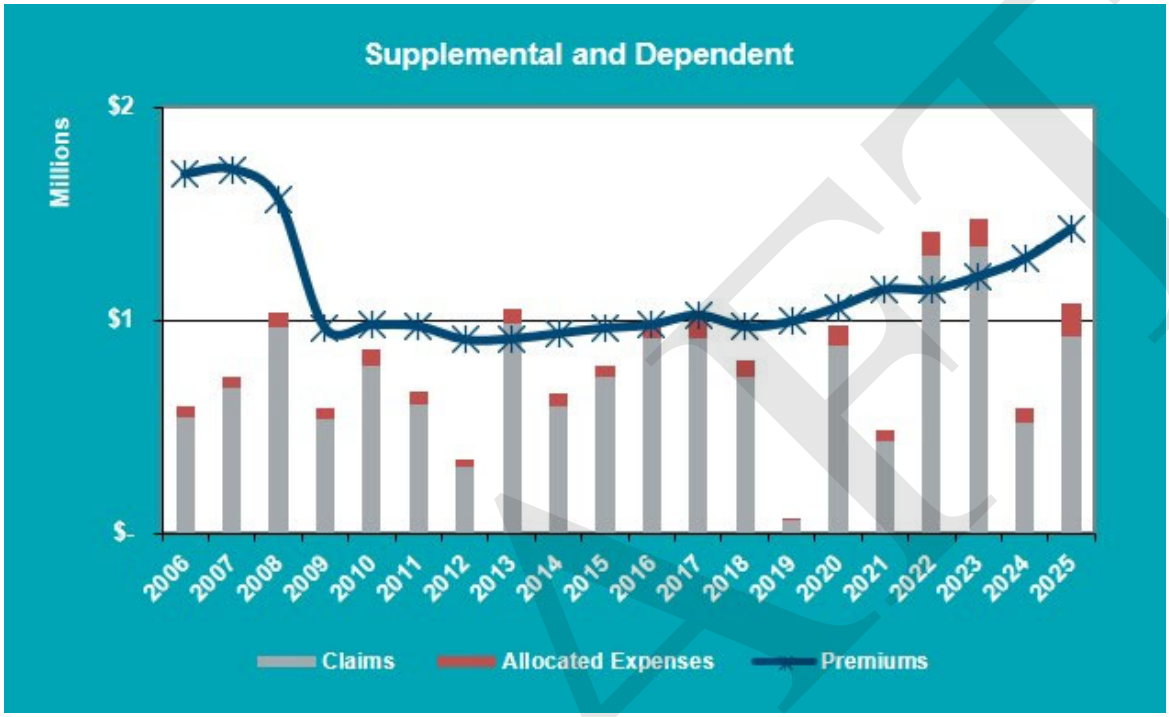
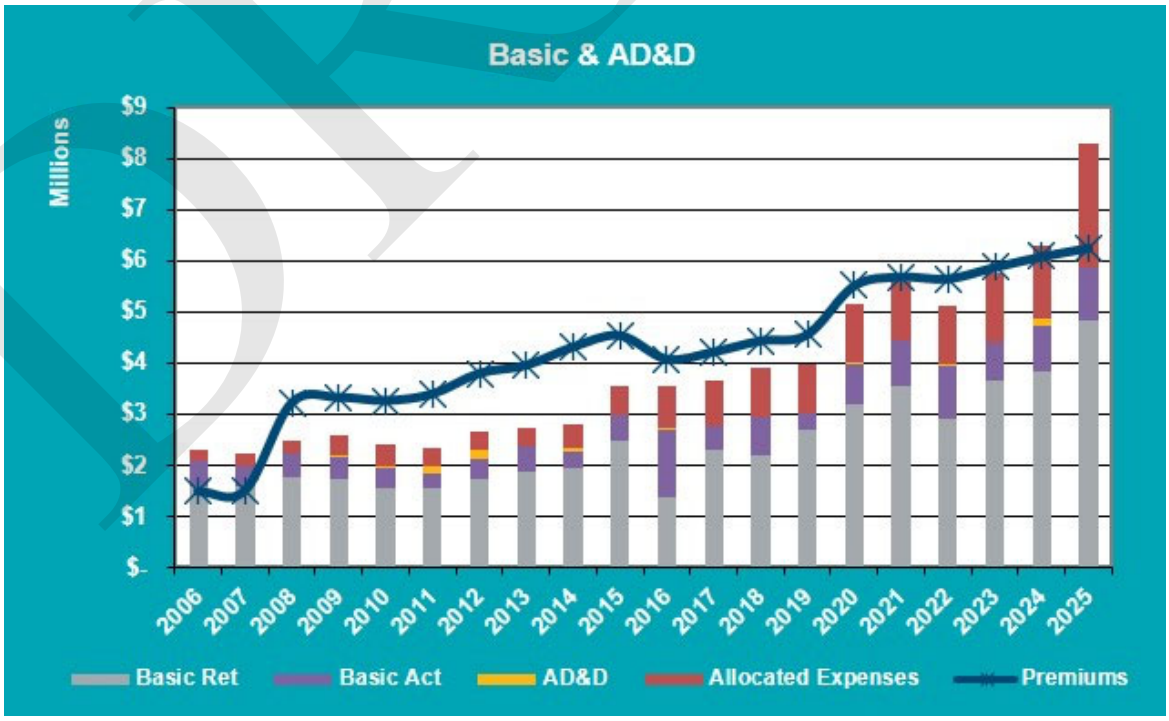
SECTION II — HISTORICAL SUMMARY

The chart below shows the historical premiums and claims for State Employees for Supplemental and Dependent Life Insurance and expenses.



The chart below shows the historical premiums and claims for Teachers for Basic Active Life Insurance, AD&D, Basic Retiree Life Insurance, and expenses.



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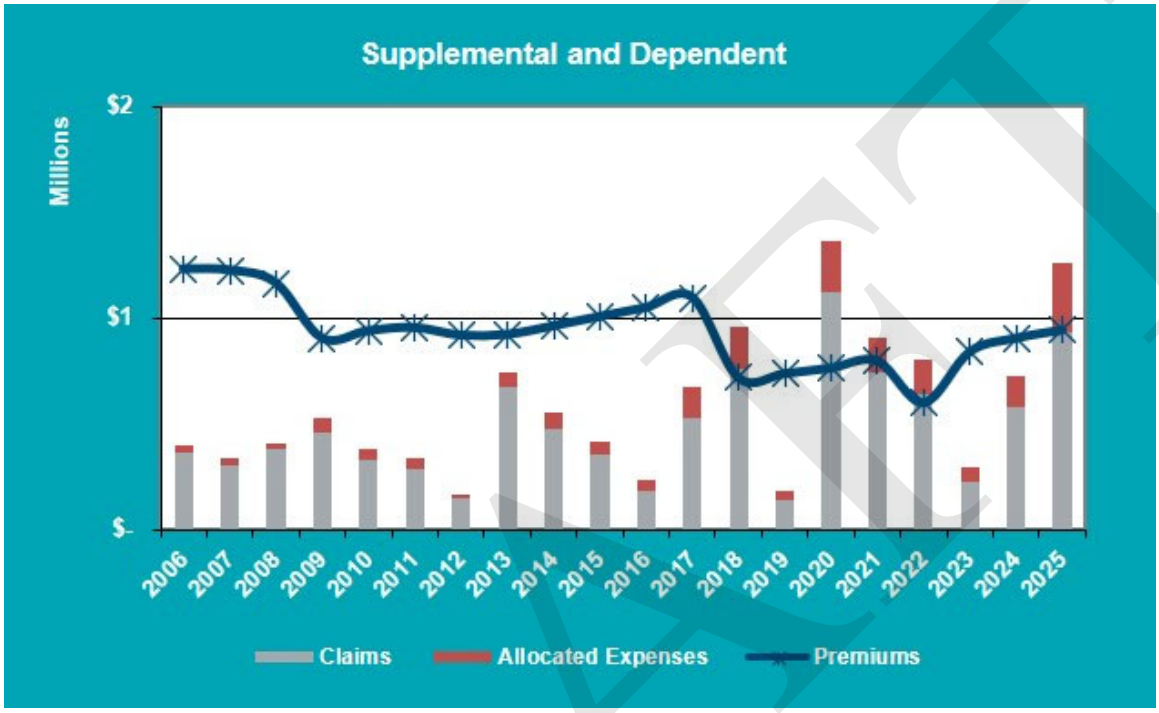
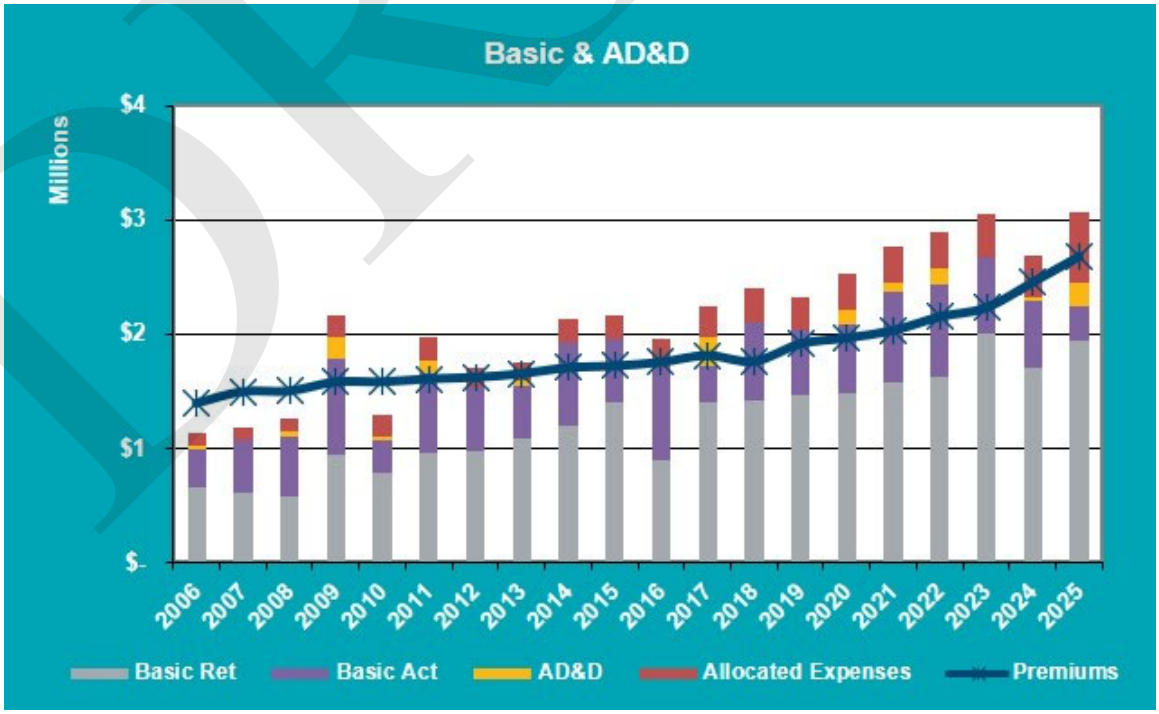
SECTION II — HISTORICAL SUMMARY

The chart below shows the historical premiums and claims for Teachers for Supplemental and Dependent Life Insurance and expenses.



The chart below shows the historical premiums and claims for PLD employees for Basic Active Life Insurance, AD&D, Basic Retiree Life Insurance, and expenses.



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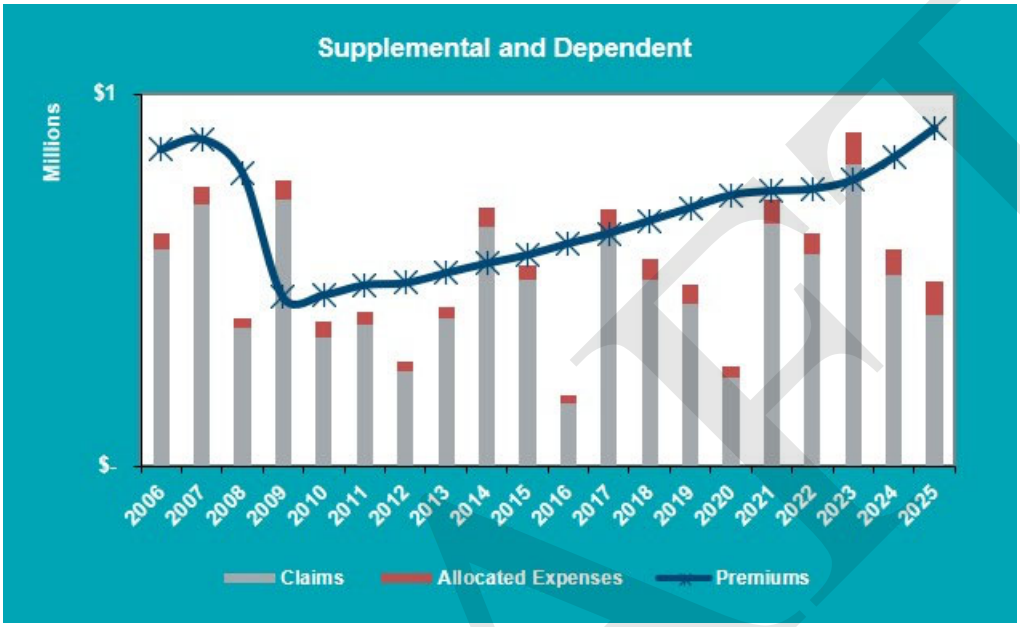
SECTION II — HISTORICAL SUMMARY

The chart below shows the historical premiums and claims for PLD employees for Supplemental and Dependent Life Insurance and expenses.



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SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

The premiums used for the Group Life Insurance benefits were last adjusted for the Fiscal Year ending 2026, developed from the 2024 experience study. For this study, we reviewed the premiums collected vs. the claims paid for the State, Teacher, and PLD Program life insurance benefits since 2007, and show projected claims and premiums for the next 10 years.

The fundamental principle underlying our analysis is that the cost of benefits should be related to the period in which benefits are earned. For active employees and dependents, the cost of coverage should be equal to the claims expected to be paid from the plan plus any expenses. If the premiums are expected to be less than claims, an increase in premiums is recommended.

To apply the fundamental principle to retirees, however, requires that the cost of coverage for a benefit that will be paid after retirement be funded during the active working life of participants (the period in which benefits are earned), rather than after retirement (the period of benefit distribution). The cost of retiree benefits is represented as the Actuarially Determined Contribution (ADC) calculated under the provisions of GASB Statements 74 and 75 and is the sum of two components: the normal cost and the amortization of the Unfunded Actuarial Liability (UAL). The *normal cost* is the annual amount which would be sufficient to fund the substantive plan benefits (net of contributions on the retiree's behalf) if it were paid from each employee's entry into the Plan until termination or retirement. The *actuarial liability* represents the portion of the value of the projected benefit at retirement that is allocated to service earned prior to the valuation date. The UAL represents the excess of the actuarial liability over plan assets and is amortized as a level percent of pay over a period not to exceed 30 years. If premiums are expected to be less than the ADC, a premium increase is indicated.

Due to the implementation of GASB 74/75, the State has established separate asset funds to pay for active benefits and retiree benefits.

For PLD funding, the same monthly premium rate of $0.52 per $1,000 of coverage (recommended to increase to $0.54 in FY28 based on the 2024 Premium Study) is paid on behalf of actives and retirees. For retirees, all of that goes into the Retiree Fund. The active PLD premium of $0.52 bi-weekly per $1,000 of coverage is currently allocated as $0.26 to the Active fund and $0.26 to the Retiree Fund. The graphic below illustrates this allocation.

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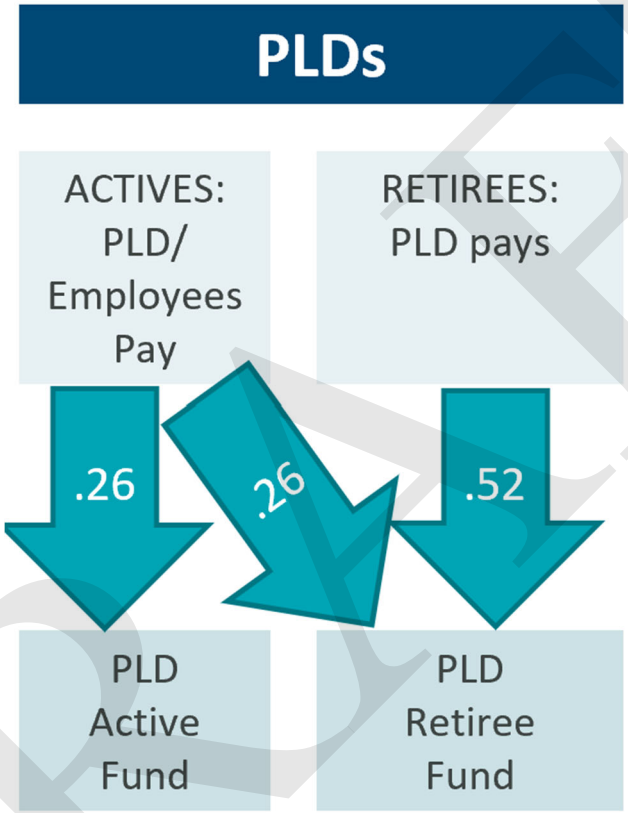
PLDs
ACTIVES: PLD/ Employees Pay
RETIREES: PLD pays
.26
.26
.52
PLD Active Fund
PLD Retiree Fund

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SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

The chart below shows the current and recommended scheduled premium rates. Only PLD rates are recommended to change.

Rate Schedule - Monthly Rates Per $1,000 of Coverage						
	Current Rates			Rates for Fiscal Year 2028		
	State	Teacher	PLD	State	Teacher	PLD
Active Basic	$ 0.26	$ 0.13	$ 0.52	$ 0.26	$ 0.13	$ 0.54
Retiree Basic	$ 0.78	ADC		$ 0.78	ADC	
Supplemental						
Age <= 34	$ 0.04	$ 0.02	$ 0.04	$ 0.04	$ 0.02	$ 0.04
35-44	$ 0.04	$ 0.02	$ 0.07	$ 0.04	$ 0.02	$ 0.07
45-49	$ 0.08	$ 0.04	$ 0.11	$ 0.08	$ 0.04	$ 0.11
50-54	$ 0.14	$ 0.09	$ 0.15	$ 0.14	$ 0.09	$ 0.15
55-59	$ 0.22	$ 0.15	$ 0.30	$ 0.22	$ 0.15	$ 0.30
60-64	$ 0.32	$ 0.22	$ 0.43	$ 0.32	$ 0.22	$ 0.43
65 plus	$ 0.44	$ 0.28	$ 0.87	$ 0.44	$ 0.28	$ 0.87
Dependent A	$ 1.93	$ 1.93	$ 1.93	$ 1.93	$ 1.93	$ 1.93
Dependent B	$ 3.40	$ 3.40	$ 3.40	$ 3.40	$ 3.40	$ 3.40

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SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

ONE-TIME ASSET TRANSFER

Since Fiscal Year Ending 2021, claims based on the financial statements have been much higher than expected for the active trusts while being lower than expected for the retiree trusts. However, a review of the individual death benefit records shows trends that are much more in line with expectations. After discussions with MainePERS staff, it was determined that a logic error dating back to the 2016 change in GASB standards existed in the V3 Pension Administration System. Until 2021, a series of internal checks did exist to ensure that these errors were corrected. However, when MainePERS moved from Aetna to the Hartford to administer life insurance benefits in 2021, this process was changed, which resulted in an overpayment of claims from the respective active trusts beginning in 2021. In particular, Group Life Insurance claims were taken from the active trust instead of the retiree trust for the following situations:

- Claims related to pension applications converted for the V3 Pension Administration System,
- Certain retirees of Participating Local Districts who did not participate in a defined benefit plan and were still eligible for retiree Group Life Insurance benefits, and
- Disability retirees.

The payment of disability retirees from the active trusts was identified as part of the 2024 premium study and was corrected during fiscal year ending 2025. The additional payment of retiree benefits from the active trust was identified as part of this premium study with assistance from MainePERS staff. Beginning in FYE 2027, it is our understanding that these benefits are now all being paid out of the retiree trust.

In order to correct the asset deficiencies that have developed in the active trusts as a result this logic error, we recommend that Trustees consider a one-time transfer of assets from each retiree trust into the respective active trust to account for claims to individuals that would have been treated as retirees when developing premium rates.

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SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

The following exhibits details the amounts that we are recommending be transferred from the retiree to the active trust for each respective group (State, Teachers, and PLDs). In developing these recommended transfer amounts, we have based our analysis solely on the individual claims data for each year to determine the percentage of claims that were attributable to the active trust or retiree trust. We then applied this percentage to the total claims in the financials for Active Basic, Dependent, AD&D, and Retiree Basic life insurance to determine the total claims that should have been allocated to each trust historically. Actual investment returns were used to estimate the difference in investment earnings resulting from the misallocation of claims.

One-Time Asset Transfer Amounts - Actual Investment Return for Retiree Funds

	State Actives					
Fiscal Year Ending	Claims - Financials	Claims - Data	Difference	Annual Investment Return	Cumulative Return to 6/30/2026	Value at 6/30/2026
2021	$2,500,845	$1,762,903	$737,942	-14.34%	146.84%	$1,083,611
2022	$4,461,447	$3,284,569	$1,176,878	11.41%	171.43%	$2,017,480
2023	$5,037,059	$3,438,849	$1,598,210	14.65%	153.87%	$2,459,149
2024	$3,750,182	$1,906,191	$1,843,991	13.38%	134.21%	$2,474,794
2025	$4,407,356	$2,395,007	$2,012,349	18.37%	118.37%	$2,381,975
Total	$20,156,889	$12,787,519	$7,369,370			$10,417,009

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SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

One-Time Asset Transfer Amounts - Actual Investment Return for Retiree Funds

Teacher Actives

Fiscal Year Ending	Claims - Financials	Claims - Data	Difference	Investment Return	Cumulative Return to 6/30/2026	Value at 6/30/2026
2021	$2,647,742	$1,598,254	$1,049,488	-14.36%	146.92%	$1,541,908
2022	$2,215,615	$1,608,150	$607,465	11.51%	171.55%	$1,042,085
2023	$1,684,660	$930,181	$754,479	14.54%	153.85%	$1,160,738
2024	$2,660,577	$1,570,490	$1,090,087	13.38%	134.31%	$1,464,126
2025	$3,001,465	$1,970,219	$1,031,246	18.46%	118.46%	$1,221,656
Total	$12,210,059	$7,677,294	$4,532,765			$6,430,513

One-Time Asset Transfer Amounts - Actual Investment Return for Retiree Funds

Participating Local District Actives

Fiscal Year Ending	Claims - Financials	Claims - Data	Difference	Investment Return	Cumulative Return to 6/30/2026	Value at 6/30/2026
2021	$1,976,676	$1,495,601	$481,075	-14.24%	146.72%	$705,829
2022	$2,254,515	$1,480,688	$773,827	11.32%	171.08%	$1,323,863
2023	$2,223,206	$1,429,526	$793,680	14.51%	153.68%	$1,219,753
2024	$1,816,180	$1,093,351	$722,829	13.34%	134.21%	$970,109
2025	$1,869,783	$894,974	$974,809	18.42%	118.42%	$1,154,340
Total	$10,140,360	$6,394,140	$3,746,220			$5,373,894

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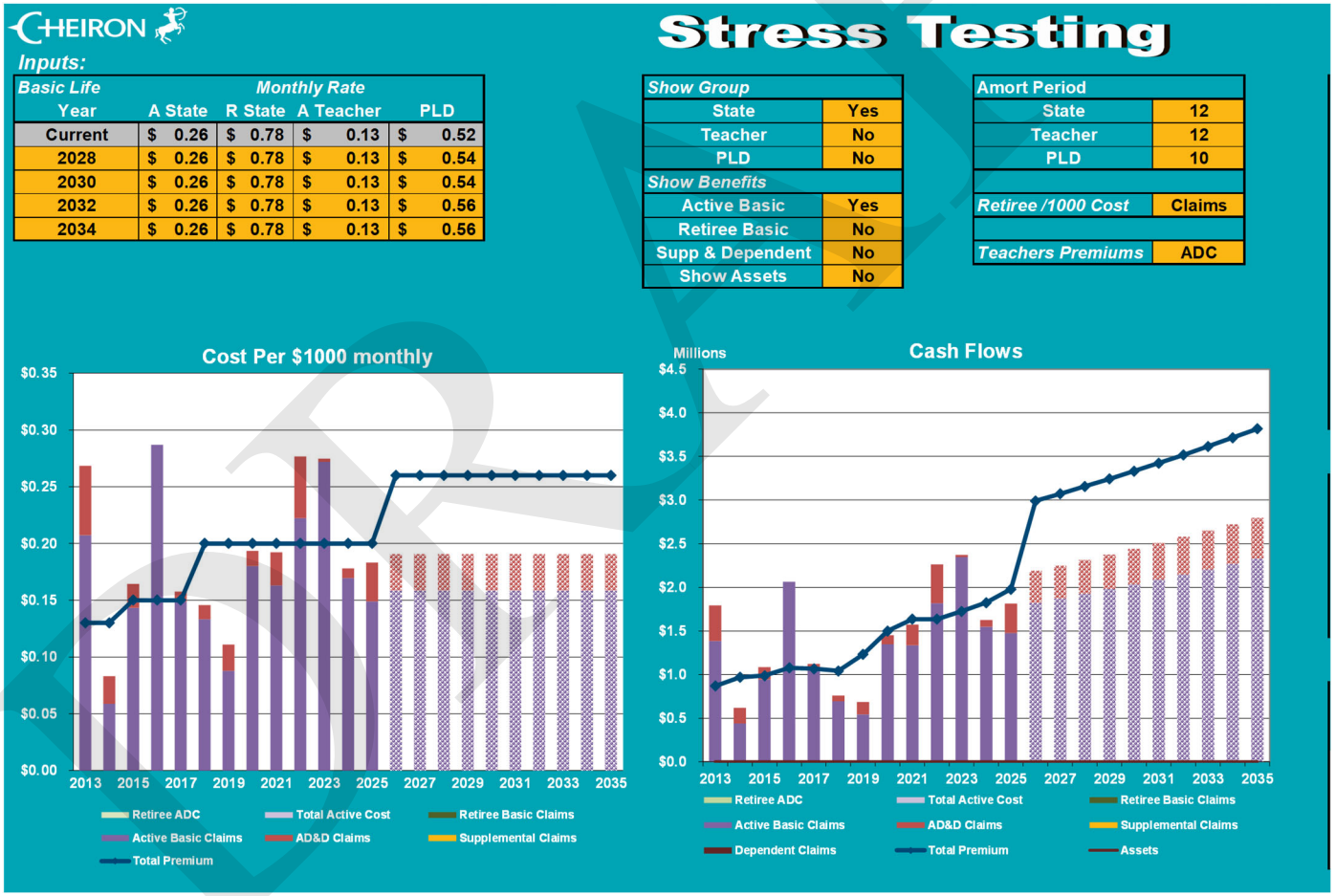
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

STATE EMPLOYEES: ACTIVE LIFE INSURANCE (BASIC AND AD&D)

Current Premium Rate: $0.26 monthly per $1,000 of coverage.

The current rate of $0.26 monthly per $1,000 of coverage which became effective in 2026 based on the results of the 2024 Premium Study. No further changes in premium are required at this time.



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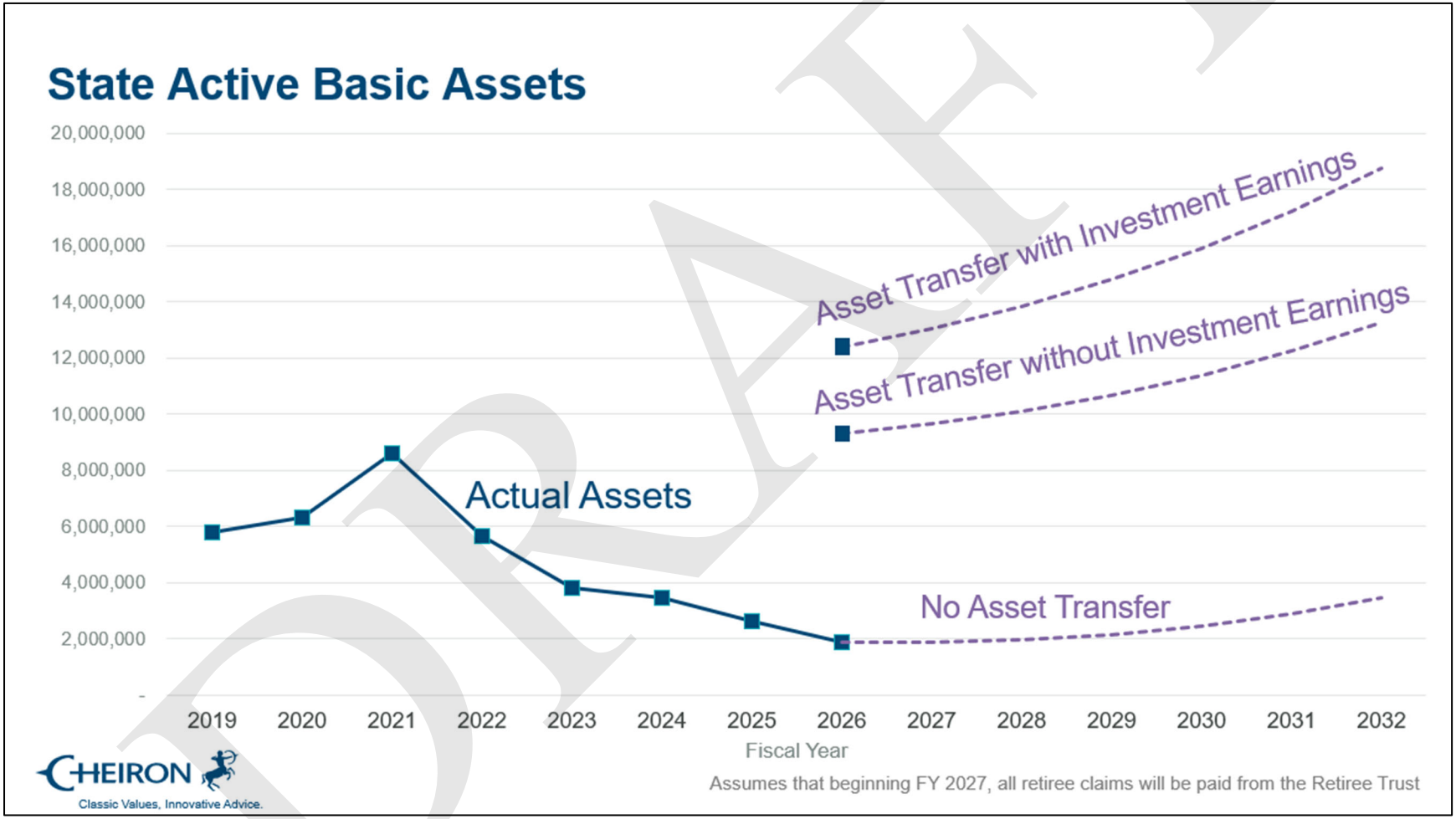
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected State Assets for Active Group Life Insurance with three scenarios: if no asset transfer occurs, if an asset transfer occurs with no adjustment for investment earnings, and if an asset transfer is made with full adjustment for investment earnings.



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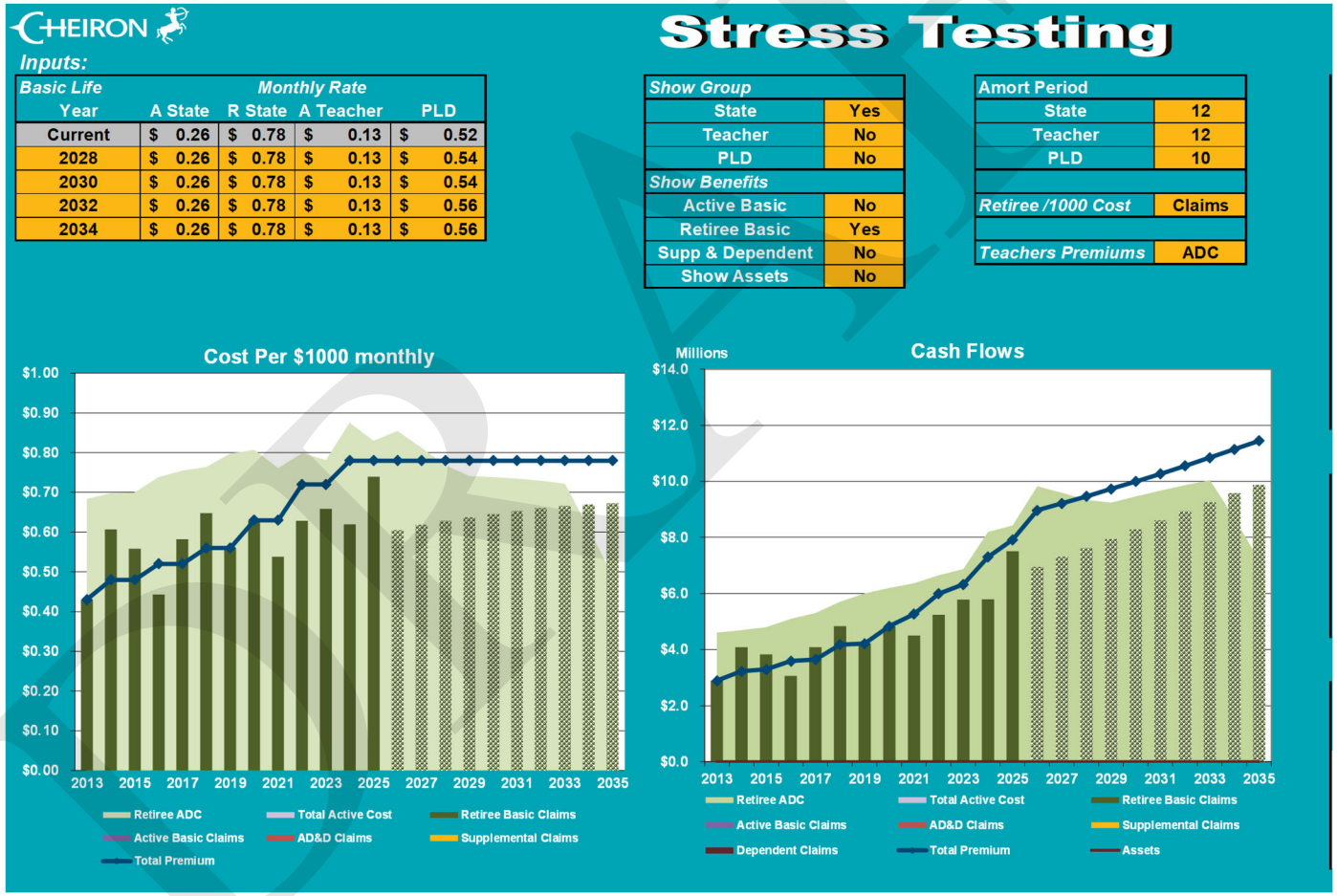
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

STATE: BASIC RETIREE LIFE INSURANCE

The current rate of $0.78 monthly per $1,000 of coverage which became effective in 2024 based on the results of the 2020 Premium Study is sufficient to pay off the Unfunded Actuarial Liability in 12 years (by 2038), the funding target established by the Board. No further changes in premium are required at this time.



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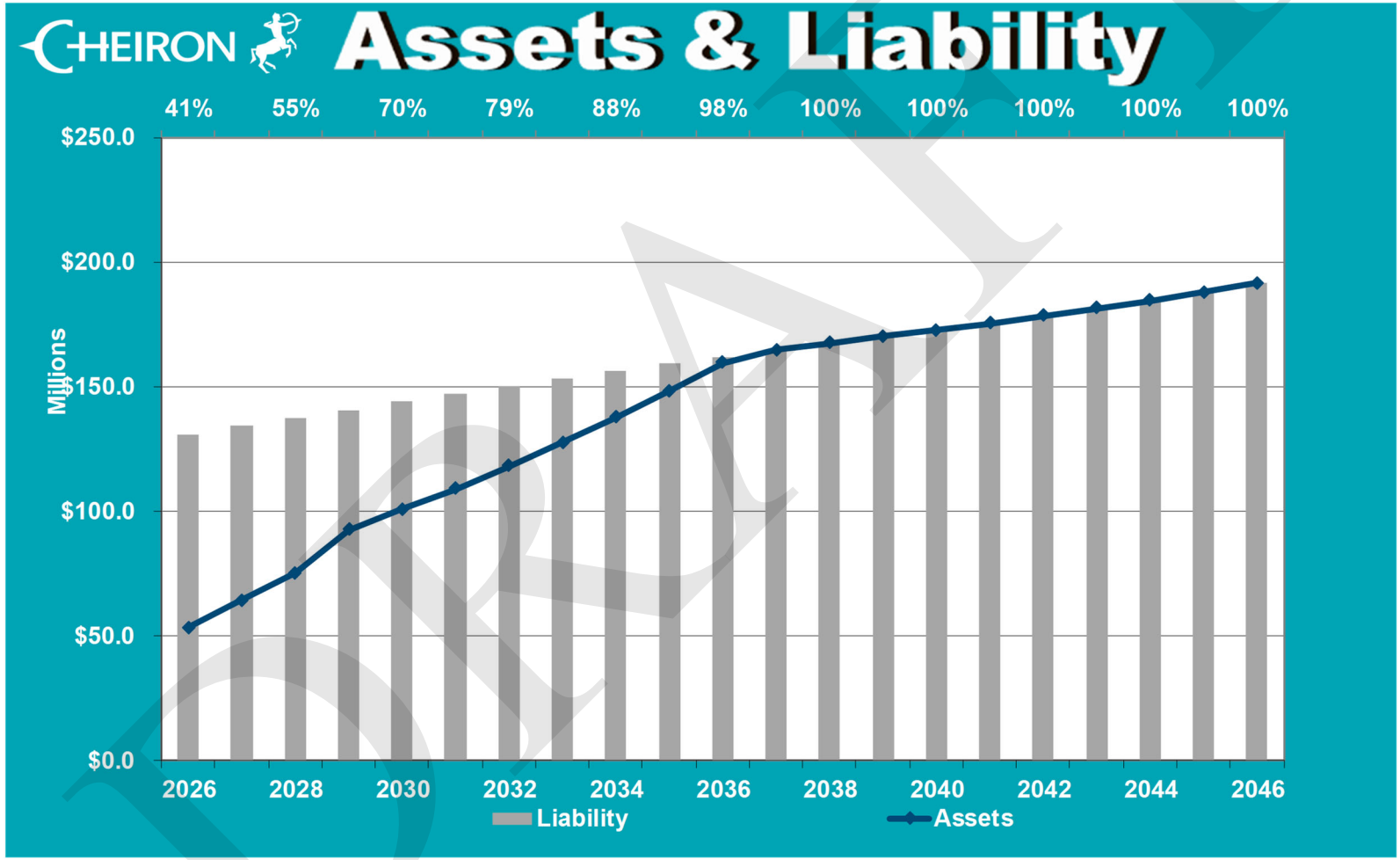
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected State Assets and Liabilities for Retiree Group Life Insurance under the current premium rate of $0.78 monthly per $1,000 of coverage without increases. The chart below shows the projection prior to any asset transfers.



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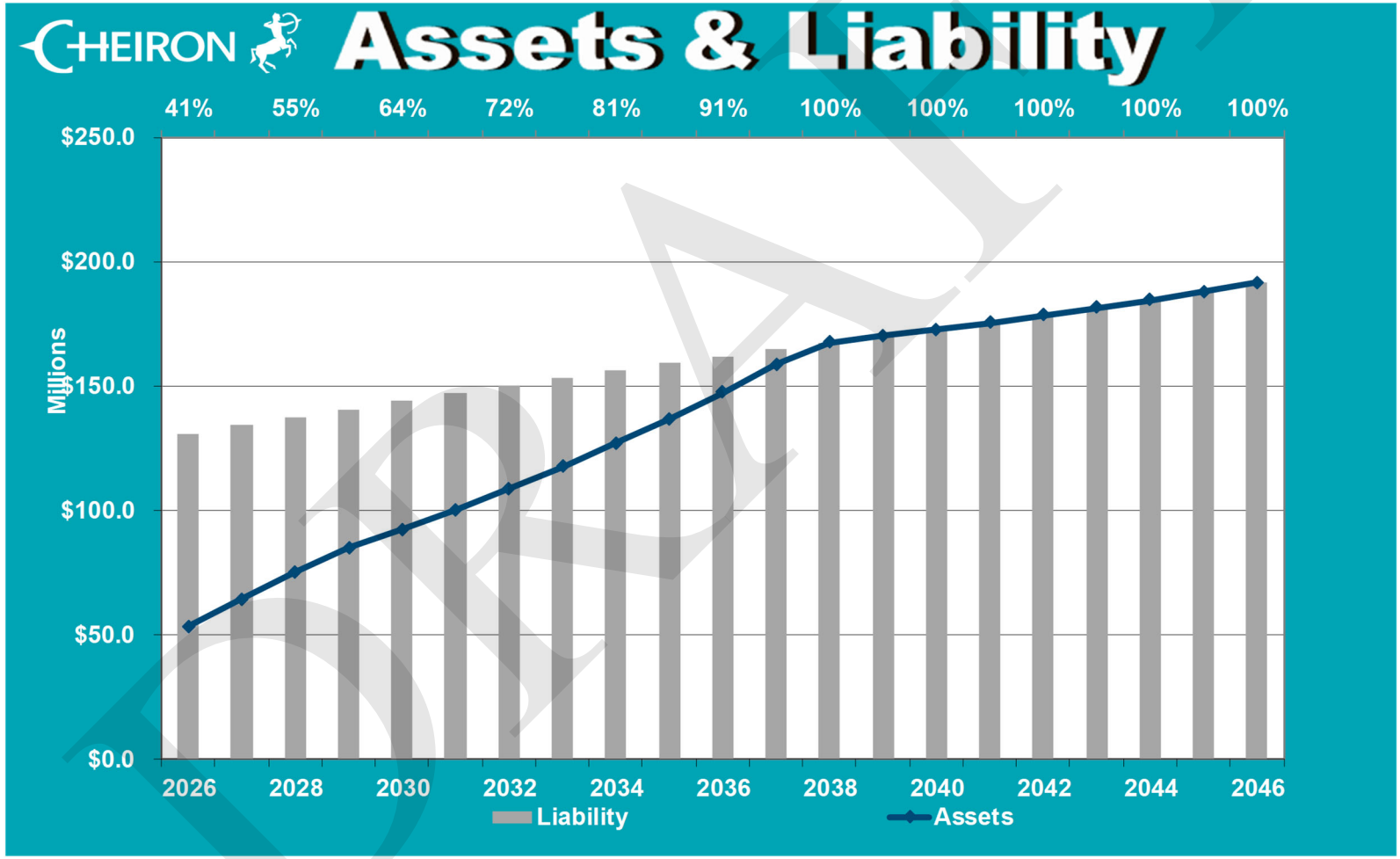
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected State Assets and Liabilities for Retiree Group Life Insurance under the current premium rate of $0.78 monthly per $1,000 of coverage without increases. The chart below shows the projection assuming the asset transfer with full adjustment for investment earnings.



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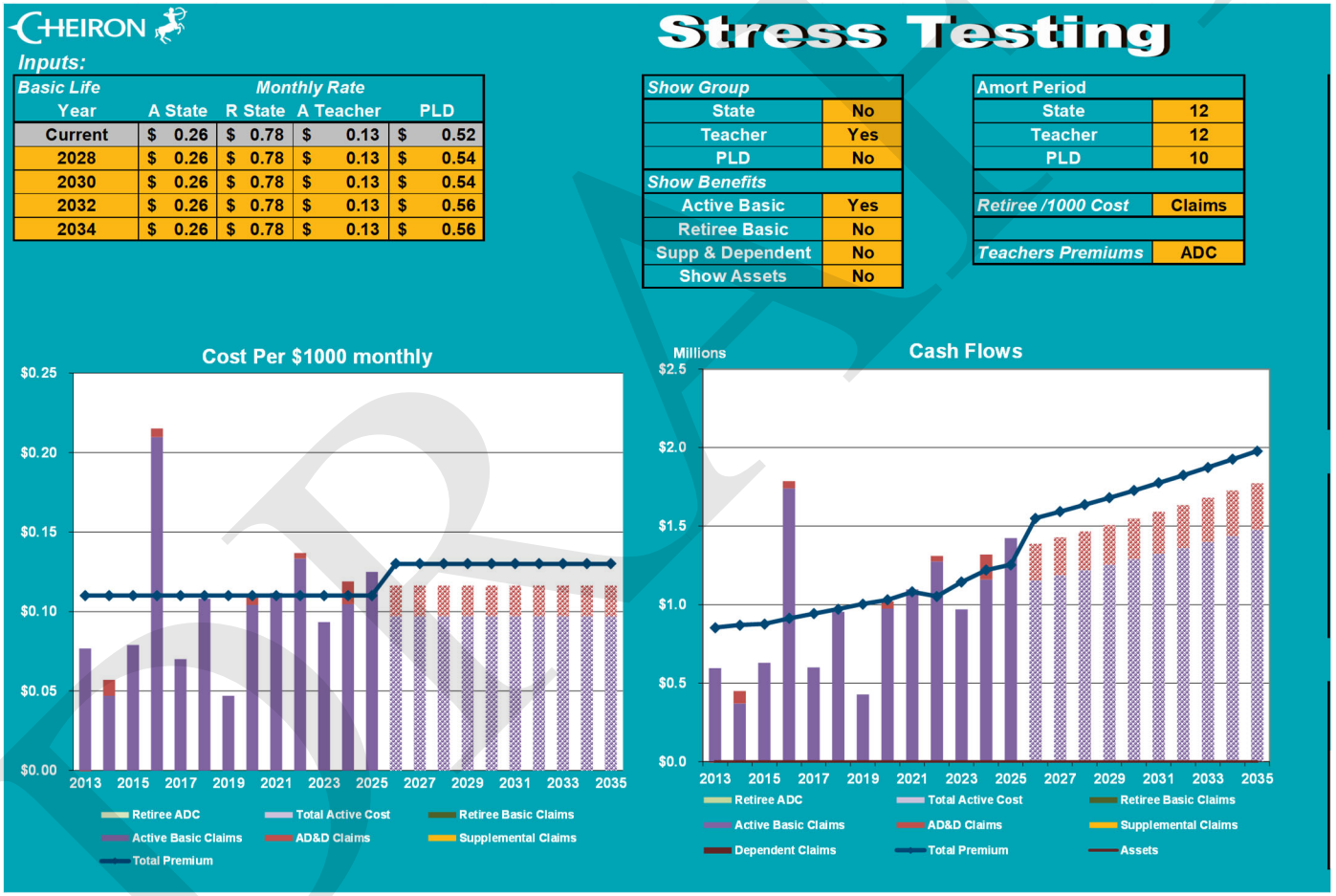
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

TEACHERS: BASIC ACTIVE LIFE INSURANCE AND AD&D

Current rate of $0.13 monthly per $1,000 of coverage which became effective in 2026 based on the results of the 2024 Premium Study. No further changes in premium are required at this time.



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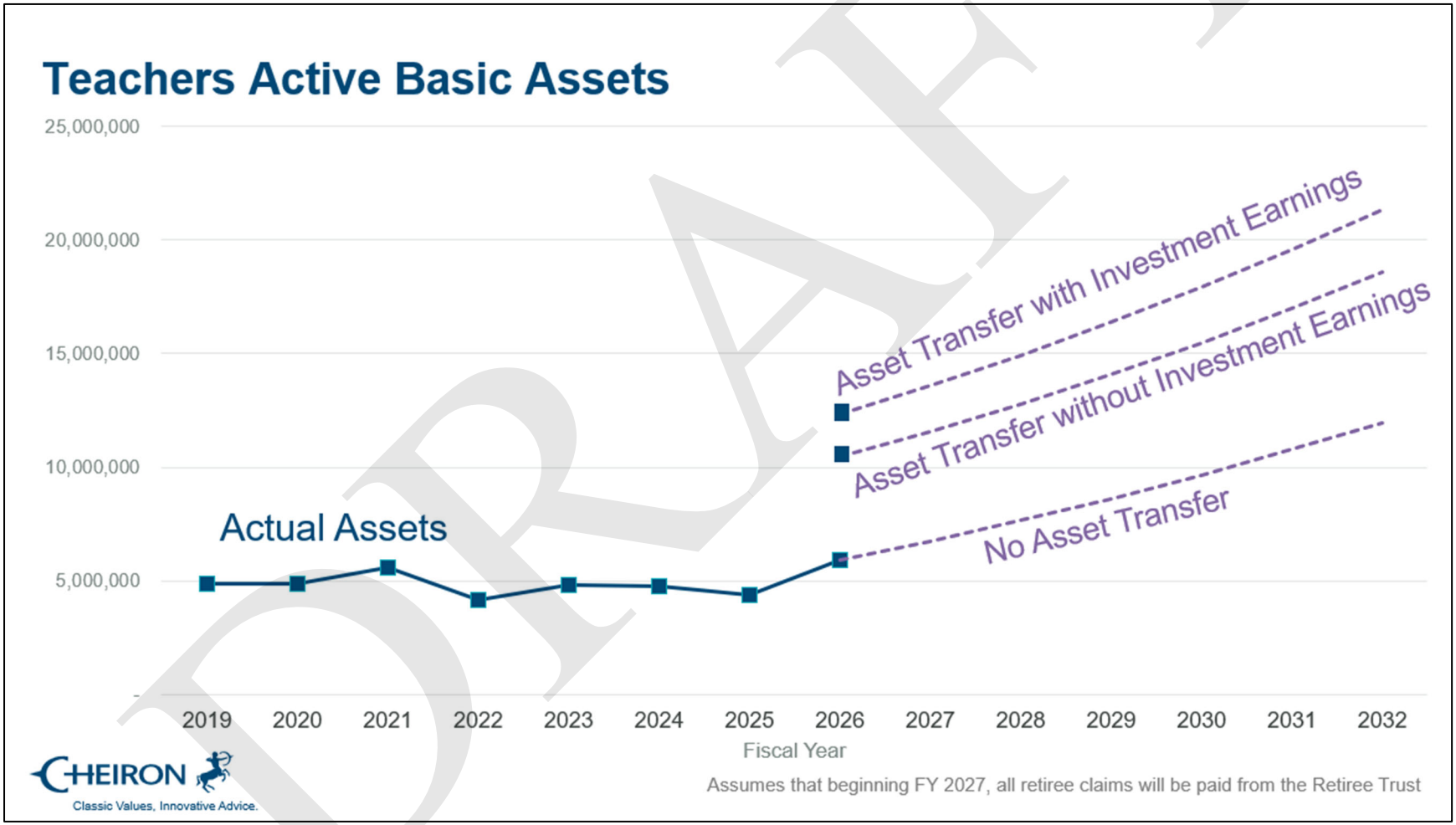
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected Teachers Assets for Active Group Life Insurance with three scenarios: if no asset transfer occurs, if an asset transfer occurs with no adjustment for investment earnings, and if an asset transfer is made with full adjustment for investment earnings.



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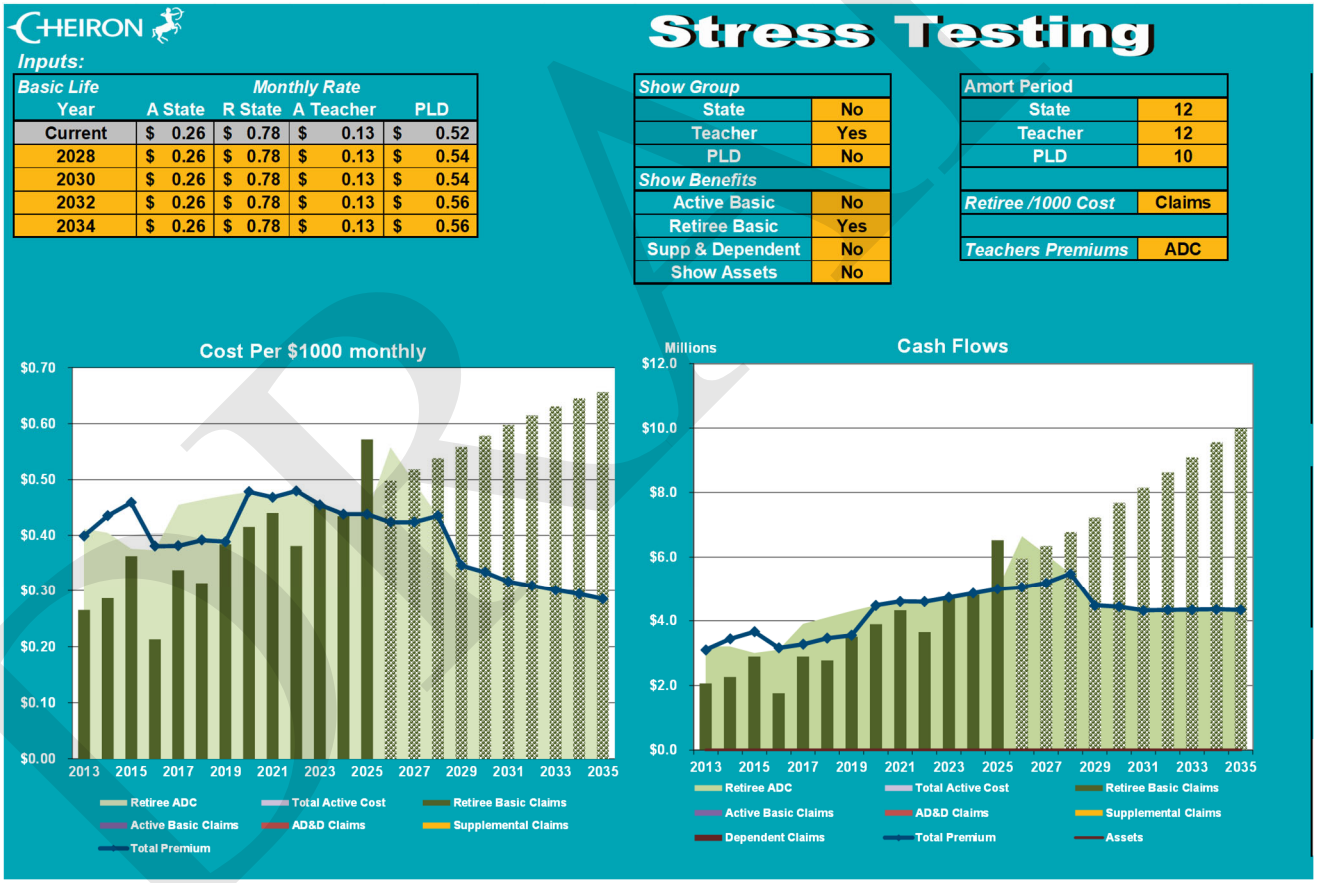
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

TEACHERS: BASIC RETIREE LIFE INSURANCE

The premiums for the Teachers' Basic Retiree Life Insurance benefit are paid by the State as the dollar amount of each year's ADC. This benefit is not funded using a rate per $1,000 of coverage. This funding method is appropriate for funding the benefits, and a change is not indicated at this time.

This chart shows projected cost, historic and projected cash flows, and retiree ADC on a Fiscal Year basis.



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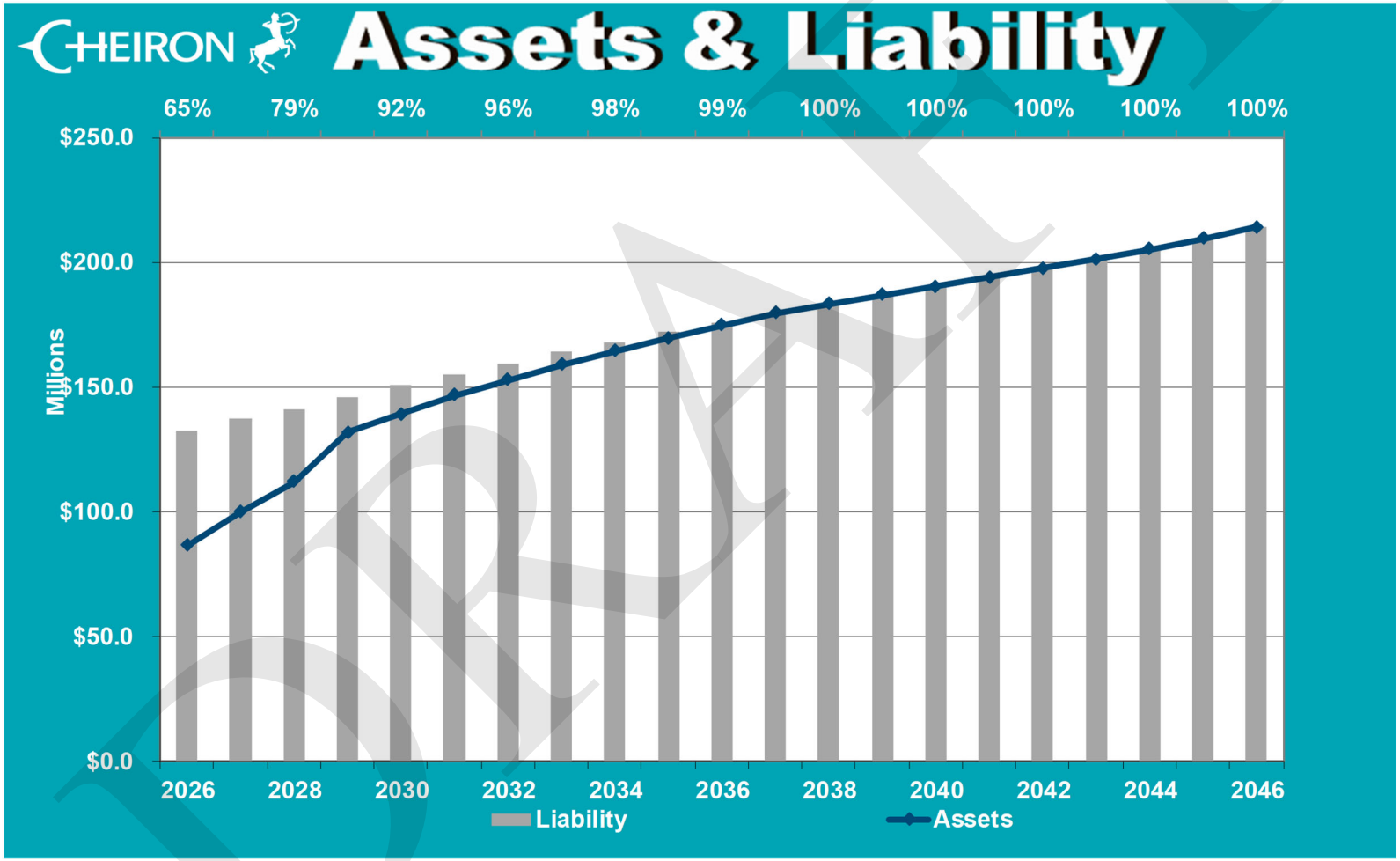
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected Teacher Assets and Liabilities for Retiree Group Life Insurance under the current method of funding the ADC. The chart below shows the projection prior to any asset transfers.



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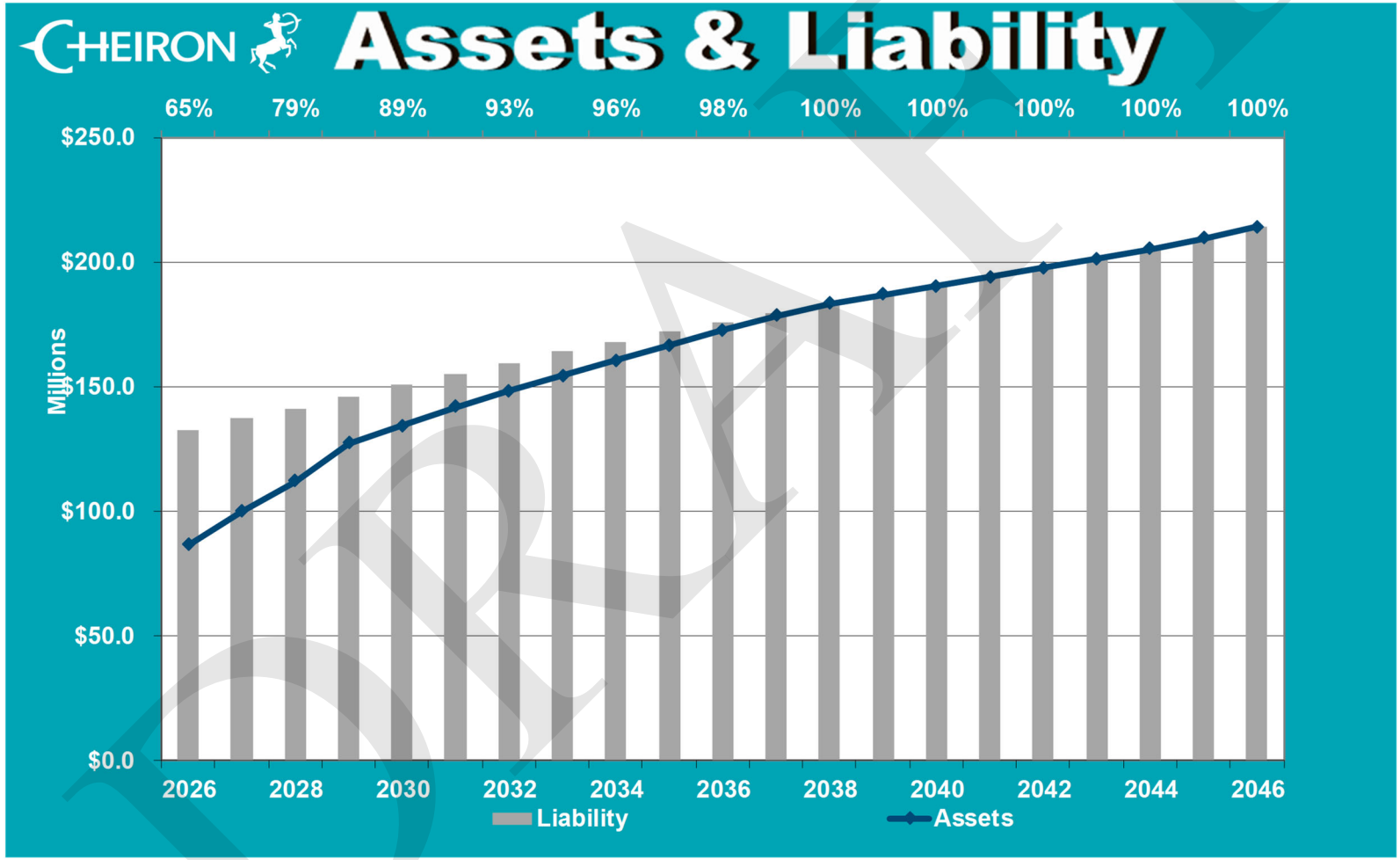
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected Teachers Assets and Liabilities for Retiree Group Life Insurance under the current method of funding the ADC. The chart below shows the projection assuming the asset transfer with full adjustment for investment earnings.



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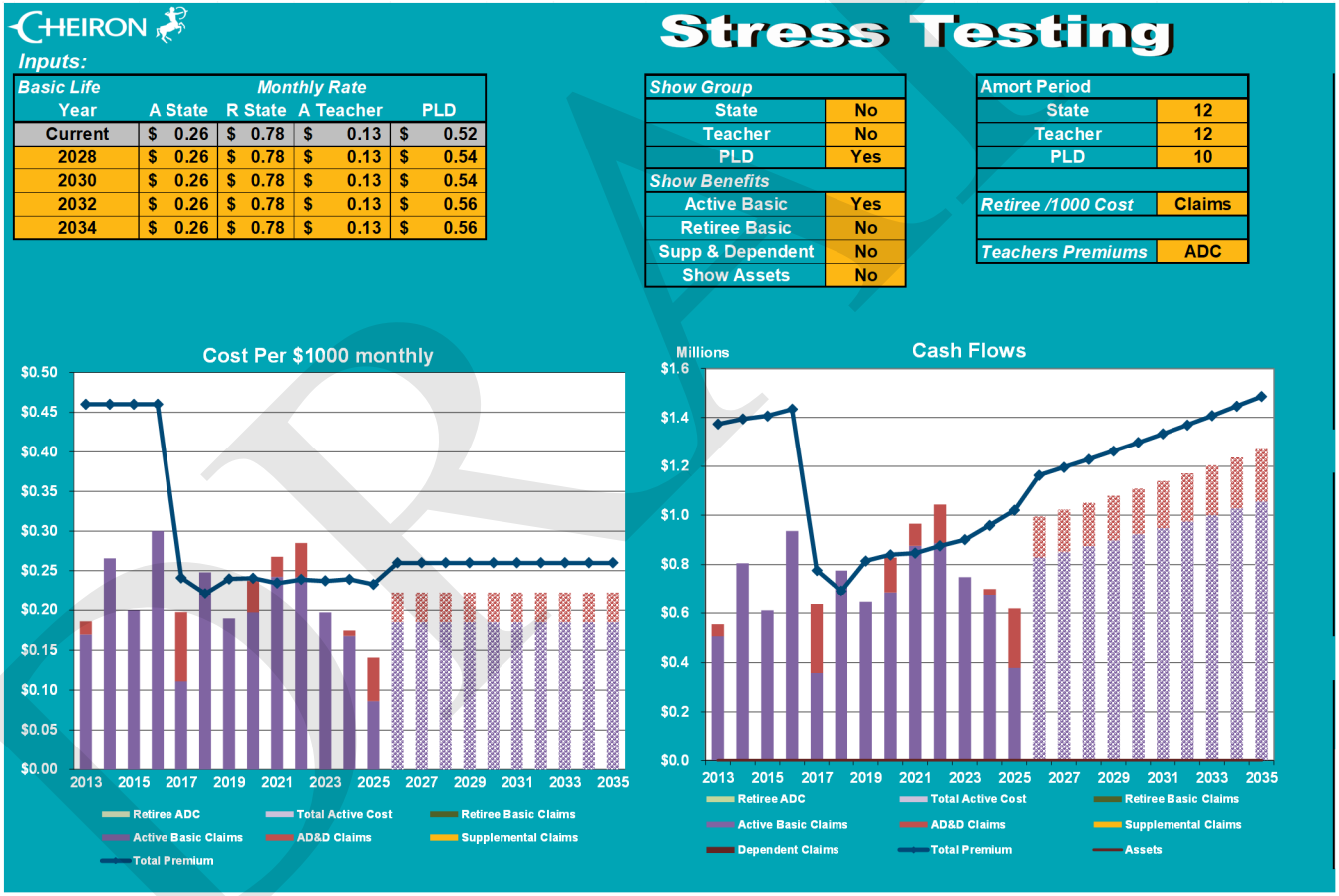
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

PLD: Basic Active Life Insurance and AD&D

Beginning in FYE 2026, the overall rate increased from $0.50 to $0.52 per $1,000 of coverage based on the results of the 2024 premium study with the active fund allocation being increased from $0.24 to $0.26. In the 2024 premium study, we indicated that an increase to $0.54 would likely be needed for 2028 in order to meet the target of fully funding the retiree liabilities by 2036. The $0.26 allocated for the active trust continues to be sufficient, and the remaining amount is recommended to be allocated to the retiree trust.



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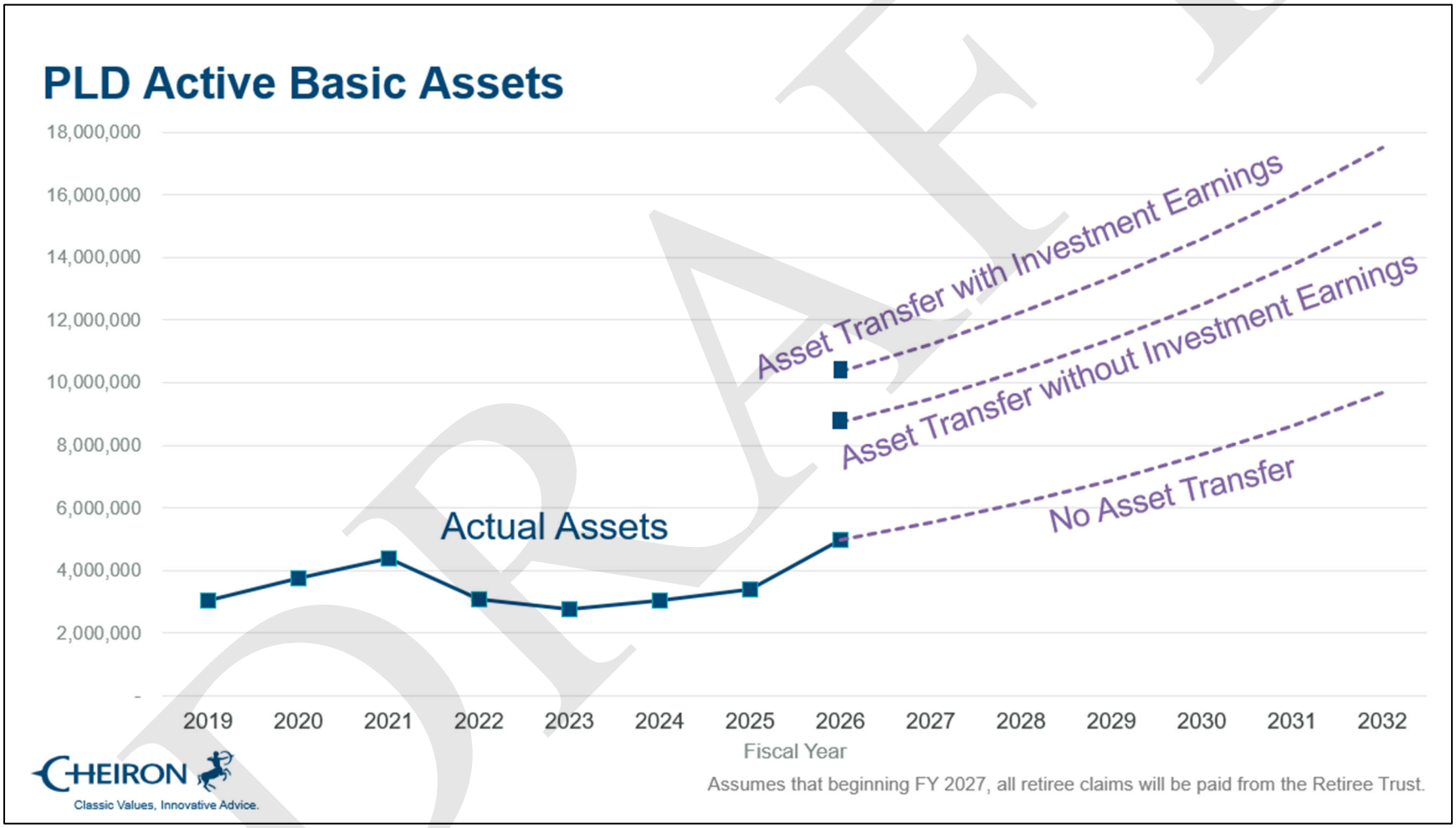
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected PLD Assets for Active Group Life Insurance with three scenarios: if no asset transfer occurs, if an asset transfer occurs with no adjustment for investment earnings, and if an asset transfer is made with full adjustment for investment earnings.



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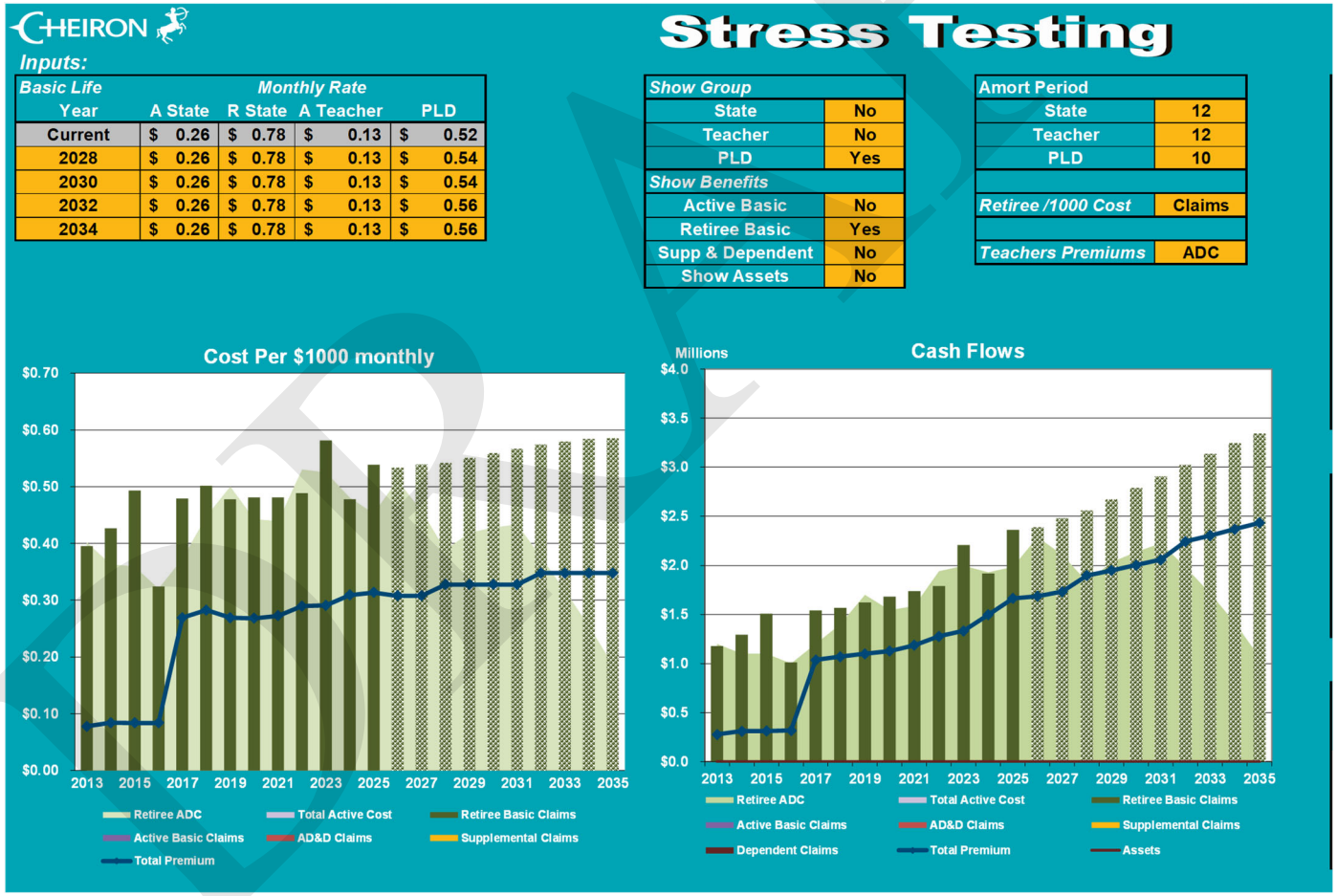
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

PLD: Basic Retiree Life Insurance

Beginning in FYE 2026, the overall rate increased from $0.50 to $0.52 per $1,000 of coverage based on the results of the 2024 premium study with the active fund allocation being increased from $0.24 to $0.26 also in 2026. In the 2024 premium study, we indicated that an increase to $0.54 would likely be needed for 2028 in order to meet the target of fully funding the retiree liabilities by 2036. We still recommend this increase and an additional increase to $0.56 is projected beginning in 2032 (but will be confirmed in the next premium study). Any increases would go solely to the retiree trust.



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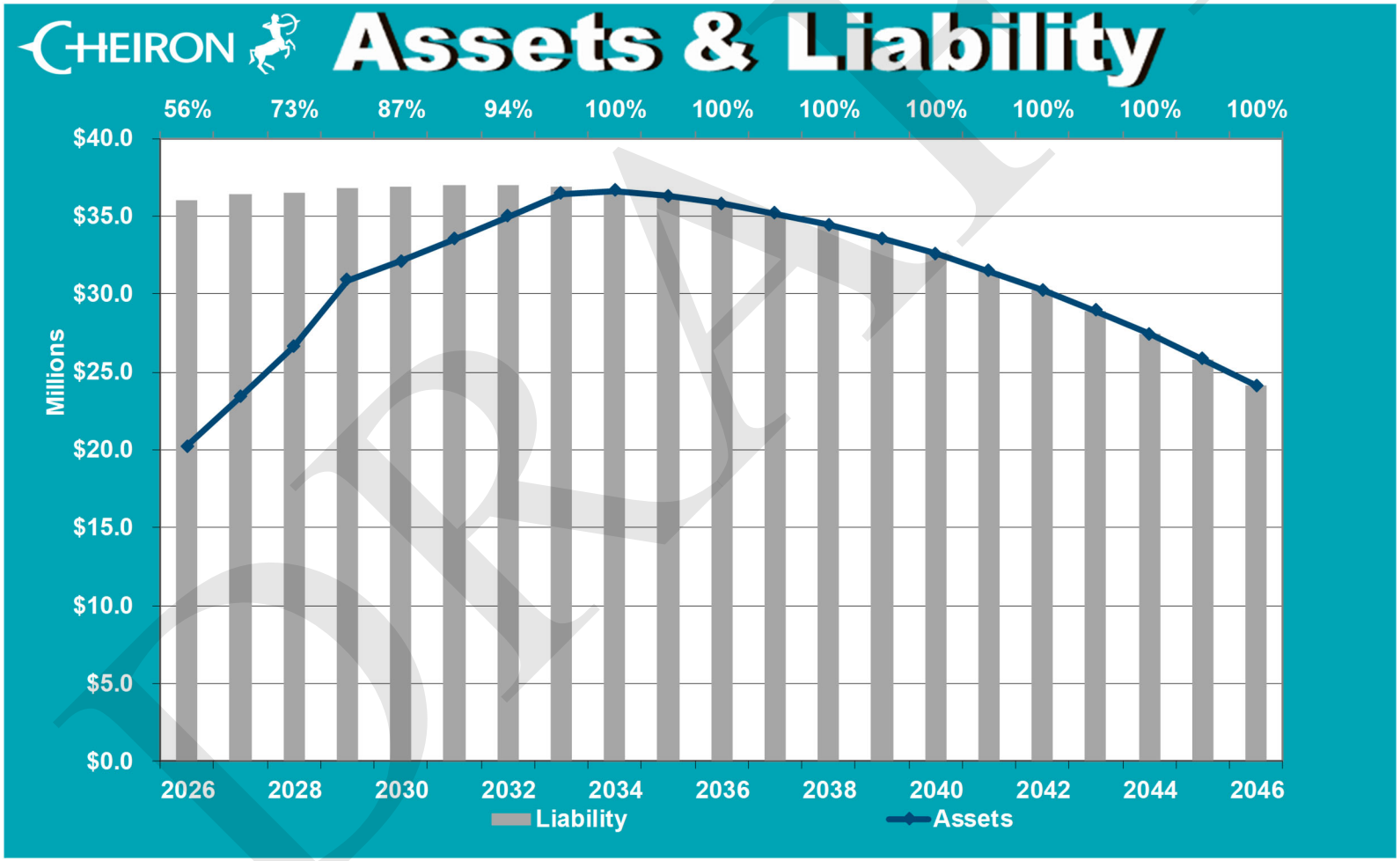
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected PLD Assets and Liabilities for the post-retirement life insurance benefit with premium rates of $0.52 monthly per $1,000 of coverage for current retirees ($0.26 of active premium allocated to Retiree Fund), increasing in 2028 to $0.54 ($0.26 of active premium allocated to Retiree Fund) and in 2032 to $0.56 ($0.26 of active premium allocated to Retiree Fund). The chart below shows the projection prior to any asset transfers.



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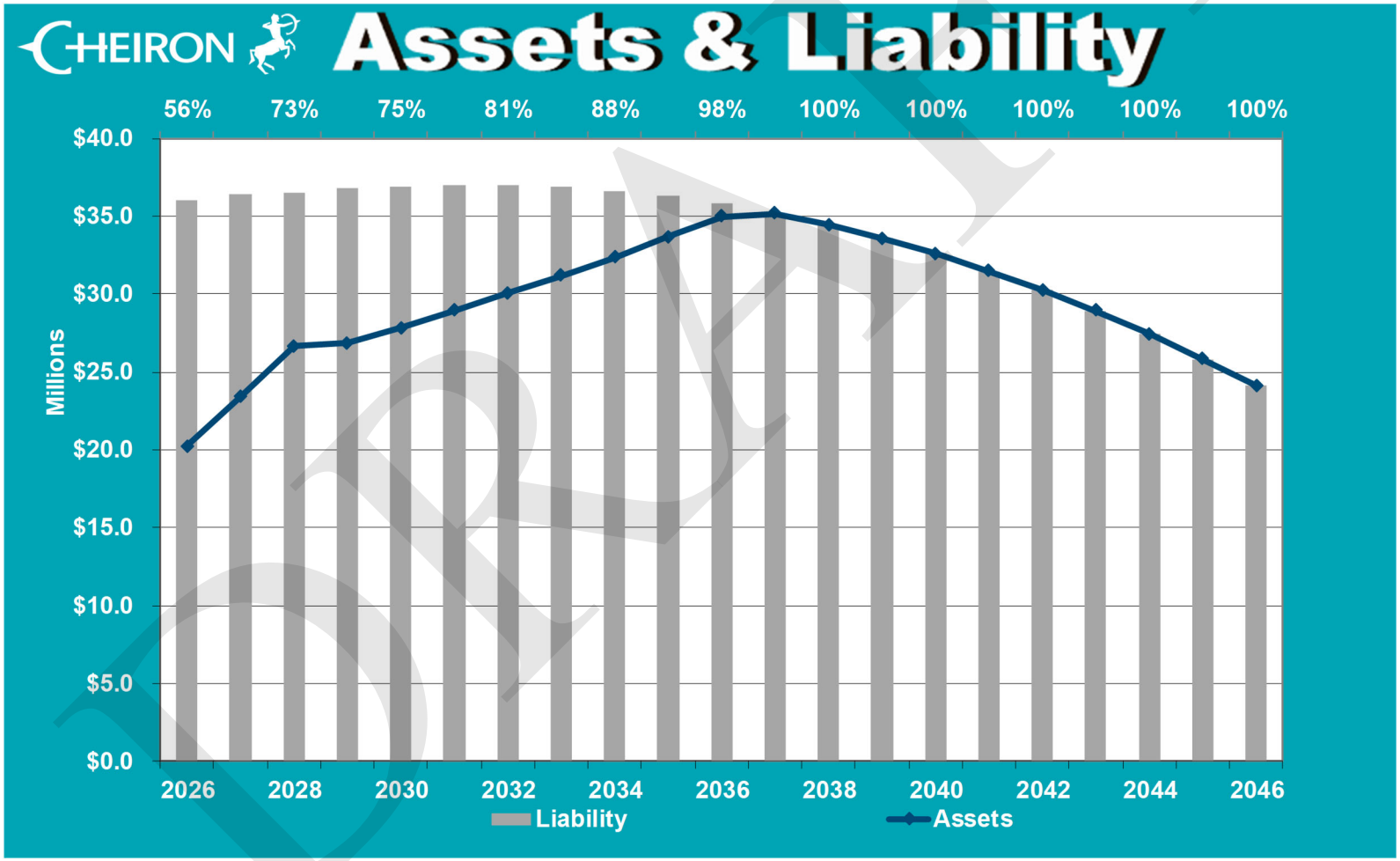
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

This chart displays the projected PLD Assets and Liabilities for the post-retirement life insurance benefit with premium rates of $0.52 monthly per $1,000 of coverage for current retirees ($0.26 of active premium allocated to Retiree Fund), increasing in 2028 to $0.54 ($0.26 of active premium allocated to Retiree Fund) and in 2032 to $0.56 ($0.26 of active premium allocated to Retiree Fund). The chart below shows the projection assuming the asset transfer with full adjustment for investment earnings..



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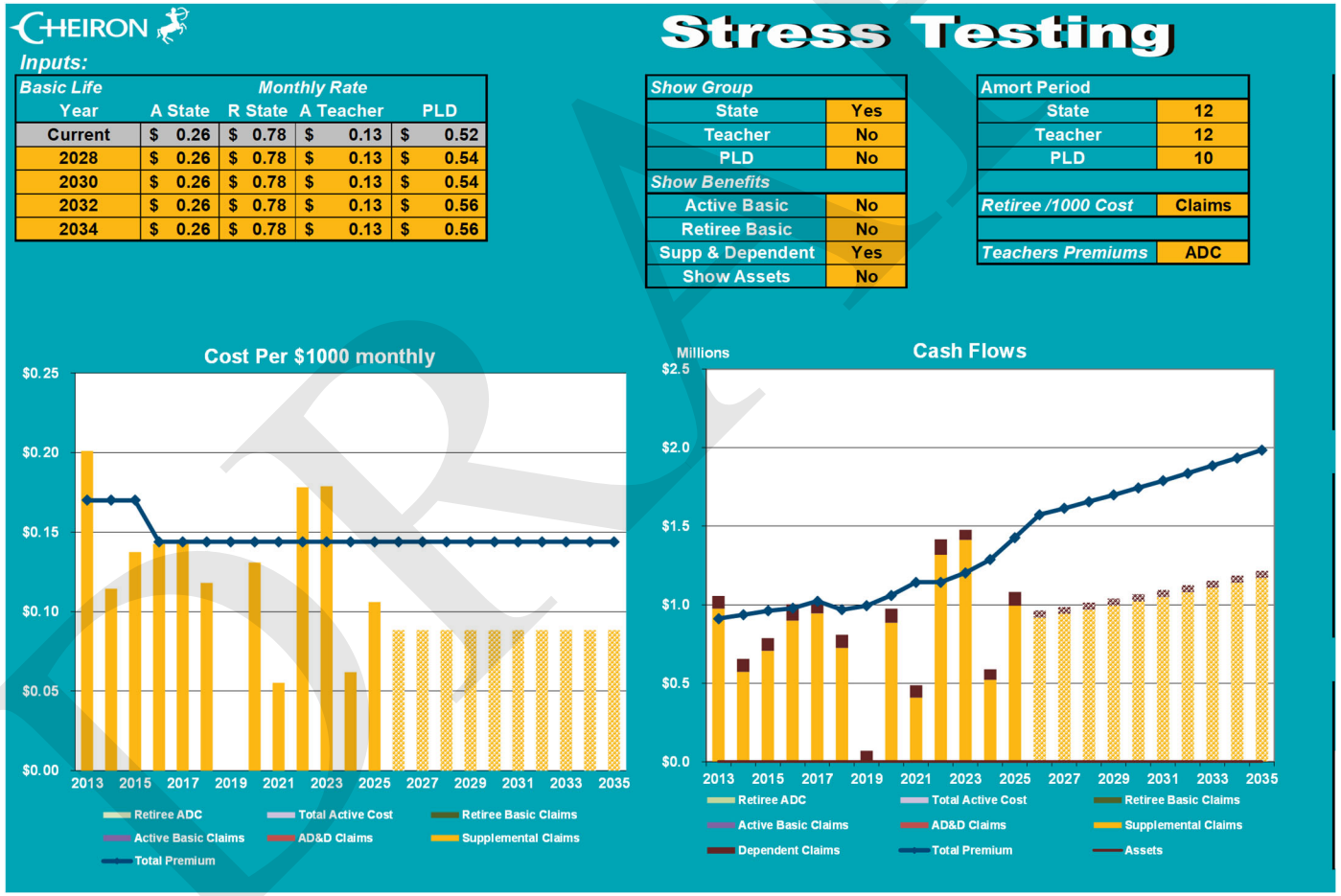
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

STATE ACTIVE SUPPLEMENTAL AND DEPENDENT LIFE INSURANCE

The current supplemental and dependent rates are appropriate for funding the benefits, and a change is not indicated at this time.

This chart shows premium and cost on a bi-weekly basis per $1,000 of coverage, historic and projected cash flows on a Fiscal Year basis, for the current rates.



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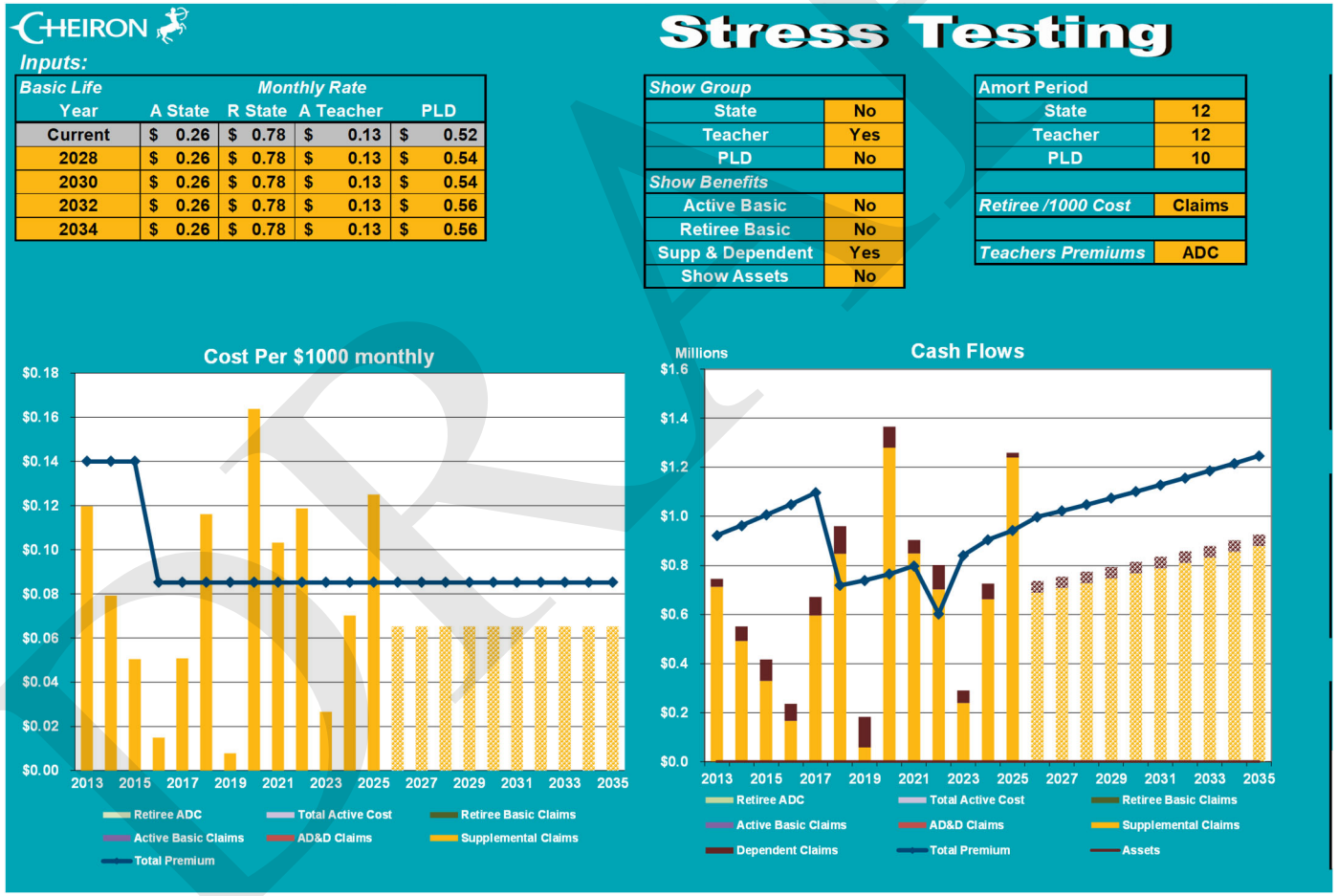
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

TEACHER ACTIVE SUPPLEMENTAL AND DEPENDENT LIFE INSURANCE

The current supplemental and dependent rates are appropriate for funding the benefits, and a change is not indicated at this time.

This chart shows premium and cost on a bi-weekly basis per $1,000 of coverage, historic and projected cash flows on a Fiscal Year basis, for the current rates.



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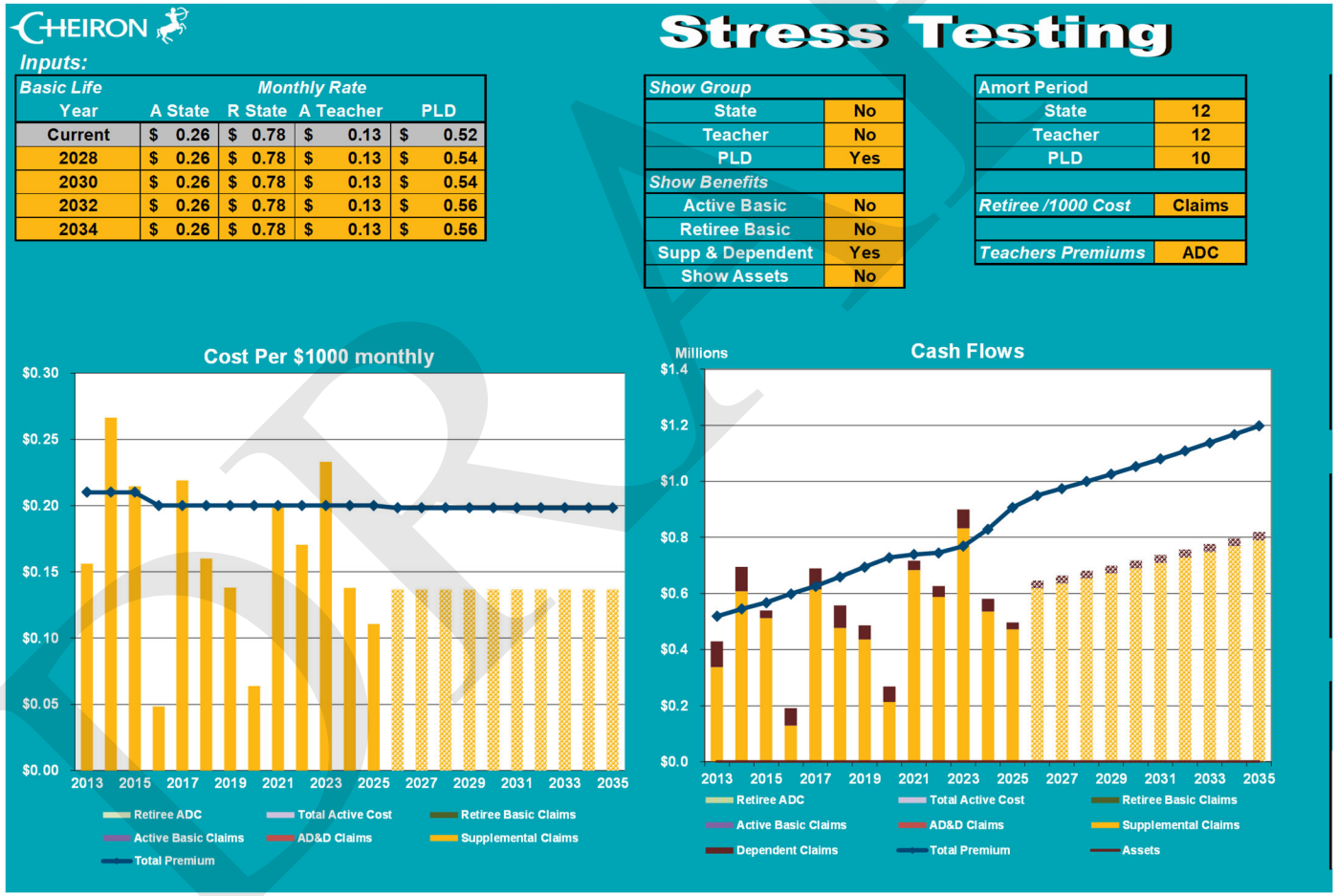
SECTION III — PREMIUM PROJECTIONS AND SCENARIOS

PLD Active Supplemental and Dependent Life Insurance

The current supplemental and dependent rates are appropriate for funding the benefits, and a change is not indicated at this time.

This chart shows premium and cost on a bi-weekly basis per $1,000 of coverage, historic and projected cash flows on a Fiscal Year basis, for the current rates.



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SECTION IV — IMPACT ON CONTRIBUTIONS

The following tables show the impact on contributions for the recommended PLD increase in the monthly rate proposed based on the following amounts of Insurance in Force.

	Insurance in Force in 2026		
FYE (6/30)	State	Teachers	PLDs
Active Basic	$ 932,486,000	$ 967,012,000	$ 363,136,208
Active Sup	$ 864,222,000	$ 879,831,000	$ 377,465,000
Active Dep A	$ 4,350,000	$ 5,665,000	$ 2,925,000
Active Dep B	$ 15,020,000	$ 17,620,000	$ 9,230,000
Retiree Basic	$ 206,121,650	$ 196,986,785	$ 81,573,377

	PLD Basic - Increase monthly rate schedule by $0.02 in 2028 and an additional $0.02 in 2032		
FYE (6/30)	Current	Proposed	Difference
2026	$2,851,300	$2,851,300	$0
2027	$2,929,711	$2,929,711	$0
2028	$3,010,278	$3,126,058	$115,780
2029	$3,093,060	$3,212,024	$118,964
2030	$3,178,120	$3,300,355	$122,235
2031	$3,265,518	$3,391,115	$125,597
2032	$3,355,320	$3,613,421	$258,102
2033	$3,447,591	$3,712,790	$265,199
2034	$3,542,400	$3,814,892	$272,492
2035	$3,639,816	$3,919,801	$279,986

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Participant Data as of June 30, 2024

ACTIVE MEMBER DATA				
Group	Count	Average Age	Average Service	Average Salary
State	11,734	47.4	11.2	$ 68,074
Teachers	15,214	46.5	13.2	60,899
Judges	62	59.1	14.0	153,161
Legislators	43	67.0	5.6	13,884
PLD	5,362	48.4	9.7	63,403
TOTAL	32,415	47.2	11.9	64,024

Note that Legislators are subject to eight-year term limits for each house. Therefore, it is assumed that no active Legislators will reach the 10 years of service required to be eligible for retiree life benefits. However, they are included in the counts for the above exhibit because they are included in the expected remaining service life.

NON-ACTIVE MEMBER DATA			
Group	Count	Average Age	Average Benefit[1]
State	8,794	74.0	$ 19,853
Teachers	7,978	75.4	22,033
Judges	58	76.8	49,012
Legislators	12	79.9	5,824
PLD	2,957	73.5	20,193
TOTAL	19,799	74.5	20,859

[1] Ultimate benefit (40% of initial base benefit)

Participant Data as of June 30, 2025

Group	Active Basic	Retiree Basic	Supplemental	Dependent A	Dependent B
State[1]	12,238	8,777	4,771	870	1,502
Teachers	15,239	8,074	6,100	1,133	1,762
PLDs	5,412	3,131	2,471	585	923
TOTAL	32,889	19,982	13,342	2,588	4,187

[1] State Group including Judges and Legislators

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Economic Assumptions

Valuation Date: June 30, 2025, for the purposes of measuring active life insurance. June 30, 2024, for the purposes of measuring retiree life insurance cost.

INVESTMENT RETURN AND DISCOUNT RATE:

6.50% per year

COST-OF-LIVING INCREASES IN LIFE BENEFITS:

N/A. Unlike pension benefits, life insurance benefits do not increase with Cost-of-Living.

PREMIUM EXPENSE AND CONVERSION ASSUMPTION:

To reflect administrative expenses and conversion expenses associated with the distribution of benefits, the following loads have been added to the liabilities, normal cost, and benefit payments.

Expense Load

State Employees, Judges, and Legislators: 10.40%
Teachers: 19.17%
PLDs: 10.34%

Conversion Load

State Employees, Judges, and Legislators: 2.28%
Teachers: 2.27%
PLDs: 1.30%

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

RATES OF SALARY INCREASE

Experience-based sample rates by service including both merit scale increase and yearly increase:

Service	State	Teachers	Legislators	Judges	PLD
0	11.74%	14.31%	2.75%	3.00%	12.51%
5	6.60	6.35	2.75	3.00	4.81
10	5.47	5.32	2.75	3.00	4.29
15	4.29	4.55	2.75	3.00	4.03
20	4.19	3.78	2.75	3.00	3.52
25	4.03	3.26	2.75	3.00	3.01
30	4.03	3.01	2.75	3.00	2.75
35+	3.26	2.75	2.75	3.00	2.75

Demographic Assumptions

RATES OF TERMINATION

Experience-based sample rates by service:

Service	State	Teachers	State Special Employees
0	29.00%	20.00%	26.50%
5	9.00	8.25	8.75
10	5.75	5.00	5.00
15	4.00	3.50	3.25
20	3.00	2.75	3.00
25	2.50	2.75	2.50

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Service	PLDs Regular	PLDs Special
0	29.5%	18.00%
1	22.0	14.35
2	15.5	10.25
3	14.0	9.3
4	11.0	7.0
5	10.0	6.9
10	5.5	4.0
15	4.5	3.0
20	4.0	3.0
25	4.0	0.0

Experience-based sample rates by age:

Age	Judges
25	7%
30	6
35	5
40	4
45	3
50	2
55	1

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

RATES OF MORTALITY

Experience-based sample deaths per 10,000 members by age: All values shown are for 2026, before generational projection.

State and Teacher Healthy Annuitant

	State Employees		Teachers	
Age	Male	Female	Male	Female
50	32	28	12	7
55	46	34	24	18
60	70	45	41	26
65	100	63	68	38
70	151	105	111	65
75	262	195	200	126
80	486	375	388	260
85	899	733	771	686
90	1,651	1,342	1,461	1,302
95	2,685	2,208	2,524	2,280

Rates for State Employees are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females.

Rates for Teachers are based on the 2016 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted as follows:

- 109.9% for males
- 98% of the rates for females prior to age 82, and 125% of the rates for females on and after age 82

Rates are projected generationally using the published IRS Adjusted MP-2021 scale.

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

State and Teacher Healthy Active Employees*

	State Employees		Teachers	
Age	Male	Female	Male	Female
20	4	1	2	1
25	5	1	3	1
30	7	2	3	2
35	8	3	5	2
40	11	5	6	4
45	14	6	8	5
50	18	9	11	7
55	26	13	17	10
60	41	21	27	16
65	59	31	42	26

*For State Regular and Teachers, 5% of deaths assumed to arise out of and in the course of employment, for State Special, 20% of deaths are assumed to arise out of and in the course of employment.

Rates for State Employees are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. Recommended rates for Teachers are based on 102.2% and 101.5% of the 2016 Public Plan Teacher Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

PLD Healthy Annuitant

Age	Male	Female
50	32	28
55	46	34
60	70	45
65	100	63
70	151	105
75	262	195
80	486	375
85	899	733
90	1,651	1,342
95	2,685	2,208

Rates are based on 112.7% and 117.3% of the 2016 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The recommended rates are projected generationally using the published IRS-Adjusted MP-2021 scale.

PLD Healthy Active Employees*

Age	Male	Female
20	4	1
25	5	1
30	7	2
35	8	3
40	11	5
45	14	6
50	18	9
55	26	13
60	41	21
65	59	31

* 5% of deaths assumed to arise out of and in the course of employment

Rates are based on 119.9% and 101.0% of the 2016 Public Plan General Benefits-Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale as described in the healthy annuitant mortality.

DRAFT

APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Disabled Mortality

	State and PLDs		Teachers	
Age	Male	Female	Male	Female
25	42	13	39	12
30	40	22	37	20
35	44	34	41	32
40	56	47	52	44
45	75	62	70	57
50	99	89	92	82
55	146	137	136	127
60	229	217	212	201
65	275	235	255	218
70	315	273	293	253

Rates for the State and PLDs are based on 114.5% and 127.7% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 scale described in the healthy annuitant mortality.

Rates for Teachers are based on 106.3% and 118.2% of the 2016 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

DRAFT

APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Contingent Survivor Mortality

	State, Teachers, PLD	
Age	Male	Female
45	57	27
50	75	30
55	84	43
60	103	64
65	130	91
70	180	135
75	293	216
80	520	377
85	915	691
90	1,601	1,251

Rates for Contingent Survivors are based on 98.8% and 110.6% of the 2016 Public Plan Contingent Survivor Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the MP-2021 model as described in the healthy annuitant mortality.

DRAFT

APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

RATES OF RETIREMENT

Teachers and State Regular Plans:

	State Regular Employees			Teachers		
Age	NRA 60	NRA 62	NRA 65	NRA 60	NRA 62	NRA 65
57	4%	3.5%	N/A	4%	3%	N/A
59	26	4	N/A	20	5	N/A
60	21	4.5	4%	27.5	8.5	2%
61	21	35	2	21	28	2
62	21	29	5	23	26.8	2
63	20	19	8	25.5	21	2
64	22	20	20	30	24.5	5
65	22	23	26	37.5	30.5	30
70	23	25	25	31	25	29
75	100	100	100	35	20	29
80	100	100	100	100	100	100

In the case of State Regular and Teacher employees, NRA 60 (Tier 1) refers to those who had accrued at least 10 years of service by July 1, 1993. NRA 62 (Tier 2) refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 (Tier 3) refers to those who did not have five years of service by July 1, 2011. Rates are only applied for early retirement when the member is at least age 57.

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

State Special Plans:

Members of the 1998 Special Plan are assumed to retire at rates that vary by age and whether service is less than 25 years or not. Sample rates are as follows:

	1998 Special Plan Retirement	
Age	Service < 25	Service >= 25
50	0%	8%
55	21	27
57	13	27
60	21	36
62	22	36
65	21	32
67	38	55
70	50	50
75	100	100

Members of the 25 & Out Plan are assumed to retire at rates that vary by service. With 100% retirement assumed by age 75. Sample rates are as follows:

Service	Rate
<25	Same as State Regular
25	30%
30	17
32	33
35	33
38+	100

Members of the Fire Marshals Plan are assumed to vary by service with 100% retirement by age 75. Rates are only applied when the member is at least age 50.

Service	Rate
<20	0%
20	30
25	17
27	33
30	33
33+	100

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

Judges:

Age	NRA 62	NRA 65
62	10%	NA
63	25	NA
64	40	NA
65	30	20
66	35	25
67	25	25
68	20	20
69	35	40
70	25	15
71	15	30
72	25	65
73-74	15	15
75+	100	100

In the case of judicial employees, NRA 60 refers to those who had accrued at least 10 years of service by July 1, 1993 – there are no longer active members in this group. NRA 62 refers to those who had not accrued at least 10 years of service by July 1, 1993 or were hired after that date but had five years of service by July 1, 2011. NRA 65 refers to those who did not have five years of service by July 1, 2011.

Note that all retirement rates are only applied once the member is eligible to retire regardless of years of service.

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

PLD Regular:

Age	NRA 60	NRA 65
45	N/A	N/A
50	N/A	N/A
55	N/A	N/A
60	15%	3%
65	30	24
70	25	22
75	100	100

In the case of PLD employees, NRA 60 refers to those who were hired prior to July 1, 2014, and Tier 2NRA 65 refers to those who were hired on or after July 1, 2014.

PLD Special:

Service	Assumption	
	Plan 1	Plans 2-4
20	60%	25%
21	60	25
22	45	25
23	35	30
24	40	20
25	35	50
26	40	32
27	25	30
28	25	30
29	25	40
30	23	23
31	25	25
32	20	20
33	25	25
34	25	25
35	35	35
36-37	50	50
38+	100	100

Note that all retirement rates are only applied once the member is eligible to retire, so those in 25-year Plans are not assumed to retire at 20 years of service. For Special Plan retirements with less than 20 years of service, we assume 25% retire. We assume 100% retirement at age 75.

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RATES OF DISABILITY

Experience-based sample disablements per 10,000 members by service:

Age	State Regular	State Special	Teachers	Judges & Legislators	PLDs Regular	PLDs Special
25	1.3	25	1.0	0.0	0.9	2.0
30	1.5	30	1.1	0.0	1.0	2.5
35	6.1	35	1.1	0.0	1.5	3.8
40	9.9	40	1.5	0.0	3.3	12.3
45	12.2	45	3.0	0.0	10.3	21.0
50	16.1	50	6.4	0.0	14.5	35.5
55	25.0	55	21.3	0.0	20.3	60.0
60	38.4	60	21.4	0.0	28.8	70.0

Rationale for Assumptions

The recommended assumptions were adopted by the Board of Trustees at their March 12, 2026, meeting for all Programs except the Consolidated PLD Plan, for which the recommended assumptions were adopted by the Board of Trustees at their May 14, 2026, meeting. The demographic assumptions adopted are based on an experience study covering the period from July 1, 2020 through June 30, 2025.

Other Assumptions (Unique to this Valuation)

Conversion Charges:

Apply to the cost of Active Group Life Insurance, and not Retiree Group Life Insurance.

Form of Benefit Payment:

Lump Sum

Mortality Projections Cashflows shown in Section III:

The static tables of the above mortality assumptions were used, projected to the year 2026, and adjusted by factors of 1.0 for State, Teachers, and PLDs.

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Child Assumption for Dependent Insurance:

We made an assumption for the number of eligible children covered under dependent insurance, based on the sample employee's age. Employees are assumed to have zero children prior to age 24, one child from ages 24-27, two children from ages 28-46, one child from ages 47-50, and no children after age 50. Child mortality was assumed to be one half of the mortality at age 15.

Probability of AD&D:

Probability of receiving AD&D insurance was assumed to be 10% of mortality for healthy employees for all three groups.

Participation for Future Retirees:

100% of those currently enrolled.

Additional Disclosures regarding Models Used

ProVal: Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs, and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in the assumptions or output of ProVal that would affect this study.

Experience Study Tools: We have used Cheiron's Excel-based experience study tools to measure the actual versus expected experience before and after recommended assumption changes. We have not identified any material inconsistencies in the assumptions or output of the experience study tools that would affect this study.

Actuarial Cost Method

To be consistent with past analyses and with the Pension Plan funding, the individual entry age normal method is used to determine liabilities. Under this funding method, a normal cost rate is calculated for each member. This rate is determined by taking the value, as of age at entry into the Plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age of his expected future salary. The normal cost for each member is the product of annual salary and the normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

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APPENDIX A — PARTICIPANT DATA, ASSUMPTIONS, AND METHODS

The actuarial liability is defined as the present value of future benefits, less the present value of future normal costs. The UAL is the total of the actuarial liability for all members, less the value of the System's assets.

The discount rate used reflects the long term funding policy to fully fund the benefits on an actuarial basis by FY 2038 for State and Teachers and by FY 2036 for PLDs.

To amortize the UAL, we used an amortization period to the beginning of FY 2038 for State and Teacher employees and to the beginning of FY 2036 for PLD employees. Amortization payments are calculated using a level percent of pay with a 2.75% annual increase in payroll assumed and a discount rate of 6.50%.

Asset Valuation Method

Figures were reported by MainePERS without audit or change. Assets as of June 30, 2026 used for this premium study.

Assumption Changes Implemented for Premium Study

The demographic assumptions were updated based on the most recent experience study as described earlier.

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APPENDIX B — SUMMARY OF KEY PLAN PROVISIONS

Active Employees

Membership

Actively at Work and a member of an Eligible Class, as defined in the Certificate of Coverage.

Basic Life Insurance

One times Annual Base Compensation, rounded to the next highest $1,000.

Basic AD&D Insurance

One times Annual Base Compensation, rounded to the next highest $1,000. See Schedule of Benefits in Certificate of Coverage for benefits by injury.

Supplemental Life Insurance

One, two, or three times Basic Life Insurance Amount.

Dependent Life Insurance

Option A:	$5,000 for spouse, $1,000 for dependent children under age six months, $5,000 for dependent children over age six months but under age 19, except for full-time, unmarried students under age 22
Option B:	$10,000 for spouse, $2,500 for dependent children under age six months, $5,000 for dependent children over age six months but under age 19, except for full-time, unmarried students under age 22

Employee Contributions

State Employees:	None for Basic; employee pays full premium for Supplemental and Dependent
Teachers:	Cost for Basic split between employer and employee, depending on employer; employee pays full premium for Supplemental and Dependent
PLDs:	Cost for Basic split between employer and employee, depending on employer; employee generally pays full premium for Supplemental and Dependent (with certain PLD employers paying these premiums for their employees)
Judges:	None for Basic; employee pays full premium for Supplemental and Dependent
Legislators:	None for Basic; employee pays full premium for Supplemental and Dependent

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APPENDIX B — SUMMARY OF KEY PLAN PROVISIONS

Portability and Conversion

Discontinued coverage may be ported to another group term product or converted to an individual policy. MainePERS is charged a fee for those active employees who convert to an individual policy upon termination from employment. Conversion charges are considered a cost of active, not retiree group life insurance.

RETIRED EMPLOYEES MEMBERSHIP

Service Retirement:	A retiree must have participated in the group life insurance program for at least 10 years and possess coverage just prior to retirement
Disability Retirement:	An employee must have participated in the group life insurance program immediately prior to disablement

Basic Insurance

Average final compensation calculated for retirement purposes

Amount of Insurance for a Retiree

Service Retirement:	The Basic Insurance will be reduced by 15% per year until the amount equal to the greater of (a) 40% of the initial Basic Insurance, or (b) $2,500.
Disability Retirement:	The amount of basic life insurance in force prior to retirement will be continued until normal retirement age. At normal retirement age, the amount of insurance will be reduced as for service retirement.

Retiree Contributions

State Employees:	None
Teachers:	None
PLDs:	PLD must pay $0.52 per month per $1,000 of base benefit, based on the coverage amounts declining from 100% to 40%.
Judges:	None
Legislators:	None

Normal Retirement Age

The specified age, the years of service requirement, or any age and years of service combination at which a participant may become eligible for unreduced service retirement benefits.

Discontinued Coverages at Retirement

- Supplemental Life
- Accidental Death and Dismemberment
- Dependent Life

Portability and Conversion

Does not apply.

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MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: DR. REBECCA M. WYKE, CHIEF EXECUTIVE OFFICER

SUBJECT: **2026 COST OF LIVING ADJUSTMENTS**

DATE: AUGUST 3, 2026

The Board of Trustees is mandated by law and rule to award a cost of living adjustment (COLA) on retirement benefits each September based on the increase in the Consumer Price Index (CPI-U) as of June 30th. The CPI-U for the year ending June 30, 2026, was 3.5%.

There are different legal requirements on setting this increase for the State-funded plans, the PLD Consolidated Plan, and the non-consolidated PLD plans.

For the State-sponsored plans, the increase this year is on the first $27,142.56 of benefits and capped at 3.0%. This means that the maximum COLA awarded will be $814.28. This base is indexed for inflation, so the maximum benefit eligible for a COLA will increase to $27,956.84 in 2027.

The increase for the PLD Consolidated Plan is paid on the total benefit and capped at 2.5%. This means the 2026 COLA will be 2.5% of the total benefit. The cap for withdrawn PLDs is 4.0%, which means the COLA awarded is 3.5% of the total benefit.

When the full COLA is not covered for the State-sponsored plans because of the cap, the Board must submit information and a supplemental budget request to the Governor regarding the additional cost to fund the full COLA. Cheiron has estimated the cost to be $72.7 million, broken down by group as follows: State, $27.4M; Teachers, $45.1M; Judges, $0.2 million; and Legislators, $0.04 million. The additional costs for the pay-as-you-go retired Governors' plan are estimated to be $846.00.

RECOMMENDATION

That the Board adopt cost-of-living adjustments of 3.0% of the COLA base for the State-sponsored plans, 2.5% for the PLD Consolidated Plan, and 3.5% for withdrawn PLDs, effective September of 2026, and that the System provide the Governor with the information and supplemental budget request required when the full COLA is not paid for the State-sponsored plans because of the cap.

MAINEPERS

BOARD OF TRUSTEES RULEMAKING MEMORANDUM

TO: BOARD MEMBERS

FROM: NANETTE ARDRY, GENERAL COUNSEL

SUBJECT: RULEMAKING UPDATE

DATE: AUGUST 3, 2026

I. Notices

This month, MainePERS plans to publish notice of intent to amend **Rule 204** (Waiver of Member Payment Requirement where Caused by Employer Error or Omission) to allow more member friendly opportunities for waivers of small amounts under $250, not impose interest where the amount due is the result of error or good faith mistake, or allow relief if payment would be unreasonable or create financial hardship. The amendments to **Rule 803** (Participating Local District Consolidated Retirement Plan), are to update a reference to the definition of part-time, seasonal temporary employee to refer to federal law instead of Rule 802 and to allow a member in a position under the plan may purchase creditable service if they were otherwise eligible regardless of whether the district specified the employee's position under the plan. MainePERS intends to repeal **Rule 802** (Participating Local Districts; Membership / Part-Time, Seasonal or Temporary Employees) as obsolete. A public hearing on these proposals is anticipated to be held at the September Board meeting with Board consideration as soon as October.

II. Public Hearings

The August Board Meeting will not include any public hearings.

III. Adoptions

The August Board meeting will include consideration of:

- Proposed amendments to **Rule 506** (Eligibility for Disability Retirement Benefits) are primarily to conform the rule to recently passed PL 2025, ch. 598, by removing or correcting language and references. Among other things, Chapter 598 allows members to earn more before they are considered capable of substantially gainful activity, makes earnings limitations less confusing and higher for many members, and eliminates the prospect of owing MainePERS money if a member exceeds earnings limitations. Proposed Amended **Rule 506** also allows a member who is reinstated to have been considered to be in service in the interim.

- Proposed Amendments to **Rule 513** (Disability Retirement Compensation Limitations and Benefit Offsets), similar to Rule 506, are to conform the rule to recently passed PL 2025, ch. 598, by removing or correcting language and references.

A public hearing was held at the July Board meeting and written comments were accepted through July 20, 2026. No comments were received at the public hearing and no written comments were received regarding the proposed amended **Rules 506 and 513**. Copies of the proposals and the proposed basis statements are provided in the Board materials.

POLICY REFERENCE

Board Policy 2.3 -- Rulemaking

Board Policy 4.5 – Board/Staff Relations

Board Policy 4.6 – Communications and Support to the Board

RECOMMENDATION

That the Board adopt amended Rule Chapters 506 and 513 and their respective basis statements.

PROPOSED REVISED RULE

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MainePERS)

Chapter 204: WAIVER OF ~~MEMBER~~ PAYMENT REQUIREMENT WHERE CAUSED BY ~~EMPLOYER~~ ERROR OR OMISSION

SUMMARY: This Chapter establishes standards for determining whether to grant a waiver under 5 M.R.S. §§ 17054(3), 17103(6) to a member, ~~or~~ retiree, or benefit recipient who, without the waiver, would be required to make payments to the Maine Public Employees Retirement System ("MainePERS") because of an ~~employer~~ error or omission.

SECTION 1. CRITERIA

In order to avoid imposing hardship on members, retirees, and benefit recipients while efficiently safeguarding ~~and maximize~~ the assets available for the payment of retirement and related benefits, waivers will be granted under 5 M.R.S. §§ 17054(3), 17103(6) ~~only~~ in ~~extraordinary circumstances meeting each of~~accordance with the following ~~criteria~~:

1. The payment obligation will be waived if the amount to be recovered is no more than $250.~~The member or retiree seeking the waiver did not cause or substantially contribute to the employer's error or omission;~~

2. Interest will not be charged if the payment obligation is the result of a mistake of or incorrect information provided by an employee of the retirement system or an employer or is the result of a good faith mistake by a member, retiree, or benefit recipient.

   The payment obligation will be delayed, satisfied over time, or waived to the extent that requiring payment would be unreasonable or create financial hardship upon consideration of the personal economic stability of the member, retiree, or benefit recipient.~~The member or retiree seeking the waiver could not have prevented the employer's error or omission through reasonable actions;~~

~~3. The member or retiree seeking the waiver took reasonable steps to timely discover and mitigate the error;~~

~~4. The member or retiree seeking the waiver cooperated with any action that MainePERS has taken to recover the payment from the employer;~~

~~5. Granting a waiver would not have a significant adverse effect on MainePERS or any of the programs administered by MainePERS; and~~

~~6~~3. ~~Failing to grant a waiver would cause a serious, not reasonably avoidable financial hardship to the member or retiree seeking the waiver.~~ In making this determination, the following factors must be considered:

   A. The total amount of the payment required;

   B. The amount of each installment payment if the payment may be made over time;

C. The member, ~~or~~ retiree~~'s,~~ or benefit recipient's personal and family income, earning potential, and assets; and

D. The amount required for the member, ~~or~~ retiree, or benefit recipient to pay for living necessities.~~; and~~

~~E. Whether the member or retiree received or will receive a benefit associated with the payment obligation.~~

~~**SECTION 2. WAIVER AMOUNT**~~

~~If a waiver is granted, the payment amount waived must be limited to that necessary to avoid a serious financial hardship to the member or retiree under the factors set forth in Section 1, subsection (6), above.~~

SECTION ~~3~~2. PROCEDURE

1. A request for a waiver must be submitted in writing to MainePERS~~the Executive Director within 30 days after receiving notice of the payment obligation and the process for requesting a waiver. The request must be accompanied by documentary proof establishing the criteria set forth in Section 1~~.

2. The member, ~~or~~ retiree, or benefit recipient seeking the waiver must fully cooperate with ~~the Executive Director's~~MainePERS' review of the request and promptly provide any ~~additional~~ relevant information requested by ~~the Executive Director~~MainePERS.

3. The submission of a waiver request suspends the payment obligation until the ~~Executive Director or the Executive Director~~Chief Executive Officer or their designee issues a written decision on the waiver request.

4. The ~~Executive Director or the Executive Director's~~Chief Executive Officer or thier designee will issue a written decision on the waiver request. If the decision is a denial of the request, the member or retiree seeking the waiver may appeal to the Board of Trustees pursuant to 5 M.R.S. §17451. The waiver request and any appeal of the request decision may be decided in conjunction with the determination of the underlying payment obligation.

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

EFFECTIVE DATE:
May 8, 2016 – filing 2016-081

94-411 MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter 803: PARTICIPATING LOCAL DISTRICT CONSOLIDATED RETIREMENT PLAN

SUMMARY: This chapter establishes a consolidated retirement plan, as required by 5 M.R.S. §18801 *et seq*. for local districts that are participating local districts under 5 M.R.S., Chapter 425 before the date the plan is put into operation and for local districts that enter into agreements for the participation of their employees in the Maine Public Employees Retirement System after The Plan is put into operation.

NOTE: 5 M.R.S., Chapter 421, *General Provisions*, is applicable to all activities relating to the Maine Public Employees Retirement System, including the subject matter of this chapter of the rules of the Board of Trustees ("Board"). 5 M.R.S., Chapter 427, *Participating Local Districts Consolidated Plan*, is the statute from which this chapter of the rules of the Board derives its authority and is applicable to all activity based upon this chapter.

SECTION 1. DEFINITIONS

1. **Local District**. "Local district" means:

   A. Any county, municipality, quasi-municipal corporation or incorporated instrumentality of the State or of one or more of its political subdivisions;

   B. Any incorporated association of employees of the State or employees of any of the entities set out in paragraph A;

   C. Any incorporated association of any of the entities set out in paragraph A;

   D. Any entity eligible to become a participating local district before January 1, 1976;

   E. Any entity participating in the Retirement System before January 1, 1976; or

   F. Any educational institution in the State teaching courses equivalent to or higher than secondary institutions.

   G. Any public charter school, as authorized by Title 20-A, chapter 112.

2. "**Consumer Price Index**" means:

   A. The Consumer Price Index for All Urban Consumers, CPI-U, as compiled by the Bureau of Labor Statistics, United States Department of Labor; or

   B. If the index described in paragraph A is revised or superseded, the Board must employ the Consumer Price Index compiled by the Bureau of Labor Statistics, United States Department of Labor that the Board finds to be most reflective of changes in the purchasing power of the dollar for the broadest population of consumers, including retired consumers.

3. "**Current Employer**" means the employer who is the member's employer at the time the member becomes a member under The Plan.

4. "**Member**" means any employee included in the membership of The Plan.

5. "**Normal Retirement Age**" means the specified age, the years of service requirement or any combination of age and years of service requirements at which a member becomes eligible for an unreduced retirement benefit.

6. "**Participant**" means any employee included in the defined contribution plan under this chapter.

7. "**Participating Local District**" means a local district which has approved the participation of its employees in the Retirement System under 5 M.R.S. §18201 or §18804.

8. "**The Plan**" means the defined benefit plan under the consolidated retirement plan for local districts established by 5 M.R.S., Chapter 427 (§18801 *et seq*.) and this chapter.

9. **Other Terms**. All other terms used in this chapter, unless the context otherwise indicates, shall have the same definitions as in 5 M.R.S. §17001.

SECTION 2. LOCAL DISTRICT PARTICIPATION

1. **Participating Local District Election**. Before July 1, 1996, the executive body or legislative body of each local district that is a participating local district under 5 M.R.S., Chapter 425 (§18201 *et seq*.) must, by resolution or order, elect one of the following options. Failure to make an election will have the same effect as electing paragraph B.

   A. **To Join The Plan**. A participating local district may elect to participate in The Plan in accordance with the requirements of 5 M.R.S. §18804. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement, to be signed by the authorized representative of the district and the Executive Director, specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:

      (1) Approval of the participation in The Plan;

      (2) The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees; and

      (3) The name or title of the person authorized to sign the agreement on behalf of the local district.

   B. **To Be Transferred to The Plan**. A participating local district may elect to have its participation in the Retirement System transferred to The Plan without electing the retirement benefit plan or plans for the district's employees.

(1) The Retirement System will transfer the district's employees to the plan or plans with the benefit level or levels closest to the district's current plan or plans.

(2) The resolution or order shall include the same information as that required under paragraph A, except that it shall state that the Retirement System is to determine the retirement benefit plan or plan that apply to the district's employees.

(3) The agreement as prepared by the Executive Director shall be as provided in paragraph A.

C. **To Withdraw from the Maine Public Employees Retirement System**. Subject to 5 M.R.S. §18203, a participating local district may withdraw from participation in the Retirement System. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254.

2. **Local District May Enter into Agreement for The Plan**. Any local district that is not a participating local district before July 1, 1993, may enter into an agreement for participation of its employees in the Retirement System only under The Plan and in the manner provided by 5 M.R.S. §18804, sub-§1 or 2. Upon receipt of the certified copy of the resolution or order and record of the vote, the Executive Director shall prepare an agreement specifying the parts of The Plan applicable to the district and the duties and rights of the district and the Retirement System. The resolution or order shall include:

A. Approval of the participation in The Plan;

B. The regular service retirement benefit plan and, if applicable, the special service retirement benefit plan elected from those provided by this chapter for the district's employees;

C. A list of classes, and a list by name and social security number, of any employees who are excluded from membership based upon their being provided for by local pension provisions;

D. Any limitations on the granting of service credits to employees for service before the beginning date of the participation of its employees in The Plan; and

E. The name or title of the person authorized to sign the agreement on behalf of the local district.

3. **Effective Date; Date of Operation; Date of Participation**

A. **Effective Date**. July 1, 1993, is the effective date of The Plan. Participating local districts and other local districts may enter into an agreement to participate in The Plan on and after that date.

B. **Date the Plan Goes into Operation**. The Plan will be put into operation as of July 1 immediately following the date when:

(1) The number of local districts that have entered into agreements for participation in The Plan with an election of regular service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System in regular service retirement benefit plans;

(2) The number of local districts that have entered into agreements for participation in The Plan with an election of special service retirement benefits for their employees exceeds 3% of the districts which as of that date are participating in the Retirement System special service retirement benefit plans; and

(3) In each instance the total number of members employed by districts that have entered agreements exceeds 5% of the total of all participating local district members in each category as of that date.

C. **Date of Participation**. The date of participation in The Plan for a participating local district is the first day of the month that most immediately follows the date on which the agreement for participation is signed by the Executive Director and the authorized representative of the participating local district or such later date stated in the agreement or amendment, unless The Plan is not then in operation, in which case, the date of participation is the date on which The Plan goes into operation.

4. **Full Withdrawal from The Plan**. A participating local district may fully withdraw from participation in The Plan by filing with the Board of Trustees a duly certified copy of the withdrawal vote of the body entitled to approve participation under 5 M.R.S. §18804, sub-§1 or 2. The withdrawal date is the later of the last day of the month following the month in which the certified notice is received by the Board or the last day of a later month specified in the notice. The effect of withdrawal on the district's employees is governed by 5 M.R.S. §18254, sub-§1 through 4.

1. A participating local district that withdraws from participation in The Plan must continue to make payments as required under Section 5, subsection 2.

2. Additionally, the withdrawing participating local district must make a withdrawal liability payment determined as follows:

(1) The System's actuary will calculate the pooled unfunded actuarial liability of The Plan as of the most recent valuation date that precedes the withdrawal date. The actuary will allocate a portion of the pooled unfunded actuarial liability to the withdrawing participating local district on the basis of the proportion of the withdrawing participating local district's total covered payroll to the total covered payroll of The Plan as of the valuation date.

(2) Unless otherwise agreed under subparagraph 3, the actuary will subtract from the withdrawing participating local district's portion calculated under subparagraph 1 the present value, as of the withdrawal date, of pooled unfunded actuarial liability payments the participating local district has made since the valuation and pooled unfunded actuarial liability payments the participating local district is expected to pay through the payment of employer contributions after withdrawal on those employees who remain active members. The difference is the withdrawal liability payment amount.

(3) As an alternative to subparagraph 2, the Executive Director and the withdrawing participating local district may agree that the withdrawal liability payment amount is the withdrawing participating local district's portion as calculated under subparagraph 1, reduced only by the present value, as of the withdrawal date, of any pooled unfunded actuarial liability payments the participating local district has made since the valuation. In that case, the withdrawing participating local district's obligations under paragraph A do not include payments under Section 5, subsection 2, paragraph C.

(4) The withdrawing participating local district may pay this withdrawal liability amount in a lump sum or amortize it over a period of up to 30 years at the actuarial assumed rate of return used in the most recent valuation that precedes the withdrawal date.

3. The withdrawing participating local district remains a participating local district subject to this rule until it has no remaining active members and all of its liabilities for inactive vested members, retired members and beneficiaries of retired members have been satisfied according to the requirements of federal and state law, and rules and policies governing satisfaction of liabilities.

4-1. **Partial Withdrawal from The Plan.** For purposes of this subsection, a partial withdrawal occurs when a participating local district elects a change under subsection 7 that excludes a category of employees from membership who would have been eligible for membership absent the change. In the case of a partial withdrawal, the participating local district must make a withdrawal liability payment calculated and paid in the same manner as set forth in subsection 4, paragraph B, except that the portion of The Plan's pooled unfunded actuarial liability that will be allocated to the partially-withdrawing participating local district will be based on the proportion of the district's covered payroll for that category of employees to the total covered payroll of The Plan as of the valuation date.

5. **Resumption of Participation after Withdrawal**. A participating local district that has withdrawn from The Plan under subsection 1, paragraph C or subsection 4 may resume participation in The Plan by taking the actions required by subsection 2.

A. A participating local district which has resumed participation and which thereafter again withdraws may not subsequently again resume participation before 3 years from the date of its immediately prior withdrawal.

B. A local district may resume participation only under the consolidated plan. The retirement benefit plan adopted by the local district on resumption is applicable to all current and future employees who are members if the plan results in a higher level of benefits for the district's employees. The plan adopted on resumption is applicable only to new employees if the plan results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.

C. **Effect on employees**. Except as set forth below in this paragraph C, employees of a local district which resumes participation in the Retirement System are eligible for membership in the System on the same basis as employees of a local district upon initial participation.

(1) Employees who did not withdraw from membership when the local district withdrew from participation in the System may continue membership on the same basis as before the resumption of participation and are entitled to any additional benefit provisions selected and any increase in the level of benefits provided under The Plan.

(2) Employees for whom membership was compulsory who withdrew from membership when the local district withdrew from participation in the System must resume membership in the System if membership with the local district remains compulsory upon the resumption of participation by the local district.

(a) These employees may receive service credits for previous membership service upon repayment of withdrawn accumulated contributions and applicable interest.

(b) These employees may not purchase service credits for periods of employment between withdrawal from membership and resumption of participation by the local district.

(3) Employees for whom membership was not compulsory and who elected not to become or remain a member may not be a member as an employee of that local district unless the employee is electing to rejoin The Plan and:

(a) The employee is covered by a plan provided by the employer under section 5 M.R.S. §18252-B with an employee contribution rate that is not lower than the employee contribution rate for the applicable plan under The Plan; and

(b) Employee contributions after rejoining The Plan qualify for treatment as pick-up contributions for federal tax purposes and the person's membership otherwise complies with the United States Internal Revenue Code as applicable to governmental qualified defined benefit plans.

(4) The participating local district may allow current employees who began service with the district after the district withdrew from participation to purchase service credits for service rendered from the time of hire to the resumption of participation. The purchase of such service credits is governed by 5 M.R.S. §18253, sub-§2, paragraphs A and B.

(5) If the district grants prior service credits, those service credits shall be based only upon the employee's employment with the district before the district's initial date of participation.

6. **Disbanded or Dissolved Districts**. The effect of the disbanding or dissolution of a district that participates in The Plan on the membership and benefits of its employees is governed by 5 M.R.S. §18255 and §18408.

7. **Change of Service Retirement Benefit Plan or Plans**. After beginning participation in The Plan, a participating local district may elect to change the service retirement benefit plan or plans which apply to the district's employees by following the same process set forth in Section 2 for participation in The Plan. The change is applicable to all current and future

employees who are members, if the change results in a higher level of benefits for the district's employees. The change is applicable to new employees only, if the change results in a lower level of benefits for the district's employees or results in a change from a plan with cost of living adjustments to a plan without cost of living adjustments.

The Executive Director shall prepare either a new agreement or an amendment to the district's agreement which will be signed by the authorized representative of the district and the Executive Director. The effective date of the change is the first day of the month that most immediately follows the date the new agreement or amendment to the agreement is signed by the authorized representative of the district and the Executive Director or such later date stated in the agreement or amendment.

8. If the retirement system determines that a certified action received under Section 2 is unclear, the chief administrative officer of the participating local district may clarify in writing any ambiguity in the certified action, and the retirement system may rely on that clarification.

SECTION 3. MEMBERSHIP

1. **Compulsory Membership**. Membership is compulsory for all employees who are in the service of a participating local district on the date when participation of the employees of that district in The Plan begins and who are members of the System on that date and for all employees entering the service of that district after that date, except as provided under subsection 2 and 3. A local district that is not a participating local district before July 1, 1993, shall designate in its resolution or order approving participation any class of employees otherwise provided for by local pension provisions who are excluded from membership in The Plan as provided under 5 M.R.S. §18804, sub-§3.

2. **Optional Membership**. Optional membership under The Plan for employees of participating local districts is governed as follows:

   A. **Member When Participation of Employees Begins**. Membership is optional for employees in the service of a local district on the date when the participation in the Retirement System of the employees of the local district first begins, whether under 5 M.R.S., Chapters 425 or 427.

   B. **Elected or Appointed Officials**. Membership is optional for elected officials and officials appointed for a fixed term.

   C. **Trustees of Water, Sanitary and Sewer Districts**. Membership of trustees of water, sanitary and sewer districts is subject to the following:

      (1) **Water districts**. Membership of trustees of a water district is governed by 35-A M.R.S., §6410, subsection 8;

      (2) **Sanitary districts**. Membership of trustees of a sanitary district is governed by 38 M.R.S. §1104.

      (3) **Sewer districts**. Membership of trustees of a sewer district is governed by 38 M.R.S. §1036.

D. **Employees Covered by Social Security**. Membership is optional for an employee of a participating local district who is covered under the *United States Social Security Act*. Except as provided by paragraph H, optional membership for those employees is subject to 5 M.R.S. §18252.

E. **Employees Not Covered by Social Security**. Membership is optional for any employee of a participating local district that does not provide Social Security coverage provided that the district offers an alternative plan that meets the requirements of 5 M.R.S. §18252-B, and provided that the employee participates in the alternative plan. Optional membership for those employees is subject to 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

F. **Chief Administrative Officer**. Membership is optional for a chief administrative officer of a participating local district, whether appointed for a fixed term or whether appointed with tenure.

G. **Employees Not Subject to Municipal Public Employees Labor Relations Law**. Membership is optional for those employees who are not subject to the municipal public employees labor relations laws contained in 26 M.R.S., Chapter 9-A.

H. Membership for employees of a participating local district that provides a plan under 5 M.R.S. §18252-B is governed by 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

I. The provisions of 5 M.R.S. §18252-C apply only to employees of participating local districts who specifically adopt them in their participation agreement.

3. **Part-Time, Seasonal or Temporary Employees**. Membership of part-time, seasonal and temporary employees, as defined by 26 CFR Part 31~~Chapter 802 (94-411 CMR 802) of the rules of the Board~~ is determined by the election made by each participating local district under Section 2.

4. **Cessation of Membership**. A member ceases to be a member of the Retirement System if the member:

A. **Withdrawal**. Withdraws accumulated contributions;

B. **Beneficiary**. Becomes a beneficiary as a result of the member's own retirement; or

C. **Death**. Dies.

5. **Service in the Armed Forces**. The membership of the following members under The Plan is considered to have continued during the period of the member's service in the Armed Forces of the United States:

A. Any member entering a class of service in the Armed Forces of the United States approved by resolution of the Board, if the member does not withdraw accumulated contributions;

B. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States; and

C. Any member who enlists in or is inducted or drafted into the service of the Armed Forces of the United States while the *United States Selective Service Act of 1948*, Public Law 759, or any of its amendments or extensions is in effect.

SECTION 4. PORTABILITY OF SERVICE CREDITS; ELIGIBILITY TO RETIRE, COMPUTATION OF BENEFIT

1. **Two or More Employers under The Plan**. A member's benefits are based upon all creditable service with all participating employers while a member under The Plan, and creditable service with the member's employer on the date the member began participation under The Plan. When a member under The Plan terminates employment and is subsequently reemployed by another employer whose employees participate in The Plan, the member is not considered to be reemployed by a new employer. If the member is reemployed by the subsequent employer as of the first work day following termination of employment with the previous employer, for the purpose of determining eligibility for benefits, the member is considered to have continuous membership and creditable service.

2. **Previous Employer Not under The Plan**; Subsequent Employer under The Plan. When a member either terminates employment with an employer that has withdrawn from the System, or terminates employment with another employer under the System whose employees are not covered by The Plan, and is employed by a subsequent employer whose employees are members under The Plan, the member's creditable service with the previous employer is used in determining eligibility to retire under the subsequent employer's regular service retirement benefit plan under Section 7. Benefits for service with the previous employer are based upon creditable service and earnable compensation with the previous employer and the provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer at the date of termination of service by the member. A county or municipal law enforcement officer or a municipal firefighter who is eligible under 5 M.R.S. §18253, sub-§1, paragraph E, and who elects to make the contribution necessary under Section 5, subsection 1, paragraph K may include all or part of the creditable service earned with a previous employer with service earned with the new employer both for the purpose of qualification for a service retirement benefit and for the benefit computation.

3. **Previous Employer under The Plan**; Subsequent Employer Not under The Plan. Membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed as a state employee or teacher are governed by 5 M.R.S. §17656, sub-§1. Until July 1, 1996, membership, creditable service and benefits of a member under The Plan who terminates employment and is reemployed by a participating local district whose employees do not participate in The Plan are governed by 5 M.R.S. §18253, sub-§1. As required by Section 2, paragraph 1, as of July 1, 1996, each local district that is a participating local district must have either entered into an agreement to participate in The Plan or have withdrawn from participation in the Retirement System.

4. **Service under Two or More Special Service Retirement Benefit Plans; Eligibility to Retire**. If a member accrues service credits under more than one special service retirement benefit plan in The Plan, whether with the same employer or more than one employer, credit from service under other special plans toward meeting the retirement eligibility requirements of the special plan from which the member retires is transferred based upon the percentage of the eligibility requirements for the previous plan or plans which were met while under the previous plan or plans. For example, a member who accrues 10 years of creditable service under Special Service Retirement Benefit Plan 1 (1/2 of AFC after 20 years) would have completed 50% of the eligibility requirement under that plan and upon transferring to employment under Special Service Retirement Benefit Plan 2 (1/2 of AFC after 25 years) would be entitled to 50% of the eligibility requirements for that plan; i.e., 12.5 years. The member's benefit would be calculated at 2.5% of AFC for each year under Plan 1 and at 2% for each year under Plan 2.

5. **Service under Two or More Service Retirement Benefit Plans – One Regular and One Special; Eligibility to Retire**

A. **Regular Service before Special Service**. If a member under The Plan accrues service credits under a regular service retirement plan before accruing service credits under a special service retirement benefit plan, whether with the same employer or more than one employer,

(1) the member may retire at any time after the member qualifies for a special service retirement benefit under Section 8. The regular plan service credits may be used toward qualifying to retire under a special service retirement benefit as provided in Section 8. The regular plan service credits used towards qualification for a special service retirement benefit are considered to be special plan service credits for the purpose of computation of the special service retirement benefit as provided in Section 8. If the application of the provisions of Section 4, subsection 6 would result in a greater service retirement benefit, then the benefit will be computed under that section.

(2) A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.

B. **Special Service before Regular Service**. If a member under The Plan accrues service credits under a special service retirement benefit plan before accruing service credits under a regular service retirement benefit plan, whether with the same employer or more than one employer,

(1) before qualifying to retire under a special service retirement plan, the member may retire at any time after completing 25 years total service or reaching normal retirement age with at least one year of service. The service retirement benefit for all service is computed as provided in Section 7.

(2) after qualifying to retire under a special service retirement plan, the member may retire at any time. The portion of the benefit that is based upon service credits under a regular service retirement benefit plan is subject to early retirement reduction if retirement is before normal retirement age. The portion of any benefit paid to a member that is based upon service credits under Special Service Retirement Benefit Plan 4 is also subject to early retirement reduction, if retirement is before age 55.

6. **Service under Two or More Service Retirement Benefit Plans; Computation of Benefits.** When a member has creditable service under two or more service retirement benefit plans, the appropriate benefit formula is applied to each period of service as provided by Section 7, "Regular Service Retirement Benefits Plans" and Section 8, "Special Service Retirement Benefit Plans". All benefits based upon creditable service under The Plan are based upon one calculation of average final compensation.

SECTION 5. CONTRIBUTIONS

1. **Member contributions**

A. **Active Member**. Each member under The Plan shall contribute to the Retirement System or have pick-up contributions made by the employer at a rate provided by Sections 7, 8, and 9. The contribution rate for a member is the rate assigned to the retirement benefit plan under which the member is accruing service credits.

B. **Former Members; Service under The Plan**. Any former member who, after having terminated service while a member under The Plan and having withdrawn accumulated contributions, again becomes a member under The Plan may repay the withdrawn contributions to the Members' Contribution Fund under the following conditions:

(1) **Time**. The repayment must be made before the date any retirement benefit becomes effective for the member.

(2) **Manner of Repayment**. The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

(3) **Amount of Repayment**. The amount of repayment must be equal to the withdrawn accumulated contributions plus interest on the amount of those accumulated contributions, beginning on the date of withdrawal to the date the repayment or repayments are made, at a rate to be set by the Board not to exceed regular interest by 5 or more percentage points.

(4) **Credit under The Plan**. Except as provided in paragraph C, only withdrawn contributions relating to creditable service under The Plan may be repaid for service credit under The Plan.

C. **Service Not under The Plan**

(1) **Withdrawn Contributions**

(a) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining eligibility to retire under the applicable regular service retirement benefit plan under Section 7. Benefits for that service are calculated based on that service and on earnable compensation related to that service in accordance with applicable provisions of 5 M.R.S., Part 20 in effect with respect to the previous employer's regular service retirement plan immediately before that employer's employees became members under The Plan. The additional liability relating to the service credits granted under this division becomes part of the previous employer's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(b) Any member who had service while not a member under The Plan and having withdrawn contributions relating to that service may repay the withdrawn contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 1 to 3. Creditable service related to these repaid contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. Unless the service was with the same employer that is the member's employer at the time the contributions are repaid, the contributions provided for under this subparagraph may be repaid only after the participating local district that is the member's employer at the time the contributions are repaid agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(2) **Non-member Service**

(a) Subject to the personnel rules or policies of the member's employer at the time of the service; provided the member has continued to be employed by that employer; and subject to 5 M.R.S. §18305-B, a member who had service as an employee of a participating local district for which contributions were not made may receive service credit for that service upon paying the appropriate contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 2 and 3. Creditable service related to these contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. The additional liability relating to the service credits granted under this division becomes part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

(b) Subject to 5 M.R.S. §18305-B, a member who had service as an employee of any participating local district for which contributions were not made may receive service credit for that service upon paying the appropriate contributions to the Members Contribution Fund under the conditions specified in paragraph B, subparagraphs 2 and 3. Creditable service related to these contributions is used in determining that a member is qualified to retire and in the computation of retirement benefit under the applicable service retirement benefit plan under Section 7 or Section 8. The contributions provided for under this subparagraph may be made only after the participating local district that is the member's employer at the time the contributions are made and the service credits are granted agrees to assume the additional liability incurred as part of the district's unpooled unfunded actuarial liability as provided in subsection 2, paragraph A, subparagraph 2.

D. **Optional Members with non-member service**. The purchase of service credit for a member for whom membership is optional under Section 3, subsection 2 who had service as an employee of a participating local district for which contributions were not made is governed by 5 M.R.S. §18305-B, provided that the member has continued to be employed by the same employer as that during which no contributions were paid.

E. **Former Member**; Withdrawal by Employees Not Covered by Social Security. In addition to paragraphs B and C, the repayment of contributions that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

F. **Service in the Armed Forces before Becoming a Member**. A member who qualifies under Section 6, subsection 4, paragraph B, sub-paragraphs 1 through 4, shall contribute to the Retirement System for the period of service in the Armed Forces under the following terms and conditions:

(1) Contributions are calculated at the percentage rate required of active members during the period of time covered by the service in the Armed Forces applied to the member's earnable compensation during the first year as an employee subsequent to service in the Armed Forces under the following terms and conditions:

(a) The payment may not be made until the member has accumulated at least 15 years of creditable service and must be made before the date any retirement benefit becomes effective for the member;

(b) If 2 or more percentage rates were in effect during the period of service in the Armed Forces, the highest percentage rate is used;

(c) The minimum rate is 5%; and

(d) Interest at a rate set by the board not to exceed regular interest by 2 or more percentage points is paid on the unpaid balance beginning January 1, 1976, or the date of attaining 15 years of creditable service, if later, to the date payment is made.

(2) **Manner of Repayment**. The repayment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

G. **Service in the Armed Forces after Becoming a Member**. For members who qualify to have their membership in the Retirement System continued under Section 3, subsection 5 because of service in the Armed Forces of the United States, the participating local district shall contribute to the Members' Contribution Fund the same amount that the member would have been required to contribute if the member had been serving the district during the period of service in the Armed Forces in the same capacity in which the member was serving at the time the member joined the Armed Forces. Any member whose contributions to the Members' Contribution Fund are paid by the district under this subsection, who withdraws or ceases to be a member of the Retirement System, may not withdraw any of the contributions made by the district under this subsection. Upon receiving written certification and substantiation from the member's employer that a member has met the requirements of Section 3, subsection 5 and Section 6, subsection 4, paragraph A, the System shall calculate the member contributions applicable to the period of service in the Armed Forces. The participating local district by which the member is employed is responsible for those contributions and will be billed by the System.

H. **Out-of-state Service**. A member who qualifies under Section 6, subsection 5, must make contributions into the Members' Contribution Fund for the years of out-of-state service under the following terms and conditions:

(1) Contributions are calculated on the same basis as the member would have made contributions had the service been in the State;

(a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement System and must be made before the date any retirement benefit becomes effective for the member; and

(b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

I. **Refund of Contributions**. Refunds of contributions to members under The Plan are subject to 5 M.R.S. §§ 18306-A and 18307-A.

J. **Teachers in Private, Parochial and Other Schools**. A member who qualifies under Section 6, subsection 8, must make contributions into the Members' Contribution Fund for the years of private, parochial or other school service under the following terms and conditions:

(1) Contributions are calculated on the same basis as the member would have made contributions had the service been as a state employee or teacher in the State. The member's earnings for the years of private or parochial teaching must be assumed to have been the same as the average salary for teachers in the State as determined by the Department of Education for each of the years when the private or parochial school teaching took place.

(a) The payment may not be made until the member has accumulated at least 20 years of creditable service in the Retirement system as a member of the participating local district and must be made before the date any retirement benefit becomes effective for the member;

(b) Interest at a rate, to be set by the Board, not to exceed regular interest by 5 or more percentage points is paid on the unpaid balance. Interest shall be computed from the end of the year when those contributions would have been made, if the service had been as a state employee or teacher in the State, to the date of payment.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

K. **Portability of Service**. A member who elects under 5 M.R.S. §18253, sub-§1, paragraph E to include all or part of the creditable service and earnable compensation from a prior plan with service earned under The Plan may do so under the following terms and conditions:

(1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior plan creditable service and earnable compensation with service earned under The Plan.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

L. **Back contributions for certain days off without pay**. A member who elects under 5 M.R.S. §18305-C to include compensation that would have been paid for days off without pay in order to include those earnings in the calculation of the member's average final compensation as provided in 5 M.R.S. §17001, sub-§4, paragraph A, may do so under the following terms and conditions:

(1) **Election**. If the retirement system determines at the time a member retires that the member's benefit would be increased as a result of the inclusion of compensation that would have been paid for days off without pay, the retirement system shall advise the member of that result and shall allow the member to elect to have that compensation included in the calculation of the member's benefit and to make payments as set forth in subsection 2.

(2) **Payment**. The amount that a member who makes the election permitted in subsection 1 must pay is the amount equal to the employee contribution that member would have made on compensation that would have been paid to that member on the days off without pay, plus interest at the same rate as

that required for repayment of withdrawn contributions pursuant to section 18304. If the member elects to make the payment, the retirement system shall withhold the required amount from the member's first retirement benefit check.

(3) **Benefit calculation**. If a member fails to make the election within 31 days of the notification provided under subsection 1, the retirement system shall calculate the member's retirement benefit without inclusion of the compensation that would have been paid for the days off without pay.

M. **Law enforcement service before becoming a member.** A member who qualifies under Section 6, subsection 10 must make contributions into the Members' Contribution Fund for the period of law enforcement service under the following terms and conditions:

(1) Before any retirement benefit becomes effective for that member, the member must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior law enforcement service credit with service earned under The Plan.

(2) **Manner of Payment**. The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

N. **Nonmilitary public employee of the United States Government service before becoming a member.** A member who qualifies under Section 6, subsection 11 must make contributions into the Member's Contribution Fund for the period of nonmilitary public employment with the United States Government under the following terms and conditions:

(1) Before any retirement benefit becomes effective for that member, the member must pay into the Member's Contribution Fund an amount that together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the inclusion of the prior nonmilitary public employment with the United States Government service credit with service earned under The Plan.

(2) **Manner of Payment.** The payment must be made to the Retirement System consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

2. **Employer Contributions**. Contributions by participating local districts whose employees are members under The Plan are subject to 5 M.R.S. §18303, except that contributions and pickup contributions are to be calculated according to Sections 7, 8, and 9, and the following:

A. **Unpooled Unfunded Actuarial Liability Contribution**. Each participating local district with employees who are members under The Plan shall make a contribution known as the "Unpooled Unfunded Actuarial Liability Contribution" based upon:

(1) its Initial Unpooled Unfunded Actuarial Liability, which is the excess of projected liabilities allocated to future benefit payments to current recipients of benefits and to current members as of the date its employees begin participation under The Plan over the sum of the participating local district's assets on hand as of that date and its future employer and member normal contributions. The rate for this portion of Unpooled Unfunded Actuarial Liability Contribution shall be determined by a valuation made by the System's actuary for each participating local district with employees who are members under The Plan; and

(2) any adjustments to the Initial Unpooled Unfunded Actuarial Liability attributable to that district separately. The rate for this portion of the Unpooled Unfunded Actuarial Liability Contribution shall be added to or subtracted from the rate determined under a.

(3) if the calculation required by (1) or (2) above results in a credit balance, the balance may, at the discretion of the participating local district, be applied as an offset against the monthly contribution required in an amount no greater than the total amount of the monthly contribution against which the offset is applied.

B. **Normal Contribution**. Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as a "Normal Contribution" based upon the portion of projected liabilities attributable to service of all members under the several benefit plans under The Plan for the year following the valuation. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and in accordance with Sections 7, 8, and 9.

C. **Pooled Unfunded Actuarial Liability Contribution**. Each participating local district with employees who are members under The Plan, along with those members pursuant to Sections 7, 8, and 9, shall make a contribution known as the "Pooled Unfunded Actuarial Liability Contribution" based upon the Pooled Unfunded Actuarial Liability. This liability is equal to the present value of all projected benefits for current and future members, including employer contributions related to military service credit under The Plan, less the present value of future member and employer normal contributions, the assets of The Plan and the present value of all Unpooled Unfunded Actuarial Liability contributions. This rate of this contribution shall be determined annually in accordance with Sections 7, 8, and 9.

D. **Disability Benefit Contribution**. Each participating local district with employees who are members under The Plan shall make a contribution known as a "disability benefit contribution" based upon the expected value of future disability benefits to be paid to those employees, and to employees who are participants in the defined contribution 401(a) plan under this chapter but who are not members under The Plan, as a result of disablements occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution 401(a) plan under this chapter who are not members under The Plan.

E. **Death Benefit Contribution**. Each participating local district with employees who are members under The Plan shall make a contribution known as a "death benefit contribution" based upon the expected value of future death benefits to be paid to beneficiaries of those employees and to beneficiaries of employees who are participants in the defined contribution plan under this chapter as a result of deaths occurring during the year following the valuation date. The rate of this contribution shall be determined annually by a valuation made by the System's actuary based upon the membership data relating to all members under each benefit plan under The Plan and participants in the defined contribution plan under this chapter.

SECTION 6. CREDITABLE SERVICE

1. **Determination of Service Credits**. The determination of service credits for members under The Plan is subject to Chapter 401 (94-411 CMR 401) of the rules of the Board.

2. **Prior Service**; Service Before Effective Date of District's Participation. Service credit for service as an employee of a local district before the beginning date of the participation of the

employees of a participating local district in the Retirement System shall be granted upon certification by the district, subject to limitations in the district's agreement as provided by Section 2, subsection 2, paragraph D and statutes and rules in effect at the time the service was rendered.

3. **Former Member**

A. **Member who Terminated Service**. Upon complete payment of the withdrawn contributions under Section 5, subsection 1, paragraph B, a member shall be granted service credit for the period of time for which the contributions have been repaid. Upon making partial payment of the withdrawn contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.

B. **Service Not under The Plan**. Upon complete payment of the contributions under Section 5, subsection 1, paragraph C, a member shall be granted service credit for the period of time for which the contributions have been paid. Upon making partial payment of the contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the Board.

C. **Contributions Withdrawn by Employees Not Covered by Social Security**. The granting of creditable service upon repayment of contributions, under section 5, subsection 1, paragraph E, that were withdrawn by a member who is an employee of a participating local district that is not covered under a Social Security Section 218 agreement but that has a plan that meets the requirements of 5 M.R.S. §18252-B is subject to the provisions of 5 M.R.S. §18252-A as amended by PL 2021, c. 90.

4. **Service in the Armed Forces**. Service credit for service in the Armed Forces of the United States is governed as follows:

A. **Service after Becoming a Member**. A member is entitled to service credit for the period of time during which the member's membership is continued under Section 3, subsection 5 under the following terms and conditions. Except as provided in subparagraph 3, service credit under this subsection is limited to 5 years.

(1) A member's separation from service in the Armed Forces of the United States must be under conditions other than dishonorable.

(2) A member is not entitled to service credit for military leave if the member's return to membership service is delayed beyond 90 days after separation from the service in the Armed Forces, unless the delay is caused by an illness or disability incurred in the service in the Armed Forces.

(3) A member may not receive service credit for military leave beyond the end of the period of first enlistment or induction or beyond 5 years from the date of original call to active duty in the Armed Forces, whichever is less, unless:

(a) The member's return to active duty in the Armed Forces or the extension of the period of service beyond 5 years is required by some mandatory provision; and

(b) The member presents proof of the return to or extension of service satisfactory to the Board.

B. **Service before Becoming a Member**. A member who served as a full-time active duty member of the Armed Forces of the United States before becoming a member of the Retirement System is entitled to service credit for the period of time the member served in the Armed Forces, under the following terms and conditions. Service credit

under this subsection is limited to 4 years.

(1) Except as provided in paragraph 6, on the date of retirement, the member must have at least 15 years of creditable service.

(2) The member must have separated from the Armed Forces under conditions other than dishonorable.

(3) Except as provided in subparagraph 4, the member must have begun membership before January 1, 1976.

(4) Except as provided in paragraph 6, a member who served in the Armed Forces during any federally recognized period of conflict, as defined in 5 M.R.S. §18360(2)(E), is entitled to service credit under this paragraph.

(5) Upon complete payment of the back contributions under Section 5, subsection 1, paragraph F, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

(6) **Alternative**. A member who fails to meet one or more of the terms and conditions required under paragraphs 1, 3 and 4 may purchase service credit as provided in this paragraph. The member must have at least 5 years of creditable service and, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Any member who purchases service credit under this paragraph who subsequently, without inclusion of the purchased service credit and prior to retirement, meets the terms and conditions of paragraphs 1, 2 and 4 is entitled to purchase the service credit under Section 5, subsection 1, paragraph F and to receive a refund of the amount paid under this paragraph that exceeds the cost to purchase the service under Section 5.

5. **Out-of-state Service**. For members who began membership before January 1, 1976, additional service credit shall be allowed for out-of-state service, subject to the following conditions.

A. **20 Years of Creditable Service**. The member must have creditable service in the Retirement System of at least 20 years in the aggregate;

B. **Last 10 Years in Maine; 10 Year Limit**. The member's last 10 years of creditable service before the date of retirement must be in the State and no more than 10 years of service credit may be allowed for out-of-state service; and

C. **Payment of Contributions**. Upon complete payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph H, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

D. **Alternative**. If service credit for out-of-state service is not allowed under paragraph A and B, service credit for out-of-state service shall be allowed if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

E. **Service Credit not to be Used in Another State**. Any application for a retirement benefit for which out-of-state service credit is to be granted must be accompanied by a certified statement from the appropriate retirement system that the out-of-state service credit granted has not been or will not be used to obtain benefits in another state.

6. **Disability Retirement Service Credit**. A recipient of a disability retirement benefit shall receive service credit for the purpose of determining benefits under The Plan for the period of time following termination of service during which disability retirement benefits are being received under 5 M.R.S. Chapter 425, subchapter V, article 3-A.

7. **Unused Sick Leave or Vacation Leave**

A. **Earnable Compensation.** A member's earnable compensation does not include payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, or any other payment that is not compensation for actual services rendered or that is not paid at the time the actual services are rendered, except that for a member with at least 20 years of creditable service under The Plan at the effective date of the member's retirement, and for a recipient of a disability retirement benefit, earnable compensation includes payment for unused accumulated or accrued sick leave, unused vacation time, or a combination of both, up to a maximum of 30 days, if paid upon the member's last termination before the member applies for retirement benefits.

B. **Service Credit.** A member may not receive service credit for unused accumulated or accrued sick leave, unused vacation leave, or a combination of both, for which a member is credited on termination of service, but for which the member does not receive payment, except under the following conditions.

(1) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a member with at least 20 years of creditable service under The Plan, before the application of this sub-paragraph, at the effective date of the member's retirement.

(2) Leave, up to a lifetime maximum of 90 days, qualifies for service credit for a recipient of a disability retirement benefit, at the effective date of the member's disability retirement.

(3) Leave, including leave beyond 90 days, may qualify for service credit, up to the maximum number of days of leave, set by personnel rules or by contract, that a person is allowed to accumulate, if, the member, before any retirement benefit becomes effective for the member, pays into the Members' Contribution Fund, a single payment which is the actuarial equivalent, at the effective date of the member's retirement benefit, of the portion of the member's retirement benefit based on the additional creditable service beyond 90 days.

8. **Teachers in Private, Parochial and Other Schools**. A member who taught in a parochial school or in a public or private academy may purchase up to 10 years of service credit for that service under the following conditions.

A. The member must have taught in a school approved by the Department of Education or the education department of another state while holding an appropriate teaching certificate;

B. **20 Years of Creditable Service**. The member must have 20 years of creditable service as a member of the participating local district;

C. **Membership before January 1, 1976**. The member must have begun membership before January 1, 1976;

D. **Last 10 Years in Participating Local District**. The member's last 10 years of creditable service before the date of retirement must be as a member of the participating local district; and

E. **Payment of Contributions**. Upon complete payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under Section 5, subsection 1, paragraph K, subparagraph 2, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board.

F. **Alternative**. If service credit for private, parochial or other school service is not allowed under paragraphs B and C, additional service credit is allowed for any member who meets the requirements of paragraphs A and D, if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement

benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

9. **Other Schools and Programs**. A member who terminates service in the State and teaches under the Volunteers in Service to America Program, the Fulbright Exchange Program or the Peace Corps, foreign or domestic, or teaches children of United States Foreign Corps personnel outside the continental limits of the United States is entitled to service credit for that service under the following conditions.

   A. **2 Year Limit**. The service credit may not exceed 2 years.

   B. **Return to Active Service**. The member must return to active service as a member of the retirement system within one year of the completion of the teaching outside of the State described in this section.

   C. **Payment of Contributions**. The member, before any retirement benefit becomes effective for that member, must pay into the Members' Contribution Fund an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Payments must be made consistent with Chapter 406 (94-411 CMR 406) of the rules of the Board.

10. **Law enforcement service before becoming a member.** A member who served as a full-time law enforcement officer with a federal, state, county or local law enforcement agency before becoming a member, and who did not decline membership under section 3, subsection 2, during the period of prior law enforcement service, is entitled under this subsection to purchase service credit for the period of time that the member served as a law enforcement officer under the following conditions:

   A. **15 years of creditable service.** The member must have at least 15 years of creditable service at the time of retirement.

   B. **4 year limit.** Service credit purchased under this subsection is limited to 4 years.

   C. **Service credit not to be used for other benefits.** The member must provide a certified statement from the appropriate retirement system that the service credit to be granted has not been and will not be used to obtain other retirement benefits.

   D. **Payment of contributions.** The member must complete payment of contributions as required by Section 5, subsection 1, paragraph M.

      (1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

      (2) If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

11. **Nonmilitary public employee of the United States Government service.** A member who served as a nonmilitary public employee of the United States Government before becoming a member is entitled under this subsection to purchase service credit for the period of time that the member served as a nonmilitary public employee of the United States Government under the following conditions:

   A. **5 year limit.** Service credit purchased under this subsection is limited to 5 years.

B. **Payment of contributions.** The member must complete payment of contributions as required by Section 5, subsection 1, paragraph N.

(1) Additional amounts paid under this subsection shall become a part of the member's accumulated contributions.

(2) If any retirement benefit becomes effective before the completion of payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service.

SECTION 7. REGULAR SERVICE RETIREMENT BENEFIT PLANS

Payment of benefits to members under The Plan is subject to the provisions of 5 M.R.S. §§ 18403 – 18405-A, 18409 - 18413.

1. **Regular Benefit Plan AC**. Regular Benefit Plan AC may be elected by any participating local district or local district.

A. **Contribution Rate**. Subject to Section 15, subsection 1, and the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee;

(3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.; and

(4) Rates shall reflect any differences in actuarial assumptions and experience and shall be based on whether the member is subject to paragraphs B or B-1.

B. **Qualification for Benefit Prior to July 1, 2014**. A member of The Plan prior to July 1, 2014 qualifies for a service retirement benefit under this paragraph when one of the following occurs:

(1) The member is in service when reaching 60 years of age, or is in service after reaching 60 years of age, and has been in service for a minimum of one-year immediately before retirement or except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;

(2) The member is not in service when reaching 60 years of age, and except as provided in sub-paragraph 4 has at least 10 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or

(3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.

(4) The member has at least 5 years of creditable service, which, for the purpose of determining completion of the 5-year requirement, may include creditable service as a member of the Legislative Retirement Program, and:

(a) Was in service on October 1, 1999;

(b) Had left prior to October 1, 1999 with or without withdrawing contributions and on or after October 1, 1999 returned to service; or

(c) Was first in service on or after October 1, 1999.

B-1. **Qualification for Benefit after July 1, 2014**. A member who was not covered by The Plan prior to July 1, 2014 qualifies for a service retirement benefit under this paragraph when one of the following occurs:

(1) The member is in service when reaching 65 years of age, or is in service after reaching 65 years of age, and has been in service for a minimum of one year immediately before retirement or has at least 5 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8;

(2) The member is not in service when reaching 65 years of age and has at least 5 years of creditable service, which may include creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8; or

(3) The member has completed 25 or more years of creditable service, which may include, for the purpose of meeting eligibility requirements, creditable service as a member of the Legislative Retirement Program under 3 M.R.S. §701, sub-§8.

C. **Computation of Benefit - Retirement at Normal Retirement Age or Later**. Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified under paragraph B, subparagraphs 1, 2 or 4 or under paragraph B-1, equals:

(1) 1/50 of the member's average final compensation multiplied by the number of years of creditable service under The Plan; and

(2) For members retiring prior to September 1, 2028, if the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:

(a) 1/50 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/50 formula;

(b) 1/60 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/60 formula; and

(c) 1/70 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/70 formula.

For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under The Plan.

(3) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under The Plan.

(4) For members retiring prior to September 1, 2028, if the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit. For members retiring on or after September 1, 2028 the benefit will be calculated as if the service had been under The Plan.

D. **Computation of Benefit - Retirement before Normal Retirement Age - With Creditable Service of 25 Years or More**. Subject to the requirements of Section 4, subsections 5 and 6, the amount of the service retirement benefit for a member who retires prior to normal retirement age shall be computed as follows:

(1) The amount of the service retirement benefit for a member qualified under paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:

(a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.

(b) For the purpose of making the computation under division a, the Board-approved tables of annuities in effect at the date of the member's retirement shall be used.

(2) The amount of the service retirement benefit for a member qualified under paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that the benefit is reduced by 6% for each year that the member’s age precedes 65 years of age.

(3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under paragraph C shall be reduced to reflect the full actuarial impact of the early retirement.

E. **Cost of Living Adjustments**. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

2. **Regular Benefit Plan AN**. Regular Benefit Plan AN may be elected by any participating local district or local district.

This benefit plan is the same as Regular Benefit Plan AC, except that there is no provision for cost of living adjustments.

3. **Regular Benefit Plan BC**. Regular Benefit Plan BC may be elected by any participating local district or local district which covers its employees under the Federal Social Security program under a Section 218 Agreement. Any current employee who was a member under a plan which provided benefits under the 1/50 or 1/60 formula with a cost of living adjustment may elect to be under Regular Benefit Plan A and any current employee who was under a plan which provided benefits under the 1/50 or 1/60 or 1/70 formula without cost of living adjustments may elect to be under Regular Benefit Plan AN. Regular Benefit Plans AC and AN require that members make contributions at the rate as set forth in subsections 1 and 2. For the purposes of this subsection, "current employee" means a person whose employment with a participating local district began prior to the date on which participation in The Plan for that district's employees begins and who is a member as an employee of that district on that date.

A. **Contribution Rate**. Employer and employee contribution rates are set in the same manner and subject to the same requirements as Regular Benefit Plan AC.

B. **Qualification for Benefit**. The requirements for a member to qualify for a service retirement benefit under this paragraph are exactly the same as under Regular Benefit Plan AC - subsection 1, paragraphs B and B-1.

C. **Computation of Benefit - Retirement at Normal Retirement Age or Later**. Subject to the requirements of Section 4, subsection 6, the total amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 1, 2 or 4 or under subsection 1, paragraph B-1 equals:

(1) 1/100 of the member's average final compensation multiplied by the number of years of membership service under The Plan; and

(2) For members retiring prior to September 1, 2028, if the member had creditable service, with the member's current employer before that employer's employees were under The Plan, the benefit for that creditable service is calculated on the basis of:

(a) 1/50 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/50 formula;

(b) 1/60 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/60 formula; and

(c) 1/70 of the member's average final compensation multiplied by the number of years of creditable service, if, before being under The Plan, the service retirement benefit for that employer's employees was based upon the 1/70 formula.

For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under Regular Benefit Plan AC.

(3) For member retiring prior to September 1, 2028 if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under Regular Benefit Plan AC.

(4) For members retiring prior to September 1, 2028, if the member has prior service credit, the benefit for that service is calculated on the basis of the applicable formula of paragraph C (2) above, as adopted by the district for prior service credit. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under Regular Benefit Plan AC.

D. **Computation of Benefit - Retirement before Normal Retirement Age - With Creditable Service of 25 Years or More**. Subject to the requirements of Section 4, subsections 5 and 6, the amount of the service retirement benefit for a member who retires prior to normal retirement age shall be computed as follows:

(1) The amount of the service retirement benefit for a member qualified as specified in subsection 1, paragraph B, subparagraph 3, who has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with paragraph C, except that:

(a) The amount arrived at under paragraph C shall be reduced by applying to that amount the percentage that a life annuity due at age 60 bears to the life annuity due at the age of retirement.

(b) For the purpose of making the computation under subparagraph 1, the board-approved tables of annuities in effect at the date of the member's retirement shall be used.

(2) The amount of the service retirement benefit for a member qualified under subsection 1, paragraph B-1, subparagraph 3, who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, shall be computed in accordance with subsection 1, paragraph C, except that the benefit is reduced by 6% for each year that the member’s age precedes 65 years of age.

(3) The amount of the service retirement benefit for all other members shall be computed in accordance with paragraph C, except that the amount arrived at under Paragraph C shall be reduced to reflect the full actuarial impact of the early retirement.

E. **Cost of Living Adjustments**. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

4. **Minimum Benefit**. Any member under The Plan who has 10 or more years of creditable service at retirement is entitled to a minimum service retirement benefit of $100 per month.

SECTION 8. SPECIAL SERVICE RETIREMENT BENEFIT PLANS

Payment of benefits to members under The Plan is subject to the provisions of 5 M.R.S. §§ 18403 – 18405-A, 18409-18413. If, upon electing to participate in The Plan, a participating local district elects a special benefit plan other than the special benefit plan that a member is then covered under, the member may elect to continue under the special benefit plan under which the member is then covered. The member's election must be made as of the date on which the district's participation in The Plan begins and may not be changed thereafter. Members having membership service under special plans prior to July 1, 1977, are entitled to the alternative benefit computation based on that service in accordance with the applicable provision of 5 M.R.S. §18453. A member who does not qualify to retire under a special service retirement plan may retire under a regular service retirement plan at any time after the member qualifies under Section 7. The service retirement benefit for all service is computed as provided in Section 7.

1. **Special Benefit Plan 1C**. Special Benefit Plan 1C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, and emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics.

A. **Contribution Rate**. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

(3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 20 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this

plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan;

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of one year of special plan service credit for each two years of regular plan service credit; and

(3) Except for employees who are entitled, under the current employer's plan in effect before the employer's employees become members under The Plan, to use military service credits to qualify for service retirement benefits, service credits for service in the Armed Forces before becoming a member, under Section 6, subsection 4, paragraph B, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.

(4) Service credits for law enforcement service before becoming a member, under Section 6, subsection 10, apply only to additional retirement benefits under this plan and the service credits do not apply to service requirements to qualify for retirement benefits.

C. **Computation of Benefit**. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph B, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

(1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.

(2) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

D. **Cost of Living Adjustments**. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

2. **Special Benefit Plan 1N**. Special Benefit Plan 1N may be elected by any participating local district or local district.

This benefit plan is identical to Special Benefit Plan 1C, except that there is no provision for cost of living adjustments.

3. **Special Benefit Plan 2C**. Special Benefit Plan 2C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1. A district may also elect this plan for all of its employees.

A. **Contribution Rate**. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

(3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan; and

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

C. **Computation of Benefit**. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals 1/2 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

(1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under

this paragraph.

(2) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

D. **Cost of Living Adjustments**. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

4. **Special Benefit Plan 2N**. Special Benefit Plan 2N may be elected by any participating local district or local district.

This benefit plan is identical to Special Benefit Plan 2C, except that there is no provision for cost of living adjustments.

5. **Special Benefit Plan 3C**. Special Benefit Plan 3C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1.

A. **Contribution Rate**. The contribution rate for members under Special Benefit Plan 3C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

(3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan; and

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

C. **Computation of Benefit**. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph 2, equals 2/3 of the member's average final compensation and, subject to the limitations of subsection J, an additional 2% of the member's average final compensation for each year of creditable service not included in determining qualification under paragraph B.

(1) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.

(2) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

D. **Cost of Living Adjustments**. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

6. **Special Benefit Plan 3N**. Special Benefit Plan 3N may be elected by any participating local district or local district.

This benefit plan is identical to Special Benefit Plan 3C, except that there is no provision for cost of living adjustments.

7. **Special Benefit Plan 4C**. Special Benefit Plan 4C may be elected by any participating local district or local district for police officers, firefighters, sheriffs, full-time deputy sheriffs, county corrections employees who are employed at a county jail and whose duties include contact with prisoners or juvenile detainees, emergency medical services persons as defined in Title 32 M.R.S. §83, sub-§12, including but not limited to first responders, emergency medical technicians, advanced emergency medical technicians and paramedics, and dispatchers as defined in 5 M.R.S. §18313, sub-§1.

A. **Contribution Rate**. The contribution rate for members under Special Benefit Plan 4C is as set out below until the completion of 25 years of creditable service under this special benefit plan, after which the members contribute at the same rate of earnable compensation as paid by members who contribute under Regular Plan AC as set forth in Section 7, subsection 1, paragraph A. Subject to Section 15, subsection 1, and to the rate caps under Section 9, employer and employee contributions shall be set annually by the Board based on the recommendations of the System's actuary in accordance with the following:

(1) The Plan's unfunded actuarial liability as of June 30, 2018, shall be paid in an actuarially sound manner and allocated between the employer and employee in a ratio approved by the Board based on the recommendation of the Participating Local District Advisory Committee;

(2) Any Plan unfunded actuarial liability created beginning July 1, 2018, shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee; and

(3) The normal cost shall be paid through employer and employee contributions allocated 58% to the employer and 42% to the employee.

B. **Qualification for Benefit**

(1) A member qualifies for a service retirement benefit under this subsection when the member has completed 25 years of creditable service as an employee in one or more of the types of employment specified in this subsection and ~~specified by the district as covered~~ under this plan. If the member had creditable service under a special plan with the member's current employer before that employer's employees became members under The Plan, that creditable service is counted when determining the member's qualification for this benefit. A member in a position specified under this plan may purchase creditable service under this plan if otherwise eligible regardless of whether the district has specified the employee's position as covered under this plan; and

(2) A member who has accrued service credits under a regular service retirement plan before accruing service under this plan, and for whom the regular plan service credits are considered service under The Plan as provided by Section 4, subsection 1, may use those service credits toward qualifying to retire under this plan at the rate of two years of special plan service credit for each three years of regular plan service credit.

C. **Computation of Benefit**. Subject to the requirements of Section 4, subsections 5 and 6, the total amount of the service retirement benefit for a member qualified under paragraph B, equals:

(1) If the member retires after reaching age 55, 1/50 of the member's average final compensation multiplied by the number of years of creditable service;

(2) If the member retires before reaching age 55, 1/50 of the member's average

final compensation multiplied by the number of years of creditable service reduced as follows:

(a) For a member who was covered by The Plan prior to July 1, 2014, who has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by applying to that amount the percentage that a life annuity due at age 55 bears to the life annuity due at the age of retirement.

(b) For a member who was not covered by The Plan prior to July 1, 2014, but who, pursuant to Title 5, Section 18253, has 20 or more years of creditable service under The Plan as of July 1, 2019, the benefit is reduced by 6% for each year that the member's age precedes 55 years of age.

(c) For all other members, the benefit is reduced to reflect the full actuarial impact of the early retirement.

(3) If the member had creditable service under a special plan, with the member's current employer, before that employer's employees became members under The Plan, that creditable service is used when calculating the benefit under this paragraph.

(4) For members retiring prior to September 1, 2028, if the member had creditable service with an employer other than the member's current employer before becoming a member under The Plan for which the member's current employer has not accepted liability, and for which the member has not made the election under 5 M.R.S. §18253, sub-§1, paragraph E, the benefit for that creditable service is calculated on the basis of creditable service and earnable compensation with the previous employer and in accordance with the previous employer's regular service retirement plan immediately before the previous employer's employees became members under The Plan or the previous employer withdrew from the System. If the previous employer has neither begun participation in The Plan nor withdrawn from the System, the benefit is calculated on the basis of the previous employer's plan at the time of the member's retirement. For members retiring on or after September 1, 2028, credible service under this subparagraph is used when calculating the benefit under this paragraph.

D. **Cost of Living Adjustments**. All benefits based upon creditable service under this service retirement benefit plan are subject to cost of living adjustments as provided by Section 9. Benefits based upon creditable service earned before a member was under The Plan will be subject to cost of living adjustments only if the employer's plan provided for cost of living adjustments.

8. **Special Benefit Plan 4N**. Special Benefit Plan 4N may be elected by any participating local district or local district prior to February 1, 2024.

This benefit plan is identical to Special Benefit Plan 4C, except that there is no provision for cost of living adjustments.

9. **Transfer from Special Plan Position to Non-Special Plan Position Due to Disability**. A member who has not completed the service requirements for retirement under a special service retirement benefit plan, upon becoming disabled as defined in section 18521, and upon becoming reemployed in a position not under a special service retirement benefit plan shall upon retirement receive retirement benefits as follows:

A. The part of the member's service retirement based upon membership service before becoming disabled shall be computed according to the formula for computing benefits under the member's previous special plan.

B. The part of the member's service retirement based upon membership service after becoming reemployed in a position not under a special plan shall be computed according to the formula for computing benefits under the member's previous special plan.

C. If the member is found to be no longer disabled, as defined in section 18521, the member may:

(1) Return to a position in the member's previous special plan; or

(2) Remain in the position which is not under a special plan and have the part of the member's service retirement benefit based upon post-disability service computed in accordance with the applicable regular service retirement benefit plan under Section 7.

D. The executive director may require that a member subject to this subsection submit records and undergo medical examinations or tests to determine the member's disability for purposes of paragraph C.

(1) If the member refuses to submit records or undergo the examination or tests under this paragraph, the member's retirement benefit shall be based upon the applicable regular service retirement benefit plan under Section 7 until the member withdraws the refusal.

(2) If the member's refusal under subparagraph 1 continues for one year, all the member's rights to any further benefit under this subsection shall cease.

10. **Additional 2% Benefit**. For members retiring prior to September 1, 2028, the additional 2% of average final compensation benefit provided to members under the special service retirement plans in this section is applicable only to service credits earned with relation to service rendered after a member becomes a member under The Plan. A member is also entitled to this benefit for service rendered before becoming a member under The Plan to the extent that the member was entitled to the benefit under the member's current employer's retirement plan that was in effect immediately before the employer's employees became members under The Plan. For members retiring on or after September 1, 2028, the benefit will be calculated as if the service had been under The Plan.

SECTION 9. COST OF LIVING ADJUSTMENTS; CONTRIBUTION CAPS

1. **Cost of Living Adjustments.** Subject to subsections 2, 3, 4 and 5, the cost-of-living adjustment shall be determined as follows.

A. Except as provided in subsections 2, 3 and 4, whenever there is a percentage increase in the Consumer Price Index from July 1 of the previous year to June 30 of the current year, the Board shall automatically make an equal percentage increase in retirement benefits, beginning in September, up to a maximum annual increase of 2.5%.

B. If there is a percentage decrease in the Consumer Price Index from July 1st to June 30th, the Board shall set the percentage change at 0% for that September. The adjustment for the following year must be set based on the actuarially compounded Consumer Price Index for both years in a cost-neutral manner. If the Consumer Price Index in the subsequent year or years is not sufficient to allow for the adjustment to be cost-neutral for the 2 years, then the adjustment needed for cost-neutrality must continue to be applied to following years until such time as the cost-neutrality requirement is met.

C. The Board shall determine the costs of the adjustments under this Section and shall include those costs in the annual valuation.

D. Cost-of-living adjustments under this Section shall be applied to the retirement benefits of retirees as follows:

(1) For retirees who retire prior to September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 12 months before the date that the adjustment becomes payable.

(2) For retirees who retire on or after September 1, 2019, a cost-of-living adjustment is applied if the retiree has been retired for at least 24 months before the date that the adjustment becomes payable. Beneficiaries of deceased retirees shall be eligible for the cost-of-living adjustment at the same time the deceased retiree would have become eligible.

2. **Contribution Caps.** The employer and employee contribution rates, as calculated in the aggregate across all benefit plans in The Plan, are capped at 12.5% and 9%, respectively. If the rates calculated by the System's actuary would exceed the caps for a particular year, the following shall occur:

A. The aggregated employer and employee rates will be reduced to the cap amounts, and the Board will set individual benefit plan rates based on the System's actuary's recommendation for allocating the reductions.

B. The cost of living adjustment calculated under subsection 1 shall be reduced to maintain cost-neutrality, but not below zero. If the reduction otherwise would have been below zero, then an adjustment will be applied to contribution rates, up to the caps set forth in this subsection, and the cost of living adjustment, but not below zero, in following years until such time as cost-neutrality is achieved.

3. Notwithstanding subsection 1, paragraph A, the cost-of-living adjustment for the period from September 1, 2021 through August 31, 2022 shall be 3.5%.

4. Notwithstanding subsection 1, paragraph A, the cost-of-living adjustment for the period from September 1, 2022 through August 31, 2023 shall be 3.5%.

5. In addition to the cost-of-living adjustment under subsection 1, paragraph A, a one-time noncumulative cost-of-living adjustment payment equal to 0.5% of retirement benefits will be paid to those eligible for a cost-of-living adjustment for the period from September 1, 2023 through August 31, 2024.

SECTION 10. DISABILITY BENEFITS

1. **Members of The Plan**. Disability retirement benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, as amended by PL 2025, chapters 221 and 270, except section 18534.

2. **Election Regarding Age-limit or No-age-limit Disability**. The election made by each member under PL 1991, c. 887 whether to be covered under age-limit or no-age-limit

disability remains in effect after a member's participation in The Plan begins. Depending upon a member's election, the member is covered under the age-limit or no-age-limit version of the disability plan specified in this Section.

3. **Current Recipients of Disability Benefits**. After having begun to participate in The Plan, a participating local district which before participating in The Plan did not have as part of its plan 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, *Disability Retirement Benefits After September 30, 1989*, may elect to adopt 5 M.R.S. §18534, thereby allowing its former employees who are recipients of disability retirement benefits under prior law the option of being governed by disability retirement provisions applicable to members under The Plan. Any former employee of a district which adopts §18534 who is a recipient of a disability retirement benefit under 5 M.R.S., Article 3, as in effect immediately before October 1, 1989, or under section 1122 of the former retirement system law, as in effect immediately before July 1, 1977, may elect to be governed by 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 3-A, by making written application to the executive director within 6 months after adoption of this provision by the participating local district. If the disability retirement benefit recipient makes the election, Article 3-A shall apply from the date of the recipient's original eligibility for disability retirement, but any increase in benefits may only be granted from the date of election by the recipient. The district's adoption and the recipient's election are irrevocable. The additional liability resulting from the adoption of this provision will be included in the district's Additional Unpooled Unfunded Actuarial Liability.

SECTION 11. ORDINARY DEATH BENEFITS

Ordinary death benefits for members under The Plan are subject to 5 M.R.S., Chapter 425, subchapter V, *Benefits*, Article 4, *Ordinary Death Benefits*.

SECTION 12. ACCIDENTAL DEATH BENEFITS

1. **Definitions**. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

   A. **Professional firefighter**. “Professional firefighter” means an employee of a municipal fire department who is a member of the Participating Local District Retirement Program or who is a participating member under chapter 425 and who aids in the extinguishment of fires, whether or not the employee has other administrative duties.

   B. **Qualifying member**. “Qualifying member” means:

      (1) A member who dies as a result of an injury arising out of and in the course of employment as an employee;

      (2) After October 31, 2004, an active member who is a professional firefighter who dies as a result of an injury or disease as described in Title 39-A, section 328 if the injury or disease that causes the death is the result of a condition that develops within 30 days of the active member’s participating in firefighting or training or a drill that involves firefighting. If the professional firefighter dies after 30 days but within 6 months of participating in firefighting or training or a drill that involves firefighting, there is a rebuttable

presumption that the death is the result of an injury arising out of and in the course of employment as a professional firefighter; or

(3) A former member receiving a disability retirement benefit who dies as a result of an injury arising out of and in the course of employment as an employee.

2. **Qualification for Benefit**. The beneficiary of a qualifying member shall receive a benefit in accordance with section 18603.

3. **Computation of Benefit**. Benefits under this section are determined as follows:

A. **Surviving spouse; no dependent children**. If the qualifying member is survived by a spouse and no dependent child, the surviving spouse shall be paid 2/3 of the average final compensation of the qualifying member.

B. **Surviving spouse having care of dependent children**. If the qualifying member is survived by a spouse who has the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall be paid an annual sum equal to the average final compensation of the qualifying member.

C. **Surviving spouse not having care of dependent children**. If the qualifying member is survived by a spouse who does not have the care of the dependent child or dependent children of the qualifying member, the surviving spouse shall share with the dependent child or dependent children an annual sum equal to the average final compensation of the qualifying member, the benefit to be divided equally among the surviving spouse and the dependent child or dependent children.

D. **No surviving spouse**. If no spouse survives the qualifying member, the dependent child or dependent children shall be paid an annual sum equal to the average final compensation of the qualifying member.

4. **Method of Payment**. All benefits paid under this section shall be paid in equal monthly installments beginning the first month after the death of the qualifying member.

5. **Adjustment of Benefits**. Benefits under this section are subject to the following adjustments:

A. **Cessation of eligibility**. When a person sharing benefits under section 18603 ceases to be eligible to receive benefits, the subsequent benefits of the remaining beneficiaries shall be recalculated as if the remaining beneficiaries had been the only beneficiaries to survive the qualifying member.

B. **Workers' compensation or similar law**. The amount payable under this section must be reduced by any amount received by the surviving spouse and dependent child or dependent children under former Title 39, the *Workers' Compensation Act* or Title 39-A, Part 1, the *Maine Workers' Compensation Act of 1992*, or a similar law.

(1) Lump-sum settlements of benefits that would reduce the accidental death benefits under this subsection must be prorated on a monthly basis in an equitable manner prescribed by the board.

(2) The prorated lump-sum settlement amounts must reduce the accidental death benefits payable monthly under this section.

C. **Cost-of-living adjustments**. Benefits under this section are subject to adjustment as provided in section 9.

6. **Termination of Benefits**. The benefits under this section shall be paid to:

A. **Surviving spouse**. The surviving spouse until the spouse dies; and

B. **Dependent children**. The dependent child or dependent children until they die or until they no longer meet the definition of "dependent child" under section 17001, subsection 12.

SECTION 13. DEFINED CONTRIBUTION/DEFERRED COMPENSATION PLANS

1. **Defined Contribution/Deferred Compensation Plans**. A participating local district may provide for the participation of its employees in a defined contribution and/or deferred compensation plan or plans for which the System is The Plan Sponsor. To provide for its employees' participation, the participating local district employer must comply with the procedure for adoption set out in paragraph 6.

2. **District is Employer**. For all purposes related to such a plan or plans, the participating local district is the employer of its employees who participate in the plan or plans.

3. **Federal Law Requirements**. The plan or plans for which the System is Plan Sponsor must meet all applicable federal law requirements.

4. **Terms and Requirements of Plan**. The rights, obligations, conditions and terms of each plan or plans for which the System is Plan Sponsor are those provided in the relevant Plan Document, as revised or amended from time to time.

5 **Plan under 5 MRSA Section 18252-B**. Adoption of a plan or plans under this section does not by itself satisfy the requirements of 5 M.R.S. §18252-B. A participating local district that intends a plan or plans that it adopts under this section to comply with 5 M.R.S. §18252-B must also meet that section's requirements.

6. **Procedure for Adoption**

A. **Adoption Agreement**. A participating local district that acts to adopt a plan or plans under this section must complete the relevant Adoption Agreement or Agreements in a form provided or authorized by the System. An Adoption Agreement constitutes documentation of the participating local district's decision to adopt the plan to which the Agreement applies and signifies its understanding and acceptance of the provisions of the plan as set out in The Plan Document.

B. **401(a) Plan: Contribution Rates**. In the case of a plan established in accordance with the requirements of Section 401(a) of the United States Internal Revenue Code of 1986, as amended,

(1) the Adoption Agreement must specify the required employee contribution as established by the participating local district employer and the employer contribution, if any; and

(2) the participating local district may change the amount of the required employee contribution annually, effective July 1 immediately following its decision to change the amount. The participating local district must document the change by amending its Adoption Agreement to state the new required employee contribution amount. An employee already participating in the district's 401(a) plan at the time the required employee contribution amount is changed must change to the new required contribution amount.

7. **Disability Retirement Benefits: Participants in a 401(a) Plan who are Not Members under The Plan**

A. **Applicability**. Employees who are participants in a 401(a) plan under this section and who are not members under The Plan are covered in the event of disability as set out in paragraph B.

B. **Disability Retirement Program**. The disability retirement program established under this paragraph is that established by section18521 *et seq*. and implemented by the System's related rules and policies, including but not limited to the disability application, determination and review processes, and standards for benefit eligibility and standards for continuation of benefits.

(1) Title 5 M.R.S. §18524, sub-§2, applies to an employee with fewer than 5 years of participation in the 401(a) plan.

(2) Except as provided in subparagraph 3, the amount of the disability retirement benefit is 60% of the participant's annual compensation being paid at the time the participant became disabled, subject to adjustment as provided by 5 M.R.S. §18407 and this chapter.

(3) A participant who is found eligible for a disability retirement benefit and who terminates employment may elect to withdraw the balance of the participant's 401(a) account. If such a withdrawal includes employer contributions made on behalf of the participant, the disability retirement benefit will be actuarially adjusted so that the participant receives a disability retirement benefit of not more than the amount specified in subparagraph 2.

(4) Benefits cease if the participant is found no longer eligible under the applicable statute, or on the date that the participant is required to receive a Required Minimum Distribution under federal law, whichever is earlier.

SECTION 14. RETIRING AND RETURNING TO WORK

If a person who is a recipient of a service retirement benefit under The Plan returns to employment by a participating local district of The Plan in a position for which membership would be mandatory or optional for a new hire, the person continues to receive the service retirement benefit and does not re-enter The Plan as a member. During the period that a retiree is returned to employment, contributions must be remitted to the System by the participating local district in the amount of the greater of (i) 5% of the person's earnable compensation, or (ii) the equivalent of employer and employee unfunded actuarial liability contributions at the aggregate rate on the person's earnable compensation. For

purposes of this section, earnable compensation does not include Workers' Compensation earnings paid to the person.

SECTION 15. TRANSITION

1. **Rates.** Employer and employee rates for July 1, 2018, through June 30, 2019, shall be the rates set under this Rule prior to the amendment effective July 1, 2018. The transition from those rates to the rates calculated pursuant to Sections 7 and 8 shall be accomplished by smoothing in the new rates over an actuarially sound period.

2. **Unused Sick Leave or Vacation Leave.** Section 6, subsection 7, applies to those with a retirement effectiveness date on or after August 1, 2019.

3. **Retiring and Returning to Work.** Section 14 does not apply to a retiree employed by a participating local district on October 1, 2018, until the earlier of termination of employment or June 30, 2021.

4. **Membership Election.** The one-time election to join The Plan by November 1, 2021 under PL 2021, c. 286, § 6 applies only to employees of participating local districts who specifically adopt that provision in their participation agreement prior to November 1, 2021, or at the next meeting of the participating local district's executive or legislative body, whichever is later. For participating local districts adopting the provision on or after November 1, 2021, the one-time election date shall be such later date stated in the amended participation agreement.

STATUTORY AUTHORITY:
5 M.R.S. §§ 17103(4), 18200 *et seq*., 18801 *et seq*.

EFFECTIVE DATE:
May 11, 1993

AMENDED:
July 20, 1993
May 6, 1995
April 1, 2001
September 28, 2002
January 17, 2004
October 12, 2004
October 29, 2005 – filing 2005-449
October 9, 2006 – filing 2006-433
February 1, 2011 – filing 2011-45
December 9, 2013 – filing 2013-295 (header corrected March 7, 2016)
June 5, 2016 – filing 2016-099
August 30, 2017 – filing 2017-133
May 26, 2018 – filing 2018-082
September 19, 2018 – filing 2018-188
June 24, 2019 – filing 2019-101
November 4, 2019 – filing 2019-189
July 18, 2020 – Section 16 added, filing 2020-160
November 25, 2020 – filing 2020-236
October 4, 2021 – filing 2021-197

July 23, 2022 – filing 2022-137
January 24, 2023 – filing 2023-011
APAO ACCESSIBILITY CHECK: September 2, 2025

AMENDED:
September 2, 2025 – filing 2025-170

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February 20, 2026 (no issues detected)

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February 24, 2026 – filing 2026-053

94-411 MAINE STATE RETIREMENT SYSTEM

Chapter 802 PARTICIPATING LOCAL DISTRICTS: MEMBERSHIP FOR PART-TIME, SEASONAL OR TEMPORARY EMPLOYEES

SUMMARY: This Chapter establishes the extent to which a participating local district may include or exclude its part-time, seasonal or temporary employees from membership in the Maine State Retirement System. It specifies the manner in which a participating local district must notify the System of its decision with respect to these employees. It provides that under certain circumstances, employees have an option to withdraw from or join the System. It requires that participating local districts continue to contribute to the System in accordance with their existing plans on behalf of part-time, seasonal or temporary employees until the System is notified of any change and it establishes deadlines for action and the consequences of failure to act.

1. Purpose and Scope

The purpose of this Chapter is to establish the criteria and procedures by which participating local districts may, in accordance with Federal Social Security law and IRS rules and with Retirement System statutes, include part-time, seasonal or temporary employees in or exclude them from membership in the System. Under Retirement System statutes (5 MRSA §18202, sub-§2) a statutory amendment which could grant benefits to employees of a participating local district is effective as to that district only if the district adopts the amendment. Accordingly, the provisions of PL 1991, c. 619 which could grant benefits (e.g., "immediate vesting" in a non-forfeitable right to a refund of contributions at 7.5%; annualized compensation) are effective as to a participating local district only if adopted by it. This Chapter provides the mechanism for and results of adoption, and nonadoption of these. The non-benefit provisions of PL 1991, c. 619 which apply to participating local districts are effective without adoption by the districts.

The Chapter governs membership for those part-time, seasonal or temporary employees who fit the definitions of these terms as established by Federal law (26 CFR Part 31) and adopted by the Maine Legislature and by this Chapter. Thus, not all employees who work in part-time or seasonal or temporary positions are part-time, seasonal or temporary employees within the scope of this Chapter.

This Chapter supersedes and replaces Chapter 802 (emergency) of the Board's rules.

2. Authority

This Chapter is adopted under the authority of 5 MRSA S18202 (2), 5 MRSA §18206 as amended by PL 1991, c. 619, and 5 MRSA §8051 - §8064.

3. Definitions

A. Board. "Board" means the Board of Trustees of the Maine State Retirement System.

B. Participating local district. “Participating local district" means a local district which has approved the participation of its employees in the Retirement System under §18201.

C. Part-time, seasonal or temporary employee. "Part-time, seasonal or temporary employee", means an employee whose employment position is part-time, seasonal or temporary as defined in 26 CFR Part 31, attached to this rule as an Appendix.

D. PL 1991, c. 619. "PL 1991, c. 619" means, for purposes of section 5 and section 6 of this Chapter, those provisions of PL 1991, c. 619 which could grant benefits to the employees of participating local districts.

E. System. "System" means the Maine State Retirement System.

4. Applicability"

This Chapter applies to all participating local districts, regardless whether they have Section 218 agreements, and as of January 1, 1992, governs membership in the System by part-time, seasonal or temporary employees of the districts.

5. Participating Local Districts Without Section 218 Agreements

A participating local district which does not have a Section 218 agreement may:

A. Adopt PL 1991, c. 619 for all Part-time, seasonal or temporary employees. A district may adopt PL 1991, c. 619 for all of its part-time, seasonal or temporary employees who were employees of the district on December 31, 1991, and all part-time, seasonal or temporary employees hired on or after January 1, 1992 by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System. All of the district's part-time, seasonal or temporary employees must be members of the System.

B. Adopt PL 1991, c. 619 for employees who were part-time, seasonal or temporary employees of the district on December 31, 1991. A

participating local district may adopt PL 1991, c. 619 only for those part-time, seasonal or temporary employees who were employees of the district on December 31, 1991, by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System. All of the district's part-time, seasonal or temporary employees who were employees of the district on December 31, 1991, must be members of the Retirement System. Part-time, seasonal or temporary employees hired by the district after December 31, 1991, may not become members of the System.

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for part-time, seasonal or temporary employees hired after December 31, 1991.

C. Decline to adopt PL 1991, c. 619. A participating local district may decline to adopt the provisions of PL 1991, c. 619 by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System.

(1) A person who was a part-time, seasonal or temporary employee of the district on December 31, 1991, who was a member of the System on December 31, 1991 and who first became a member before July 1, 1991 may elect to withdraw from the System, as follows:

a. The district must give written notice to each such employee of the employee's right to withdraw from membership.

b. The employee must give written notice to the district that s/he elects to withdraw from membership.

c. The district must transmit each employee's written notice of election to withdraw to the System no later than September 1, 1992.

d. All elections to withdraw are effective as of January 1, 1992 and are final. The System will refund the contributions of each employee who elects to withdraw.

e. An employee who does not elect to withdraw continues to be a member under the System’s statutes without the amendments made by PL 1991, c. 619 and may not later withdraw under this Chapter.

(2) The provisions of paragraph I(a)-(e) apply to the part-time, seasonal or temporary employees of a participating local district which, acting

under Chapter 801 (Emergency), declined to adopt the provisions of PL 1991, c. 619 and which does not act to change its election under subsection F. An employee who was removed from membership as a result of action taken by the district under Chapter 801 (Emergency) who does not elect to withdraw must be reinstated as a member effective as of the date of removal. Employer and employee contributions must be made on compensation paid for service rendered during the time between removal and reinstatement.

(3) The district may exclude from membership persons who were part-time, seasonal or temporary employees of the district on December 31, 1991, and who were members of the System on December 31, 1991 but who became members on or after July 1, 1991. The exclusion is effective as of January 1, 1992. The provisions of this paragraph apply to participating local districts which, acting under Chapter 801 (Emergency), declined to adopt the provisions of PL 1991, c. 619 and which does not act to change its election under subsection F.

a. The district must establish the exclusion by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System, together with the names of the affected members.

b. Contributions of excluded employees related to service after January 1, 1992 must be refunded.

(4) A part-time, seasonal or temporary employee hired after December 31, 1991 may not become a member of the System.

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for its part-time, seasonal or temporary employees. The amendments made by c. 619 do not apply to the district's part-time, seasonal or temporary employees.

D. Effective date of action. Regardless of the date upon which the vote under A, B or C is filed, the action is effective as of January 1, 1992.

E. Status until action taken. Until a participating local district takes action as required under this section, it must continue to make contributions to the System, if it is required to do so by terms of its participation, for all of its part-time, seasonal or temporary employees whether they are employees of the district on December 31, 1991 or are hired thereafter.

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for its part-time, seasonal or temporary employees.

F. Change of Prior election. A district which filed an election with the System under Chapter 801 (Emergency) before the effective date of this Chapter may change its election by taking action under A, B or C above. The deadline established by G applies to a change of election and the new election is effective as of January 1, 1992. If a district files a change of election, the election bearing the latest date controls. An election made under this Chapter is final.

G. Failure to act. Except as provided in section 6, a district which does not file the vote required by this Chapter with the Board by September 1, 1992, will be deemed to have declined to adopt the provisions of PL 1991, c. 619.

(1) The district may not in future make an election under this Chapter.

(2) The provisions of section 5(C) with respect to employee election apply as in Section 5(c).

NOTE: A district must also meet the requirements of Federal Social Security law and IRS rules for its part-time, seasonal or temporary employees.

H. No Part-time, seasonal or temporary employees. A district which has no part-time, seasonal or temporary employees on December 31, 1991, must make its election under this chapter no later than the time at which it first hires a part-time, seasonal or temporary employee.

6. Participating Local Districts Having Section 218 Agreements

A participating local district which has a Section 218 agreement may adopt PL 1991, c. 619 only for those part-time, seasonal or temporary employees of the district who were not covered by the district's Section 218 agreement prior to July 1, 1991, and who were members of the System on June 30, 1991, for the purpose of offering to those employees the choice of membership in the System under the System's statutes as amended by c. 619. The district must make the adoption by filing with the Board a certified copy of the vote of the body entitled to approve participation in the System.

A. The district must give written notice in a timely manner to each such employee of the employee’s right to choose to be a member of the System under the System’s statutes as amended by PL 1991, c. 619.

B. The employee must give written notice to the district that s/he chooses to be a member of the System under the System's statutes as amended by PL 1991, c. 619.

C. The district must transmit to the System no later than September 1, 1992 each employee's written notice of choice.

D. The employee's choice is effective as of January 1, 1992 and is final.

E. An employee who does not choose to be a member as provided in this section by July 1, 1992, may not later become a member under this section.

EFFECTIVE DATE: May 4, 1992

EFFECTIVE DATE: June 9, 1992 (Permanent Rule)

EFFECTIVE DATE (ELECTRONIC CONVERSION): May 5, 1996

NON-SUBSTANTIVE CORRECTIONS: October 3, 1996 - minor spelling and format.

APAO WORD VERSION CONVERSION (IF NEEDED) AND ACCESSIBILITY CHECK: July 17, 2025

APPENDIX TO CHAPTER 802, M.S.R.S. RULES

26 CFR Part 31: DEFINITIONS OF PART-TIME, SEASONAL AND TEMPORARY EMPLOYEE

(iii) Definitions of part-time, seasonal and temporary employee--

(A) Definition of part-time employee. For purposes of this section, a part-time employee is any employee who normally works 20 hours or less per week. A teacher employed by a post-secondary educational institution (e.g., a community or junior college, post-secondary vocational school, college, university or graduate school) is not considered a part-time employee for purposes of this section if he or she normally has classroom hours of one-half or more of the number of classroom hours designated by the educational institution as constituting full-time employment, provided that such designation is reasonable under all the facts and circumstance. In addition, elected officials and election workers (otherwise described in section 3121 (b) (7) (F) (iv) but paid in excess of $100 annually) are not considered part-time, seasonal or temporary employees for purposes of this section. The rules of this paragraph (d) (2) (iii) are illustrated by the following example.

Example. A community college treats a teacher as a full-time employee if the teacher is assigned to work 15 classroom hours per week. A new teacher is assigned to work 8 classroom hours per week. Because the assigned classroom hours of the teacher are at least one-half of the school's definition of full-time teacher, the teacher is not a part-time employee.

(B) Definition of seasonal employee. For purposes of this section, a seasonal employee is any employee who normally works on a full-time basis less than 5 months in a year. Thus, for example, individuals who are hired by a political subdivision during the tax return season in order to process incoming returns and work full-time over a 3-month period are seasonal employees.

(C) Definition of temporary employee. For purposes of this section, a temporary employee is any employee performing services under a contractual arrangement with the employer of 2 years or less duration. Possible contract extensions may be considered in determining the duration of a contractual arrangement, but only if, under the facts and circumstances, there is a significant likelihood that the employee's contract will be extended. Future contract extensions are considered significantly likely to occur for purposes of this rule if on average 80 percent of similarly situated employees (i.e., those in the same or a similar job classification

with expiring employment contracts) have had bona fide offers to renew their contracts in the immediately preceding 2 academic or calendar years. In addition, future contract extensions are considered significantly likely to occur if the employee with respect to whom the determination is being made has a history of contract extensions with respect to his or her current position. An employee is not considered a temporary employee for purposes of this rule solely because he or she is included in a unit of employees covered by a collective bargaining agreement of 2 years or less duration.

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. **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.

3. **Earnings**. "Earnings" means wages, tips, and other compensation from employment that is reported as Medicare wages and tips on federal W-2 tax forms and income that is reported on federal self-employment tax schedules as subject to self-employment tax.

4. **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.

5. **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.

6. **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.

7. **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. A member reinstated by an arbitration award, judgement, or written agreement settling a bona fide dispute between the member and employer is considered to be in service during the reinstatement period through the date of the award, judgement, or agreement unless as earlier end of service date is specified therein.

8. **Mental or physical condition**. A "mental or physical condition" is a condition affecting the member mentally or physically that is medically diagnosable.

9. **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.

10. **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).

11. **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.

12. ~~**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.~~

~~13.~~12. **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~~ the amount calculated consistent with Title 5, Section 17921(4) or 18501-B(3).

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 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 substantially 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 one or more mental or physical conditions.

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

AMENDED:
July 31, 2024 – filing 2024-164

APAO ACCESSIBILITY CHECK: November 18, 2025 (no issues detected)

AMENDED:
November 22, 2025 – filing 2025-222

BASIS STATEMENT FOR ADOPTION AUGUST 13, 2026/STATEMENT OF COMMENTS

Notice of this proposed rulemaking was published on June 17, 2026. This Chapter sets forth the standards and processes for determining eligibility for disability retirement benefits. The proposed amended rule chapter implements changes enacted in PL 2025, c. 598 and clarifies that a member reinstated to service under certain conditions is considered to have been in service throughout the reinstatement.

A public hearing was held on July 9, 2026. No members of the public offered testimony at the public hearing either in person or remotely. No written comments were received by the July 20, 2026 deadline.

Staff recommends adoption of the proposed amended rule. The Board concurs with this recommendation.

At the Board's regular meeting held on August 13, 2026, _____ made the motion, seconded by _____, to adopt the amendment to the rule and its basis statement. Voted _____.

PROPOSED AMENDED RULE – FOR ADOPTION AUGUST 2026

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 reported as Medicare wages and tips on federal W-2 tax forms and income that is reported on federal self-employment tax schedules as subject to self-employment tax. 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~~17930-A or 18530-A 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. EARNINGS LIMITATIONS, OFFSETS, AND THE ANNUAL STATEMENT OF COMPENSATION PROCESS

1. Title 5, Sections ~~17930 or 18530~~17930-A or 18530-A specify the calculation of earnings limitations for each retiree and the reduction, or offset, to disability retirement benefits when the retiree also receives benefits under workers' compensation or similar laws. These sections also specify the steps to be taken when a retiree exceeds earnings limitations, including the reduction or elimination of further benefits~~ and reimbursement of any remaining excess benefit payments~~.

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

3. The statement of compensation required by Title 5, Sections 17931 or 18531 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.

4. In order for MainePERS to accurately apply the benefit reductions in Title 5, Sections ~~17930 or 18530~~17930-A or 18530-A for receipt of other benefits, except as provided in paragraph A, each person required to submit a statement of compensation must at the same time and on the same form report workers' compensation benefits.

If the information submitted reflects a decrease in other benefits or an increase beyond a cost of living adjustment, MainePERS, with the cooperation of the retiree, will seek further information from the other benefit provider to determine whether the change in other benefits should result in a change in benefit reductions.

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

EFFECTIVE DATE:
July 31, 2024 – filing 2024-165

APAO ACCESSIBILITY CHECK: September 2, 2025

AMENDED:
September 2, 2025 – filing 2025-169

BASIS STATEMENT FOR ADOPTION AUGUST 13, 2026/STATEMENT OF COMMENTS

Notice of this proposed rulemaking was published on June 17, 2026. This Chapter provides guidance on compensation limits and offsets applicable to disability retirement benefits. The proposed amended rule chapter updates references in conformity with PL 2025, c. 598 and eliminates the requirement that excess benefit payments addressed by this chapter be reimbursed to the System.

A public hearing was held on July 9, 2026. No members of the public offered testimony at the public hearing either in person or remotely. No written comments were received by the July 20, 2026 deadline.

Staff recommends adoption of the proposed amended rule. The Board concurs with this recommendation.

At the Board's regular meeting held on August 13, 2026, _____ made the motion, seconded by _____, to adopt the amendment to the rule and its basis statement. Voted _____.

MAINEPERS

BOARD OF TRUSTEES LEGAL MEMORANDUM

TO: BOARD MEMBERS

FROM: ELLA BRAATEN, DEPUTY GENERAL COUNSEL

SUBJECT: **DC PLAN AMENDMENTS**

DATE: AUGUST 4, 2026

We are recommending adoption of the amended and restated MaineSTART 403(b) Tax Sheltered Annuity Basic Plan Document and Adoption Agreement, attached for your reference. These plan documents are pre-approved IRS documents provided directly by our record-keeper, Ascensus. This recommendation follows the Board's adoption of amendments to the MaineSTART 457(b) and 401(a) plan documents earlier this year.

Our 403(b) plan documents are on a six-year cycle, meaning that every six years, the IRS requires a new restatement to reflect legislative and regulatory changes since the last one. However, to ensure our plan remains in compliance throughout that six-year period, Ascensus will provide, as needed, what they refer to as automatic "snap-on" amendments. These amendments are generally considered an interim document that is regularly used to amend plan documents with statutory and regulatory updates prior to the next restatement period. The snap-on amendments ensure that the plan continues following current laws, protecting the plan's qualified status until the basic plan document is amended during the next plan restatement cycle. We expect we may receive one of these amendments before the end of the year to incorporate changes in federal law resulting from SECURE 2.0, which we will bring forward to the Board. Similar changes have already been made to the 401(a) and 457(b) plans.

The next restatement for the 403(b) Plan will take place during calendar year 2032.

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

RECOMMENDATIONS

That the Board adopt the restated and amended MaineSTART 403(b) Tax-Sheltered Annuity plan documents and authorize the Chief Executive Officer, the Chief Operations Officer, and General Counsel to sign any documents related to effecting this action.

Non-ERISA 403(b) Plan

Basic Plan Document 09

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Table of Contents

PURPOSE 6

DEFINITIONS 6

ACP TEST SAFE HARBOR CONTRIBUTIONS 6
ACTUAL CONTRIBUTION PERCENTAGE (ACP) 6
ADDITIONAL ACP TEST SAFE HARBOR MATCHING CONTRIBUTIONS 6
ADOPTING EMPLOYER 6
ADOPTION AGREEMENT 6
AGE 50 CATCH-UP CONTRIBUTIONS 6
ALTERNATE PAYEE 6
ANNUAL ADDITIONS 6
ANNUITY STARTING DATE 7
AUTOMATIC CONTRIBUTION ARRANGEMENT (ACA) 7
BASIC MATCHING CONTRIBUTIONS 7
BASIC PLAN DOCUMENT 7
BENEFICIARY 7
BREAK IN ELIGIBILITY SERVICE 7
BREAK IN VESTING SERVICE 7
CATCH-UP CONTRIBUTIONS 7
CHURCH 7
CHURCH PLAN 7
CHURCH-RELATED ORGANIZATION 7
CODE 8
CODE SECTION 403(b) PRE-APPROVED PLAN 8
COMPENSATION 8
CONTRIBUTING PARTICIPANT 11
CONTRIBUTION PERCENTAGE 11
CONTRIBUTION PERCENTAGE AMOUNTS 11
CORONAVIRUS-RELATED DISTRIBUTION (CRD) 11
CUSTODIAN 11
DEEMED SEVERANCE FROM EMPLOYMENT 11
DENOMINATIONAL SERVICE 12
DESIGNATED BENEFICIARY 12
DETERMINATION PERIOD 12
DIFFERENTIAL WAGE PAYMENT 12
DIFFICULTY OF CARE PAYMENTS 12
DIRECT IN-PLAN ROTH ROLLOVER 12
DIRECT ROLLOVER 12
DISABILITY 12
DOL 12
DOMESTIC RELATIONS ORDER 12
EARLY RETIREMENT AGE 12
EFFECTIVE DATE 12
ELAPSED TIME 13
ELECTION PERIOD 13
ELECTIVE DEFERRALS 13
ELIGIBILITY COMPUTATION PERIOD 14
ELIGIBLE ADOPTEE 14
ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA) 14
ELIGIBLE EMPLOYEE 14
ELIGIBLE RETIREMENT PLAN 14
ELIGIBLE ROLLOVER DISTRIBUTION 14
EMPLOYEE 15

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EMPLOYER 15
EMPLOYER CONTRIBUTION 15
EMPLOYER NONELECTIVE CONTRIBUTION 15
EMPLOYMENT COMMENCEMENT DATE 15
ENHANCED MATCHING CONTRIBUTIONS 15
ENTRY DATES 15
ERISA 15
ERISA PLAN 15
EXCESS AGGREGATE CONTRIBUTIONS 16
EXCESS ANNUAL ADDITIONS 16
EXCESS ELECTIVE DEFERRALS 16
FORFEITURE 16
FUNDING VEHICLE 16
GOVERNMENTAL PLAN 16
HIGHLY COMPENSATED EMPLOYEE 16
HOURS OF SERVICE 17
INCLUDIBLE COMPENSATION 17
INDIRECT IN-PLAN ROTH ROLLOVER 18
INDIRECT ROLLOVER 18
INDIVIDUAL ACCOUNT 18
INDIVIDUAL AGREEMENT 18
INITIAL PERIOD 18
INITIAL PLAN DOCUMENT 18
IN-PLAN ROTH ROLLOVER 18
IRS 18
ISSUER 18
LIFE EXPECTANCY 18
LIFETIME INCOME FEATURE 18
LIFETIME INCOME INVESTMENT 19
LIMITATION YEAR 19
MANDATORY EMPLOYEE CONTRIBUTION 19
MATCHING CONTRIBUTION 19
MATCHING CONTRIBUTION COMPUTATION PERIOD 19
MAXIMUM PERMISSIBLE AMOUNT 19
MONTHS OF ELIGIBILITY SERVICE 19
NON-QUALIFIED CHURCH-CONTROLLED ORGANIZATION (NQCCO) 20
NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS 20
NORMAL RETIREMENT AGE 20
PARTICIPANT 20
PARTICIPATING EMPLOYER 20
PERIOD OF SERVICE 20
PERIOD OF SEVERANCE 20
PLAN 20
PLAN ADMINISTRATOR 20
PLAN SEQUENCE NUMBER 21
PLAN YEAR 21
PRE-APPROVED DOCUMENT PROVIDER 21
PRE-APPROVED PLAN 21
PRE-TAX ELECTIVE DEFERRALS 21
PRIMARY BENEFICIARY 21
PRIOR PLAN DOCUMENT 21
PUBLIC SCHOOL 21
QACA ACP TEST SAFE HARBOR CONTRIBUTIONS 21
QACA ADDITIONAL ACP TEST SAFE HARBOR MATCHING CONTRIBUTIONS 21

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QACA BASIC MATCHING CONTRIBUTIONS 21
QACA ENHANCED MATCHING CONTRIBUTIONS 21
QACA SAFE HARBOR CONTRIBUTIONS 21
QACA SAFE HARBOR NONELECTIVE CONTRIBUTIONS 21
QUALIFIED AUTOMATIC CONTRIBUTION ARRANGEMENT (QACA) 21
QUALIFIED BIRTH OR ADOPTION DISTRIBUTION 22
QUALIFIED CHURCH-CONTROLLED ORGANIZATION (QCCO) 22
QUALIFIED DOMESTIC RELATIONS ORDER 22
QUALIFIED INDIVIDUAL 22
QUALIFIED NONELECTIVE CONTRIBUTIONS 23
QUALIFIED PLAN DISTRIBUTION ANNUITY CONTRACT 23
QUALIFYING CONTRIBUTING PARTICIPANT 23
QUALIFYING PARTICIPANT 23
RECIPIENT 23
RELATED EMPLOYER 23
RELATED PARTICIPATING EMPLOYER 23
ROTH ELECTIVE DEFERRALS 23
SAFE HARBOR ARRANGEMENT 23
SAFE HARBOR CONTRIBUTIONS 23
SAFE HARBOR NONELECTIVE CONTRIBUTIONS 23
SEVERANCE FROM EMPLOYMENT 24
SPECIAL CODE SECTION 403(b) CATCH-UP CONTRIBUTIONS 24
SPOUSE 24
TAXABLE WAGE BASE 24
UNRELATED PARTICIPATING EMPLOYER 24
VALUATION DATE 24
VENDOR 24
VESTED 24
VESTED ACCOUNT BALANCE 24
YEAR OF ELIGIBILITY SERVICE 24
YEAR OF SERVICE 25
YEAR OF VESTING SERVICE 25

SECTION ONE: EFFECTIVE DATES 25

SECTION TWO: ELIGIBILITY REQUIREMENTS 25
2.01 ELIGIBILITY TO PARTICIPATE 25
2.02 PLAN ENTRY 25
2.03 TRANSFER TO OR FROM AN INELIGIBLE CLASS 26
2.04 RETURN AS A PARTICIPANT AFTER BREAK IN ELIGIBILITY SERVICE 26
2.05 DETERMINATIONS UNDER THIS SECTION 26
2.06 TERMS OF EMPLOYMENT 26
2.07 INFORMATION PROVIDED BY THE EMPLOYEE 26
2.08 RECLASSIFICATION 27

SECTION THREE: CONTRIBUTIONS 27
3.01 ELECTIVE DEFERRALS 27
3.02 MANDATORY EMPLOYEE CONTRIBUTIONS 32
3.03 MATCHING CONTRIBUTIONS 32
3.04 SAFE HARBOR ARRANGEMENT 33
3.05 EMPLOYER NONELECTIVE CONTRIBUTIONS 34
3.06 QUALIFIED NONELECTIVE CONTRIBUTIONS 40
3.07 ROLLOVER CONTRIBUTIONS 41
3.08 PLAN-TO-PLAN TRANSFER CONTRIBUTIONS 41
3.09 NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS 42
3.10 REPAYMENTS 42

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3.11 LIMITATION ON ALLOCATIONS 42
3.12 ACTUAL CONTRIBUTION PERCENTAGE TEST (ACP) 44
3.13 DIFFICULTY OF CARE CONTRIBUTIONS 45
3.14 IN-PLAN ROTH ROLLOVERS 45

SECTION FOUR: VESTING AND FORFEITURES 46
4.01 DETERMINING THE VESTED PORTION OF PARTICIPANT INDIVIDUAL ACCOUNTS 46
4.02 FORFEITURES AND VESTING OF MATCHING CONTRIBUTIONS 48
4.03 FORFEITURES OF QACA ACP TEST SAFE HARBOR CONTRIBUTIONS AND QACA ADDITIONAL ACP TEST SAFE HARBOR MATCHING CONTRIBUTIONS 48

SECTION FIVE: DISTRIBUTIONS 49
5.01 DISTRIBUTIONS 49
5.02 FORM OF DISTRIBUTION TO A PARTICIPANT 55
5.03 DISTRIBUTIONS UPON THE DEATH OF A PARTICIPANT 55
5.04 FORM OF DISTRIBUTION TO BENEFICIARIES 55
5.05 REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS 56
5.06 ANNUITY CONTRACTS 56
5.07 DISTRIBUTIONS IN-KIND 56
5.08 PROCEDURE FOR MISSING PARTICIPANTS OR BENEFICIARIES 56
5.09 DISTRIBUTION OF EXCESS ELECTIVE DEFERRALS 57
5.10 DISTRIBUTION OF EXCESS AGGREGATE CONTRIBUTIONS 57
5.11 LOANS TO PARTICIPANTS 57
5.12 LIABILITY FOR WITHHOLDING 59

SECTION SIX: DEFINITIONS 59

SECTION SEVEN: MISCELLANEOUS 59
7.01 VENDORS, FUNDING VEHICLES, AND INDIVIDUAL AGREEMENTS 59
7.02 VALUATION AND INDIVIDUAL ACCOUNTS 60
7.03 POWERS AND DUTIES OF THE PLAN ADMINISTRATOR 61
7.04 EXPENSES AND COMPENSATION 62
7.05 INFORMATION FROM EMPLOYER 62
7.06 PLAN AMENDMENTS 62
7.07 PLAN MERGER OR CONSOLIDATION 63
7.08 METHOD AND PROCEDURE FOR TERMINATION 64
7.09 CONTINUANCE OF PLAN BY SUCCESSOR EMPLOYER 64
7.10 CORRECTION 64
7.11 GOVERNING LAWS AND PROVISIONS 64
7.12 STATE COMMUNITY PROPERTY LAWS 64
7.13 HEADINGS 64
7.14 GENDER AND NUMBER 64
7.15 STANDARD OF FIDUCIARY CONDUCT 64
7.16 GENERAL UNDERTAKING OF ALL PARTIES 65
7.17 AGREEMENT BINDS HEIRS, ETC. 65
7.18 INALIENABILITY OF BENEFITS 65
7.19 PROCEDURES AND OTHER MATTERS REGARDING DOMESTIC RELATIONS ORDERS 65
7.20 INDEMNIFICATION OF PRE-APPROVED DOCUMENT PROVIDER 65
7.21 MILITARY SERVICE 66
7.22 MULTIPLE EMPLOYER PLAN 66

SECTION EIGHT: EMPLOYER SIGNATURE 68

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PURPOSE

This Plan is intended to satisfy the requirements for an arrangement described in Code section 403(b) and it is intended to be used by 501(c)(3) tax-exempt entities and Public Schools. The Plan may also be used by Churches, Qualified Church Controlled Organizations, Church-Related Organizations, and Non-Qualified Church Controlled Organizations that have not elected to be subject to ERISA. This Plan may allow for Employee Elective Deferrals, Mandatory Employee Contributions, Nondeductible Employee Contributions, Matching Contributions, and Employer Nonelective Contributions. If the Adopting Employer is a 501(c)(3) tax-exempt entity, this Plan will satisfy the safe harbor ERISA Plan requirements and will only allow for Employee Elective Deferrals. If the Adopting Employer is a Church-Related Organizations or a Non-Qualified Church Controlled Organization, the plan will be subject to the coverage and nondiscrimination requirements of Code section 403(b)(12). The Plan assets will be invested in Code section 403(b)(1) annuity contracts or Code section 403(b)(7) custodial accounts that are authorized by the Employer for use under the Plan.

DEFINITIONS

When used in the Plan with initial capital letters, the following words and phrases will have the meanings set forth below unless the context indicates that other meanings are intended.

ACP TEST SAFE HARBOR CONTRIBUTIONS

Means any Basic Matching Contributions, Enhanced Matching Contributions, and Safe Harbor Nonelective Contributions under either the Safe Harbor Arrangement provisions or the QACA provisions.

ACTUAL CONTRIBUTION PERCENTAGE (ACP)

Means the average of the Contribution Percentages of the eligible Participants in a group of either Highly Compensated Employees or non-Highly Compensated Employees.

ADDITIONAL ACP TEST SAFE HARBOR MATCHING CONTRIBUTIONS

Means Matching Contributions described in Plan Section 3.01(G)(3) or Plan Section 3.04(B).

ADOPTING EMPLOYER

Means the Employer named in the Adoption Agreement and any successor who by merger, consolidation, or otherwise assumes the obligations of the Plan.

ADOPTION AGREEMENT

Means the document executed by the Adopting Employer through which it adopts the Plan and thereby agrees to be bound by all terms and conditions of the Plan.

AGE 50 CATCH-UP CONTRIBUTIONS

Means Elective Deferrals made pursuant to Plan Section Three, that are in excess of an otherwise applicable Plan limit and that are made by Participants who are age 50 or older by the end of the applicable taxable year. An otherwise applicable Plan limit is a limit in the Plan that applies to Elective Deferrals without regard to Catch-up Contributions, such as the limits on Annual Additions, the dollar limitation on Elective Deferrals under Code section 402(g) (not counting Catch-up Contributions), or any other allowable limit imposed by the Employer. Age 50 Catch-up Contributions for a Participant for a taxable year may not exceed 1) the dollar limit on Age 50 Catch-up Contributions under Code section 414(v)(2)(B)(i) for the taxable year or 2) when added to other Elective Deferrals, an amount that would enable the Employer to satisfy other statutory or regulatory requirements (e.g., income tax withholding, FICA and FUTA withholding). The dollar limit on Age 50 Catch-up Contributions in Code section 414(v)(2)(B)(i) was $6,500 for taxable years beginning in 2022. The $6,500 limit is adjusted by the Secretary of the Treasury, in multiples of $500, for cost-of-living increases under Code section 414(v)(2)(C).

Age 50 Catch-up Contributions will be subject to the Matching Contribution formula if the employer has elected to make Matching Contributions on Elective Deferrals in the Adoption Agreement.

ALTERNATE PAYEE

Means any Spouse, former Spouse, child, or other dependent of a Participant who is recognized by a Domestic Relations Order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

ANNUAL ADDITIONS

Means, the sum of the following amounts credited to a Participant for the Limitation Year under this Plan and other plans deemed to be maintained by the Participant as described in Plan Section 3.11:

a. Employer Contributions, including Elective Deferrals (other than Catch-up Contributions),

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b. Nondeductible Employee Contributions,

c. Forfeitures,

d. amounts allocated to an individual medical account, as defined in Code section 415(l)(2), which is part of a pension or annuity plan,

e. amounts derived from contributions paid or accrued 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)),

f. amounts allocated under a simplified employee pension plan, and

g. Excess Aggregate Contributions.

ANNUITY STARTING DATE
Means the first day of the first period for which an amount is paid as an annuity or any other form.

AUTOMATIC CONTRIBUTION ARRANGEMENT (ACA)
Means a Plan whereby certain Employees are automatically enrolled as Contributing Participants as described in Plan Section 3.01(F)(1).

BASIC MATCHING CONTRIBUTIONS
Means Matching Contributions made pursuant to the Safe Harbor Arrangement formula described in Adoption Agreement Section Three, in an amount equal to (i) 100 percent of the amount of the Employee's Elective Deferrals that do not exceed three percent of the Employee's Compensation for the Plan Year, plus (ii) 50 percent of the amount of the Employee's Elective Deferrals that exceed three percent of the Employee's Compensation but that do not exceed five percent of the Employee's Compensation, if applicable.

BASIC PLAN DOCUMENT
Means this Code Section 403(b) Pre-approved Plan document.

BENEFICIARY
Means the individual(s) or entity(ies) designated pursuant to Plan Section 5.03(A).

BREAK IN ELIGIBILITY SERVICE
Means a 12-consecutive month period that coincides with an Eligibility Computation Period during which an Employee fails to complete more than 500 Hours of Service (or such lesser number of Hours of Service specified in the Adoption Agreement) or such Period of Severance specified in the Elapsed Time definition, if applicable.

BREAK IN VESTING SERVICE
Means a Plan Year (or other vesting computation period described in the definition of Year of Vesting Service) during which an Employee fails to complete more than 500 Hours of Service (or such lesser number of Hours of Service specified in the Adoption Agreement) or such Period of Severance specified in the Elapsed Time definition, if applicable.

CATCH-UP CONTRIBUTIONS
Means Age 50 Catch-up Contributions and, if elected in the Adoption Agreement, Special Code Section 403(b) Catch-up Contributions.

CHURCH
Means an organization described in Code section 3121(w)(3)(A) and the Treasury Regulations thereunder.

CHURCH PLAN
Means a plan described in Code section 414(e).

CHURCH-RELATED ORGANIZATION
Means an organization, such as a benefit board, described in Code section 414(e)(3)(A) whose principal purpose or function is the administration or funding of a plan or program for the provision of retirement benefits.

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CODE
Means the Internal Revenue Code of 1986 as amended from time to time.

CODE SECTION 403(b) PRE-APPROVED PLAN
Means a Code section 403(b) plan, the form of which is the subject of a favorable opinion letter from the IRS.

COMPENSATION

A. General Definition – Base Definition – Means the Compensation received from the Participant's Employer and, as elected by the Employer in the Adoption Agreement (and if no election is made, W-2 wages will apply), Compensation will mean one of the following:

1. W-2 Wages – Compensation is defined as information required to be reported under Code sections 6041, 6051, and 6052 (wages, tips, and other compensation as reported on Form W-2). Compensation is defined as wages within the meaning of Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052. Compensation must be determined without regard to any rules under Code section 3401(a) 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)).

2. Section 3401(a) Wages – Compensation is defined as wages within the meaning of 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)).

3. 415 Safe-Harbor Compensation

   a. The term Compensation includes:

      i. Wages, salaries, 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 includible in gross income (or to the extent amounts would have been received and includible in gross income but for an election under Code sections 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)). These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan as described in Treasury Regulation section 1.62-2(c).

      ii. In the case of an Employee who is an Employee within the meaning of Code section 401(c)(1) and regulations promulgated under Code section 401(c)(1), the Employee's earned income (as described in Code section 401(c)(2) and regulations promulgated under Code section 401(c)(2)), plus amounts deferred at the election of the Employee that would be includible in gross income but for the rules of Code sections 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

      iii. Amounts described in Code section 104(a)(3), 105(a), or 105(h), but only to the extent that these amounts are includible in the gross income of the Employee.

      iv. Amounts paid or reimbursed by the Employer for moving expenses incurred by an Employee, but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible by the Employee under Code section 217.

      v. The value of a nonstatutory option (which is an option other than a statutory option as defined in Treasury Regulation section 1.421-1(b)) granted to an Employee by the Employer, but only to the extent that the value of the option is includible in the gross income of the Employee for the taxable year in which granted.

      vi. The amount includible in the gross income of an Employee upon making the election described in Code section 83(b).

      vii. Amounts that are includible in the gross income of an Employee under the rules of Code sections 409A or 457(f)(1)(A) or because the amounts are constructively received by the Employee.

   b. The term Compensation does not include:

      i. Contributions (other than elective contributions described in Code sections 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) made by the Employer to a plan of deferred compensation (including a simplified employee pension described in Code section 408(k) or a simple retirement account described in Code section 408(p), and whether or not qualified) to the extent that the contributions are not includible in the gross income of

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the Employee for the taxable year in which contributed. In addition, any distributions from a plan of deferred compensation (whether or not qualified) are not considered as Compensation for Code section 415 purposes, regardless of whether such amounts are includible in the gross income of the Employee when distributed.

ii. Amounts realized from the exercise of a nonstatutory option (that is an option other than a statutory option as defined in Treasury Regulation section 1.421-1(b)), or when restricted stock or other property held by an Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture (see Code section 83 and regulations promulgated under Code section 83).

iii. Amounts realized from the sale, exchange, or other disposition of stock acquired under a statutory stock option (as defined in Treasury Regulation section 1.421-1(b)).

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

v. Other items of remuneration that are similar to any of the items listed in paragraphs (b)(i) through (b)(iv) above.

B. Determination Period and Other Rules – Unless otherwise elected in the Adoption Agreement or required by law or regulation, where an Employee becomes an eligible Participant on any date after the first day of the applicable Determination Period, Compensation will include only that Compensation paid to the Employee during the portion of the Determination Period in which they were an eligible Participant, unless otherwise required by the Code. In addition, if an Employee either becomes or ceases to be a member of an ineligible class of Employees, Compensation will include only that Compensation paid to the Employee during the portion of the Determination Period in which they were an eligible Participant. Except as otherwise provided in this Plan (e.g., continued coverage of disabled Participants), Compensation received by an Employee during a Determination Period in which the Employee does not perform services for the Employer will be disregarded.

Unless otherwise elected in the Adoption Agreement, Compensation will include a) any amount that is contributed by the Employer pursuant to a salary reduction agreement and that is not includible in the gross income of the Employee under Code sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), or 403(b); b) compensation deferred under an eligible deferred compensation plan within the meaning of Code section 457(b) (deferred compensation plans of state and local governments and tax-exempt organizations); and c) employee contributions (under government plans) described in Code section 414(h)(2) but will not include deemed Code section 125 compensation.

Compensation for a Participant who is permanently and totally disabled (as defined in Code section 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 will include any elective deferral (as defined in Code section 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 sections 125, 132(f), or 457. In addition, for Plan Years beginning on or after January 1, 2016, Compensation for a Participant shall, as required under Code section 415(c)(8) and related guidance, be increased by the amount of Difficulty of Care Payments that are excluded from gross income by such Participant under Code section 131 for a taxable year.

If elected by the Employer in the Adoption Agreement, amounts under Code section 125 exclude any amounts not available to a Participant in cash in lieu of group health coverage (deemed Code section 125 compensation). An amount will be treated as an amount under Code section 125 only if the Employer does not request or collect information regarding the Participants' other health coverage as part of the enrollment process for the health plan.

Payments made after Severance from Employment will be either included or excluded from Compensation within the meaning of Compensation as described in Part A of the definition of Compensation in the Plan's Definition section, depending on the category of such payments. Whether or not such payment is included or excluded is based on the definition below and the elections made by the Employer in the Adoption Agreement. Such payments, if included, must meet the following requirements:

1. Payments described in paragraph (2) below will be included in the definition of Compensation (within the meaning of Compensation as described in Part A of this definition of Compensation). In addition, unless otherwise elected in the Adoption Agreement, payments described in paragraphs (3) and (4) below will be excluded from the definition of Compensation (within the meaning of Compensation as described in Part A of this definition of Compensation). Payments described in paragraph (2) and payments described in described in paragraphs (3) or (4), if included in the definition of Compensation, must also meet the following requirements:

   a. Those amounts are paid by the later of 1) 2½ months after Severance from Employment with the Employer maintaining the Plan or 2) the end of the Limitation Year that includes the date of Severance from Employment with the Employer maintaining the Plan; and

   b. Those amounts would have been included in the definition of Compensation if they were paid before the Employee's Severance from Employment with the Employer maintaining the Plan.

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2. Regular Pay – An amount is described in this paragraph (2) if

   a. 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 (such as overtime or shift differential), commissions, bonuses, or other similar payments; and

   b. 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.

3. Leave Cashouts – An amount is described in this paragraph (3) if 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 employment had continued.

4. Deferred Compensation – An amount is described in this paragraph (4) if the payment is an amount 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.

5. Other Post-Severance Payments – Any payment that is not described in paragraph (2), (3), or (4) above is not considered Compensation under paragraph (1) above if paid after Severance from Employment with the Employer maintaining the Plan, even if it is paid within the time period described in paragraph (1) above. Thus, Compensation does not include severance pay, or parachute payments within the meaning of Code section 280G(b)(2), if they are paid after Severance from Employment with the Employer maintaining the Plan, and does not include post-severance payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at that time without regard to the Severance from Employment. Any payments not described above are not considered Compensation if paid after Severance from Employment, even if they are paid within 2½ months following Severance from Employment.

C. **Compensation for ACP and Code Section 401(a)(4) Testing** – If the Adopting Employer is a Church-Related Organization or a NQCCO, Compensation for purposes of ACP and Code section 401(a)(4) testing will be W-2 wages unless another definition of Compensation is elected in the Adoption Agreement for allocation and other general purposes or another definition is required by law or regulation. Notwithstanding the preceding, a Plan Administrator has the option from year to year to use a different definition of Compensation for testing purposes provided the definition of Compensation satisfies Code section 414(s) and the corresponding regulations. In addition, for the Plan Year in which an Employee enters the Plan, the Employee's Compensation that is taken into account for purposes of ACP and Code section 401(a)(4) testing may be limited to the Employee's Compensation from the Entry Date on which the Employee became a Participant in the Plan, applicable to the particular type of contribution.

D. **Limits on Compensation** – The annual Compensation of each Participant taken into account in determining allocations will not exceed $305,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B). Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (Determination Period). The cost-of-living adjustment in effect for the calendar year applies to annual Compensation for the Determination Period that begins with or within such calendar year.

If a Determination Period consists of fewer than 12 months, the annual Compensation limit is an amount equal to the otherwise applicable annual Compensation limit multiplied by a fraction, the numerator of which is the number of months in the short Determination Period, and the denominator of which is 12.

If Compensation for any prior Determination Period is taken into account in determining an Employee's allocations or benefits for the current Determination Period, the Compensation for such prior Determination Period is subject to the applicable annual Compensation limit in effect for that prior period.

If the Adopting Employer is a Church-Related Organization or a NQCCO, the amount of Includible Compensation of each Participant taken into account in determining contributions for any year shall not exceed $305,000, which is the annual compensation limit established under Code section 401(a)(17) and adjusted for cost-of-living increases to the extent provided under Code section 401(a)(17)(B) for periods after 2022.

E. **Safe Harbor Arrangement Rules** – Notwithstanding anything in this Plan to the contrary, if an Adopting Employer is a Church-Related Organization or a NQCCO and has elected in the Adoption Agreement to apply the Safe Harbor Arrangement provisions to this Plan, Compensation means Compensation as defined in this Definitions section of the Plan and, if applicable, the definition of Compensation for allocation and other general purposes selected in the Adoption Agreement, except, for purposes of Plan Section 3.04, no dollar limit, other than the limit imposed by Code section 401(a)(17), applies to the Compensation of a non-Highly Compensated Employee. Specifically, Compensation for ACP Test Safe Harbor Contributions follows the definition of Compensation applicable to Elective Deferrals and Compensation for Additional ACP Test Safe Harbor Matching Contributions follows the definition of Compensation applicable to Matching Contributions provided such definitions are reasonable definitions within the meaning of Treasury Regulation section 1.414(s)-1(d)(2), do not discriminate in favor of Highly Compensated Employees pursuant to Treasury Regulation section 1.414(s)-1(d)(3), and permit each Participant to elect sufficient Elective Deferrals to receive the maximum amount of Matching Contributions (determined using the definition of Compensation described in the preceding sentence) available to the Participant under the Plan.

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F. Elective Deferrals – Notwithstanding anything in the Plan to the contrary, a Participant may only make Elective Deferrals from Compensation within the meaning of Compensation as described in Part A of this definition of Compensation. Elective Deferrals may not be withheld from pay that is excluded from Compensation under the Plan for Elective Deferral purposes.

G. QACA Rules – Notwithstanding anything in this Plan to the contrary, if an Adopting Employer is a Church-Related Organization or a NQCCO and has elected in the Adoption Agreement to apply the QACA provisions to the Plan, Compensation means Compensation as defined in the Definitions section of the Plan and, if applicable, the definition of Compensation for allocation and other general purposes selected in the Adoption Agreement except, for purposes of Plan Section 3.01(G), no dollar limit, other than the limit imposed by Code section 401(a)(17), applies to the Compensation of a non-Highly Compensated Employee. Specifically, Compensation for QACA ACP Test Safe Harbor Contributions follows the definition of Compensation applicable to Elective Deferrals and Compensation for QACA Additional ACP Test Safe Harbor Matching Contributions follows the definition of Compensation applicable to Matching Contributions provided such definitions are reasonable definitions within the meaning of Treasury Regulation section 1.414(s)-1(d)(2), do not discriminate in favor of Highly Compensated Employees pursuant to Treasury Regulation section 1.414(s)-1(d)(3), and permit each Participant to elect to make sufficient Elective Deferrals to receive the maximum amount of Matching Contributions (determined using the definition of Compensation described in the preceding sentence) available to the Participant under the Plan or any other alternative definition permitted pursuant to rules promulgated by the IRS.

H. Differential Wage Payment – Notwithstanding anything in this Plan to the contrary, if the Employer chooses to provide Differential Wage Payments to individuals who are active duty members of the uniformed services, such individuals will be treated as Employees of the Employer making the Differential Wage Payment and the Differential Wage Payment will be treated as Compensation for purposes of applying the Code. Accordingly, Differential Wage Payments must be treated as Compensation as described in Part A of this definition of Compensation. Differential Wage Payments will also be treated as Compensation for contribution, allocation, and other general Plan purposes, unless excluded from the Plan's definition of Compensation in the Adoption Agreement. In addition, the Plan will not be treated as failing to meet the requirements of any provision described in Code section 414(u)(1)(C) by reason of any contribution or benefit that is based on Differential Wage Payments only if all Employees of the Employer (as determined under Code sections 414(b), (c), (m), and (o)) performing service in the uniformed services described in Code section 3401(h)(2)(A) are entitled to receive Differential Wage Payments on reasonably equivalent terms and, if eligible to participate in the Plan, to make contributions based on the payments on reasonably equivalent terms applying the provisions of Code section 410(b)(3), (4), and (5). Such contributions or benefits may be taken into account for purposes of nondiscrimination testing as long as they do not cause the Plan to fail the nondiscrimination requirements.

CONTRIBUTING PARTICIPANT

Means a Participant who has enrolled as a Contributing Participant pursuant to Plan Section 3.01, 3.02, or 3.09 and on whose behalf the Employer is contributing Elective Deferrals (or is making Mandatory Employee Contributions or Nondeductible Employee Contributions, if applicable) to the Plan.

CONTRIBUTION PERCENTAGE

Means the ratio (expressed as a percentage) of the Participant's Contribution Percentage Amounts to the Participant's Compensation for the Plan Year.

CONTRIBUTION PERCENTAGE AMOUNTS

Means the sum of the Nondeductible Employee Contributions and Matching Contributions (other than Matching Contributions forfeited due to a permissible withdrawal) made under the Plan on behalf of the Participant for the Plan Year. Such Contribution Percentage Amounts will not include Matching Contributions attributable to Mandatory Employee Contributions or Matching Contributions that are forfeited either to correct Excess Aggregate Contributions or because the contributions to which they relate are Excess Elective Deferrals, Excess Aggregate Contributions, or Excess Annual Additions that are distributed.

The Employer may elect, in a uniform and nondiscriminatory manner, to use Qualified Nonelective Contributions in the Contribution Percentage Amounts.

CORONAVIRUS-RELATED DISTRIBUTION (CRD)

Means a distribution that is made on or after January 1, 2020, and before December 31, 2020, to a Participant or Beneficiary due to becoming a Qualified Individual.

CUSTODIAN

Means an entity appointed in a separate custodial agreement by the Adopting Employer to hold mutual fund assets in any 403(b) custodial account established by the Employer or a Participant in connection with this Plan or any duly appointed successor.

DEEMED SEVERANCE FROM EMPLOYMENT

Means, effective for years beginning on or after January 1, 2009, (or, if later, the Effective Date of the Plan) and notwithstanding the definition of Differential Wage Payment, an individual is deemed to cease to be an Employee for purposes of Code section 414(u)(12)(B) during any period the individual is performing service in the uniformed services as defined in Code section 3401(h)(2)(A).

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DENOMINATIONAL SERVICE
Means, an individual's completed years and months in the paid employment of a church or convention or association of churches with which the Employer is associated, and/or in the paid employment of an agency or organization that is exempt from tax under Code section 501 and that is controlled by or associated with the Church or convention or association of churches with which the Employer is associated. Denominational Service also includes all years of service by a duly ordained, commissioned or licensed minister of a church.

DESIGNATED BENEFICIARY
Means the individual who is designated by the Participant (or the Participant's surviving Spouse) as the Beneficiary of the Participant's interest under the Plan and who is the designated Beneficiary under Code section 401(a)(9) and Treasury Regulation section 1.401(a)(9)-4.

DETERMINATION PERIOD
Means, except as provided elsewhere in this Plan, the Plan Year unless the Adopting Employer has selected another period in the Adoption Agreement.

DIFFERENTIAL WAGE PAYMENT
Means a payment defined in Code section 3401(h)(2) that is made by the Employer to an individual performing service in the uniformed services.

DIFFICULTY OF CARE PAYMENTS
Means, for Plan Years beginning on or after January 1, 2016, the amount of qualified foster care payments that an Employee receives from the Adopting Employer that are excluded from gross income by a Participant under Code section 131(c)(1)(A) for a taxable year. Participant contributions allocable to Difficulty of Care Payments shall be treated as Nondeductible Employee Contributions for purposes of the Code and this Plan, except as otherwise provided herein or by law or regulation.

DIRECT IN-PLAN ROTH ROLLOVER
Means a Direct Rollover of all or a portion of a Recipient's Vested Individual Account (other than Roth Elective Deferrals or Roth rollover contributions) to a Roth rollover account established for the Recipient.

DIRECT ROLLOVER
Means a payment by the Plan to the Eligible Retirement Plan specified by the Recipient (or, if necessary pursuant to Plan Section 5.01(B)(1), an individual retirement account (IRA) under Code sections 408(a), 408(b), or 408A (for Roth Elective Deferrals), as selected by the Adopting Employer in the Adoption Agreement).

DISABILITY
Means, unless otherwise defined in the Individual Agreement and in accordance with Treasury Regulation sections 1.403(b)-6(c) and (d), the inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment will be supported by medical evidence satisfactory to the Plan Administrator.

DOL
Means Department of Labor.

DOMESTIC RELATIONS ORDER
Means any 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 Participant, and

b. is made pursuant to state domestic relations law (including applicable community property laws).

EARLY RETIREMENT AGE
Means the age and, if applicable, years of service specified in the Adoption Agreement. The Plan will not have an Early Retirement Age if none is specified in the Adoption Agreement.

EFFECTIVE DATE
Means the date the Plan (or amendment or restatement of the Plan) becomes effective as indicated in the Adoption Agreement. Notwithstanding the preceding, unless otherwise provided in this Basic Plan Document, the Effective Date of mandatory Plan changes resulting from legislative and regulatory guidance not previously included in the Plan will be the later of the original Effective Date of the Plan or the first day the legislative or regulatory change became effective, as indicated by a Plan amendment if a written amendment was required for such change. For optional changes made available pursuant to legislative and regulatory guidance, the Effective Date will be the date the Plan began to operate in accordance with such optional change, as indicated by a Plan amendment, if a written amendment was required for such change.

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ELAPSED TIME
Means

A. Special Rules Where Elapsed Time Method Is Being Used – If elected by the Adopting Employer in the Adoption Agreement, the Elapsed Time method of determining service will apply. When this definition applies, for purposes of determining an Employee's initial or continued eligibility to participate in the Plan or the Vested interest in the Participant's Individual Account balance derived from Employer Contributions, an Employee will receive credit for all Periods of Service. An Employee will also receive credit for any Period of Severance of less than 12 consecutive months. Fractional periods of a year will be expressed in terms of months or days.

The definition of Break in Service in this Elapsed Time definition will replace the definitions of Break in Eligibility Service and Break in Vesting Service found in the Definitions section of the Plan.

Break in Service is a Period of Severance of at least 12 consecutive months.

In the case of an individual who is absent from work for maternity or paternity reasons, the 12-consecutive month period beginning on the first anniversary of the first date of such absence will not constitute a Break in Service. For purposes of this Elapsed Time definition, 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 the 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.

Each Qualifying Participant will share in Employer Contributions for the Periods of Service beginning on the date the Employee commences participation under the Plan and ending on the first day of a Period of Severance or the date on which such Employee is no longer a member of an eligible class of Employees.

If the Employer is a member of an affiliated service group (under Code section 414(m)), a controlled group of corporations (under Code section 414(b)), a group of trades or businesses under common control (under Code section 414(c)), or any other entity required to be aggregated with the Employer pursuant to Code section 414(o), service will be credited for any employment for any period of time for any other member of such group. Service will also be credited for any individual required under Code section 414(n) or Code section 414(o) to be considered an Employee of any Employer aggregated under Code sections 414(b), (c), or (m).

B. Changes in Methods of Crediting Service – The Plan may be amended to change the method of crediting service between the Hours of Service method of determining service and the Elapsed Time method provided each Employee with respect to whom the method of crediting service is changed is afforded the protection described in Treasury Regulation section 1.410(a)-7(g) and other applicable rules promulgated by the IRS.

ELECTION PERIOD
Means the period that begins on the first day of the Plan Year in which the Participant attains age 35 and ends on the date of the Participant's death. If a Participant separates from service before the first day of the Plan Year in which age 35 is attained, with respect to the account balance as of the date of separation, the Election Period will begin on the date of separation.

ELECTIVE DEFERRALS
Means any Employer Contributions made either as a Pre-Tax Elective Deferral or as a Roth Elective Deferral to the Plan at the election of the Participant or pursuant to automatic Elective Deferral enrollment, in lieu of cash compensation, and will include contributions made pursuant to a salary reduction agreement. With respect to any taxable year, a Participant's Elective Deferrals are the sum of all Employer contributions made on the behalf of a Participant for the purchase of an annuity contract under Code section 403(b) pursuant to a salary reduction agreement, made on behalf of such Participant pursuant to an election to defer under any qualified cash or deferred arrangement as described in Code section 401(k), any simplified employee pension plan cash or deferred arrangement as described in Code section 408(k)(6), any SIMPLE IRA Plan described in Code section 408(p), or any plan as described under Code section 501(c)(18). Elective Deferrals will not include any deferrals properly distributed as Excess Annual Additions. In addition, Elective Deferrals will not include contributions made to the Plan as Elective Deferrals under an EACA or QACA that are subsequently distributed from the Plan in accordance with the permissible withdrawal provisions found in Plan Section 5.01(A)(2).

No Participant will be permitted to have Elective Deferrals made under this Plan, or any other plan maintained by the Employer, during any taxable year of the Participant, in excess of the dollar limitation contained in Code section 402(g) in effect at the beginning of such taxable year. Elective Deferrals under an EACA or QACA that are subsequently distributed from the Plan in accordance with the permissible withdrawal provisions found in Plan Section 5.01(A)(2) will not be included for purposes of calculating the dollar limitation contained in Code section 402(g). In the case of a Participant age 50 or over by the end of the taxable year, the dollar limitation described in the preceding sentence is increased by the amount of Elective Deferrals that can be Age 50 Catch-up Contributions. In addition, if applicable, the dollar limitation described in this paragraph is increased by the amount of Elective Deferrals that can be Special Code Section 403(b) Catch-up Contributions. The dollar limitation contained in Code section 402(g) was $20,500 for taxable years beginning in 2022. This limit is adjusted by the Secretary of the Treasury, in multiples of $500, for cost-of-living increases to the extent provided under Code section 402(g)(4).

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If the Plan permits Roth Elective Deferrals, Elective Deferrals will be characterized as Pre-Tax Elective Deferrals, unless otherwise designated by the Contributing Participant.

ELIGIBILITY COMPUTATION PERIOD

Means, with respect to an Employee's initial Eligibility Computation Period, the 12-consecutive month period commencing on the Employee's Employment Commencement Date. Unless otherwise specified in the Adoption Agreement, the Employee's subsequent Eligibility Computation Periods will be the Plan Year commencing with the Plan Year beginning during the Employee's initial Eligibility Computation Period. An Employee will not be credited with a Year of Eligibility Service before the end of the 12-consecutive month period regardless of when during such period the Employee completes the required number of Hours of Service. Eligibility Computation Period will not apply if the Elapsed Time method of determining service applies for eligibility purposes.

ELIGIBLE ADOPTEE

Means any individual (other than a child of the Participant's Spouse) who has not attained age 18 or is physically or mentally incapable of self-support.

ELIGIBLE AUTOMATIC CONTRIBUTION ARRANGEMENT (EACA)

Means an Eligible Automatic Contribution Arrangement, as described in Code section 414(w) and Plan Section 3.01(F)(2), where Employees are automatically enrolled as Contributing Participants in the Plan.

ELIGIBLE EMPLOYEE

Means, if the Employer has elected to apply the Safe Harbor Arrangement provisions or the QACA provisions of the Plan, an Employee that has met the eligibility criteria, if any, for Safe Harbor Contributions and is eligible to make Elective Deferrals under the Plan for any part of the Plan Year or who would be eligible to make Elective Deferrals but for statutory limitations, such as Code sections 402(g) and 415.

ELIGIBLE RETIREMENT PLAN

Means, for purposes of the Direct Rollover provisions of the Plan, an individual retirement account described in Code sections 408(a), an individual retirement annuity described in Code section 408(b), a SIMPLE IRA described in Code section 408(p) for rollover distributions made on or after December 18, 2015, an annuity plan described in Code section 403(a), an annuity contract described in Code section 403(b), an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state (and which agrees to separately account for amounts transferred into such plan from this Plan), or a qualified plan described in Code section 401(a) that accepts the Recipient's Eligible Rollover Distribution. The definition of Eligible Retirement Plan will also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in Code section 414(p).

If any portion of an Eligible Rollover Distribution is attributable to payments or distributions of Roth Elective Deferrals, an Eligible Retirement Plan with respect to such portion will mean another designated Roth account under an applicable retirement plan described in section 402A(e)(1) of the Code, or a Roth IRA described in Code section 408A, and only to the extent the rollover is permitted under section 402(c) of the Code.

ELIGIBLE ROLLOVER DISTRIBUTION

Means any distribution of all or any portion of the balance to the credit of the Recipient, except that an Eligible Rollover Distribution does not include

a. any distribution that is one of a series of substantially equal periodic payments (paid at least annually) made for the life (or Life Expectancy) of the Recipient or the joint lives (or joint life expectancies) of the Recipient and the Recipient's Designated Beneficiary, or for a specified period of 10 years or more;

b. any distribution to the extent such distribution is required under Code section 401(a)(9) and the corresponding regulations;

c. any hardship distribution described in Plan Section 5.01(C)(2);

d. the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities);

e. any distribution(s) that is reasonably expected to total less than $200 during a year;

f. any distribution of excess amounts under Code sections 402(g), 401(k), 401(m), and/or 415(c) and income allocable thereto;

g. any loans that are treated as deemed distributions pursuant to Code section 72(p);

h. dividends paid on employer securities as described in Code section 404(k);

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i. the costs of life insurance coverage (P.S. 58 costs);

j. prohibited allocations that are treated as deemed distributions pursuant to Code section 409(p); and

k. a distribution that is a permissible withdrawal from an eligible automatic contribution arrangement within the meaning of Code section 414(w).

A portion of a distribution will not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to (i) an individual retirement account or annuity described in Code section 408(a) or 408(b) or a Roth individual retirement account or annuity described in Code section 408A (a Roth IRA), or (ii) a qualified plan described in Code section 401(a) or 403(a) or a tax-sheltered annuity described in Code section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

EMPLOYEE

Means any person employed as a common law employee by an Employer maintaining the Plan or of any other employer required to be aggregated with such Employer under Code sections 414(b), (c), (m), or (o) and under Treasury Regulation section 1.414(c)-5. If the Plan is a Governmental Plan, an Employee means any employee of the Employer maintaining the Plan or any other employer aggregated with the Employer in a manner consistent with Notice 89-23. If the Employer is a Church, QCCO, Church-Related Organization, or NQCCO, "Employee" shall also include a self-employed minister described in Code section 414(e)(5)(A)(i()(I) or minister described in Code section 414(e)(5)(A)(i)(II). The term Employee will also include individuals providing qualified military service who are treated as reemployed for purposes of applying the rules under Code sections 403(b)(14) and 414(u).

EMPLOYER

Means the Adopting Employer and any Participating Employers who meet the definition of an eligible employer described in Treasury Regulation section 1.403(b)-2(b)(8).

EMPLOYER CONTRIBUTION

Means any amounts contributed by the Employer each year as determined under this Plan. The term Employer Contribution will also include Elective Deferrals and Mandatory Employee Contributions made to the Plan unless such contributions are intended to be excluded for purposes of either the Plan or any act under the Code or any additional rules, regulations, or other pronouncements promulgated by the IRS.

EMPLOYER NONELECTIVE CONTRIBUTION

Means the amount, if any, contributed to the Plan under Adoption Agreement Section Three, Part E by the Employer each Plan Year as a discretionary or fixed Employer Nonelective Contribution.

EMPLOYMENT COMMENCEMENT DATE

Means, with respect to an Employee, the date such Employee first performs an Hour of Service for the Employer.

ENHANCED MATCHING CONTRIBUTIONS

Means Matching Contributions described in Code section 401(k)(12)(B)(iii) and made pursuant to the Safe Harbor Arrangement formula elected by the Employer in the Adoption Agreement.

ENTRY DATES

Means the first day of the Plan Year and the first day of the seventh month of the Plan Year coinciding with or following the date the Employee satisfies the eligibility requirements of Plan Section 2.01 for the applicable contribution source, unless the Adopting Employer has specified different dates in the Adoption Agreement. For purposes of Elective Deferrals, an Employee's Employment Commencement Date will be considered an Entry Date, unless the Employee may make Elective Deferrals to another plan maintained by the Employer that satisfies the universal availability requirements. Additionally, if this is an initial adoption of the Plan by the Employer, the initial Effective Date will also be considered an Entry Date.

ERISA

Means the Employee Retirement Income Security Act of 1974 as amended from time to time.

ERISA PLAN

Means that the Plan is subject to the requirements of ERISA. This Plan is not an ERISA Plan if it is used by Churches, QCCOs, Church-Related Organizations, or NQCCOs that have not elected to be subject to ERISA or by Public Schools and other governmental entities. In addition, the Plan is not intended to be an ERISA Plan if it is used by 501(c)(3) tax-exempt entities that satisfies the ERISA exemption established by DOL Reg. §2510.3-2(f).

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EXCESS AGGREGATE CONTRIBUTIONS
Means, with respect to any Plan Year in which the Adopting Employer is a Church-Related Organization or a NQCCO, the excess of

a. the aggregate Contribution Percentage Amounts taken into account in computing the numerator of the Contribution Percentage actually made on behalf of Highly Compensated Employees for such Plan Year, over

b. the maximum Contribution Percentage Amounts permitted by the ACP test (determined by hypothetically reducing contributions made on behalf of Highly Compensated Employees in order of their Contribution Percentages beginning with the highest of such percentages).

Such determination will be made after first determining Excess Elective Deferrals pursuant to the definition herein.

EXCESS ANNUAL ADDITIONS
Means the excess of the Participant's Annual Additions for the Limitation Year over the Maximum Permissible Amount.

EXCESS ELECTIVE DEFERRALS
Means those Elective Deferrals that either 1) are made during the Participant's taxable year and exceed the dollar limitation under Code section 402(g) (increased, if applicable, by the dollar limitation on Age 50 Catch-up Contributions defined in Code section 414(v) or Special Code Section 403(b) Catch-up Contributions) for such year; or 2) are made during a calendar year and exceed the dollar limitation under Code section 402(g) (increased, if applicable, by the dollar limitation on Age 50 Catch-up Contributions defined in Code section 414(v) or Special Code Section 403(b) Catch-up Contributions) for the Participant's taxable year beginning in such calendar year, counting only Elective Deferrals made under this Plan and any other plan, contract or arrangement maintained by the Employer. Excess Elective Deferrals will be treated as Annual Additions under the Plan, unless such amounts are distributed no later than the first April 15 following the close of the Participant's taxable year.

FORFEITURE
Means that portion of a Participant's Individual Account derived from Employer Contributions that the Participant is not entitled to receive (i.e., the nonvested portion).

FUNDING VEHICLE
Means an annuity contract or custodial account available for investment of Employer Contributions pursuant to Plan Section 7.01. Annuity contract means a nontransferable group or individual contract as defined in Code sections 403(b)(1) and 401(g), established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in a state that includes payment in the form of an annuity. Custodial account means the group or individual custodial account or accounts, as defined in Code section 403(b)(7), established for each Participant by the Employer, or by each Participant individually, to hold assets of the Plan.

A list of Vendors of Funding Vehicles approved for use under the Plan, including sufficient information to identify the approved Funding Vehicles, shall be maintained in the Authorized Vendor Attachment to the Plan. The terms governing each Funding Vehicle under the Plan, excluding those terms that are inconsistent with the Plan or Code section 403(b), are hereby incorporated by reference.

GOVERNMENTAL PLAN
Means a governmental plan within the meaning of Code section 414(d).

HIGHLY COMPENSATED EMPLOYEE
Means, if the Employer is not a Church, QCCO, Public School, or other governmental entity, any Employee who had Compensation from the Employer for the preceding year in excess of $135,000 and, if elected by the Adopting Employer in the Adoption Agreement, was in the top-paid group for the preceding year. The $135,000 amount is adjusted for cost-of-living increases to the extent provided under Code section 414(q) for years after 2022.

For this purpose, the applicable year of the Plan for which a determination is being made is called a determination year and the preceding 12-month period is called a look-back year unless the Adopting Employer has made a calendar year data election in the Adoption Agreement. If a calendar year data election is made, the look-back year will be the calendar year ending within the Plan Year for purposes of determining who is a Highly Compensated Employee.

A highly compensated former employee is based on the rules applicable to determining Highly Compensated Employee status as in effect for that determination year, in accordance with Treasury Regulation section 1.414(q)-1T, A-4, Notice 97-45 and any subsequent guidance issued by the IRS.

The determination of who is a Highly Compensated Employee, including, but not limited to the determinations of the number and identity of Employees in the top-paid group and the Compensation that is considered, will be made in accordance with Code section 414(q) and the corresponding regulations. Adoption Agreement elections to include or exclude items from Compensation that are inconsistent with Code section 414(q) will be disregarded for purposes of determining who is a Highly Compensated Employee.

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HOURS 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 Labor Regulation section 2530.200b-2 that is incorporated herein by this reference.

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.

4. Solely for purposes of determining whether a Break in Eligibility Service or a Break in Vesting Service has occurred in a computation period (the computation period for purposes of determining whether a Break in Vesting Service has occurred is the Plan Year or other vesting computation period described in the definition of a Year of Vesting Service (Period of Service, if applicable)), an individual who is absent from work for maternity or paternity reasons will receive credit for the Hours of Service that would otherwise have been credited to such individual but for such absence, or in any case in which such hours cannot be determined, eight 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 will be credited 1) in the Eligibility Computation Period, Plan Year, or other vesting computation period described in the definition of a year of service in which the absence begins if the crediting is necessary to prevent a Break in Eligibility Service or a Break in Vesting Service in the applicable period, or 2) in all other cases, in the following Eligibility Computation Period or Plan Year or other vesting computation period described in the definition of a year of service.

5. Hours of Service will be credited for employment with other members of an affiliated service group (under Code section 414(m)), a controlled group of corporations (under Code section 414(b)), or a group of trades or businesses under common control (under Code section 414(c)) of which the Adopting Employer is a member, and any other entity required to be aggregated with the Employer pursuant to Code section 414(o) and the corresponding regulations and under Treasury Regulation section 1.414(c)-5.

   Hours of Service will also be credited for any individual considered an Employee for purposes of this Plan under Code sections 414(n) or 414(o) and the corresponding regulations.

6. Where the Employer maintains the plan of a predecessor employer, service for such predecessor employer will be treated as service for the Employer. If the Employer does not maintain the plan of a predecessor employer, service for such predecessor employer will not be treated as service for the Employer unless specifically elected in the Adoption Agreement.

7. The above method for determining Hours of Service may be altered as specified in the Adoption Agreement.

8. Hours of Service will apply unless the Adopting Employer has indicated in the Adoption Agreement that a method other than Hours of Service will be used for determining service.

INCLUDIBLE COMPENSATION

Means the Employee's compensation received from the Employer that is includible in gross income for federal income tax purposes (computed without regard to Code section 911). Includible Compensation includes any amounts deferred by the Employer at the election of the Employee that would be includible in gross income but for the rules of Code sections 125, 132(f), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

Includible Compensation does not include any compensation received during a period when the Employer is not an eligible employer within the meaning of Treasury Regulation section 1.403(b)-2(b)(8).

Includible Compensation is increased by differential wage payments under Code section 3401(h) for the most recent period that constitutes a Year of Service and, for Plan Years beginning on or after January 1, 2016, Difficulty of Care Payments under Code section 131(c)(1)(A) that are otherwise excludible from income.

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The amount of Includible Compensation is determined without regard to any community property laws. The amount of Includible Compensation of each Participant that is taken into account in determining contributions for any Plan Year shall not exceed $305,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B) for periods after 2022.

For purposes of determining the limitation under Code section 415(c), a former Employee is deemed to have monthly Includible Compensation for the period through the end of the taxable year in which such Employee ceases employment and through the end of each of the next five taxable years. The monthly amount is equal to one-twelfth of the former Employee's Includible Compensation during the former Employee's most recent year of service as described in Treasury Regulation section 1.403(b)-4(d).

For Plan Years beginning on or after January 1, 2016, Includible Compensation for a Participant shall, as required under Code section 415(c)(8) and related guidance, be increased by the amount of Difficulty of Care Payments for a taxable year.

INDIRECT IN-PLAN ROTH ROLLOVER
Means an Indirect Rollover of an Eligible Rollover Distribution from a Recipient's Individual Account (other than from Roth Elective Deferrals or Roth rollover contributions) to a Roth rollover account established for the Recipient.

INDIRECT ROLLOVER
Means a rollover contribution received by this Plan from an Employee that within 60 days of receiving a distribution from another plan rather than having such amount directly rolled over to this Plan from the distributing plan.

INDIVIDUAL ACCOUNT
Means the accounting record established and maintained under this Plan for each Participant in accordance with Plan Section 7.02(B).

INDIVIDUAL AGREEMENT
Means the agreement between the Vendor and the Employer or Participant that constitutes or governs the annuity contract or custodial account used as a Funding Vehicle under the Plan.

INITIAL PERIOD
Means the period for each Eligible Employee that begins on the date the Eligible Employee first participates in the QACA and ends on the last day of the Plan Year that starts after the date the Eligible Employee first participates in the QACA.

INITIAL PLAN DOCUMENT
Means the plan document that initially established the Plan.

IN-PLAN ROTH ROLLOVER
Means any contribution made either as a Direct In-Plan Roth Rollover or an Indirect In-Plan Roth Rollover.

IRS
Means Internal Revenue Service.

ISSUER
Means an insurance or other company who issues annuity contracts described in Code section 403(b)(1) that are authorized by the Employer for use under the Plan. In the event of any conflict between the terms of the Plan and the terms of an annuity contract under the Plan, the terms of the Plan will control.

LIFE EXPECTANCY
Means life expectancy as computed by using the Single Life Table in Treasury Regulation section 1.401(a)(9)-9, Q&A-1.

LIFETIME INCOME FEATURE
Means 1) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the Participant or the joint lives of the Participant and the Participant's Designated Beneficiary, or 2) an annuity payable on behalf of the Participant under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the Participant or the joint lives of the Participant and the Participant's Designated Beneficiary.

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LIFETIME INCOME INVESTMENT

Means an investment option which is designed to provide a Participant with election rights 1) which are not uniformly available with respect to other investment options under the Plan, and 2) which are to a Lifetime Income Feature available through a contract or other arrangement offered under the Plan, if permitted.

LIMITATION YEAR

Means the calendar year. However, if permitted by the Plan Administrator, the Participant may elect to change the Limitation Year to another 12-month period in compliance with Treasury Regulation section 1.415(j)-1(e). If the Participant is in control of an employer as described in Plan Section 3.11(C), the Limitation Year is the limitation year of the defined contribution plan controlled by the Participant.

If the Plan is terminated effective as of a date other than the last day of the Plan's Limitation Year, the Plan is treated as if the Plan was amended to change its Limitation Year. As a result of this deemed amendment, the Code section 415(c)(1)(A) dollar limit must be prorated under the short Limitation Year rules.

MANDATORY EMPLOYEE CONTRIBUTION

Means any pre-tax contribution made to the Plan by or on behalf of a Participant that is mandatory as a condition of employment or pursuant to other similar criteria as designated by the Adopting Employer in the Adoption Agreement.

MATCHING CONTRIBUTION

Means an Employer Contribution made to this or any other defined contribution plan on behalf of a Participant on account of an Elective Deferral, a Nondeductible Employee Contribution, or a Mandatory Employee Contribution made by such Participant under a plan maintained by the Employer. Notwithstanding the preceding, if the Adopting Employer has elected to apply the Safe Harbor Arrangement or Qualified Automatic Contribution Arrangement provisions of the Plan, Matching Contributions means contributions made by the Employer on account of an Eligible Employee's Elective Deferrals.

MATCHING CONTRIBUTION COMPUTATION PERIOD

Means the applicable period of time over which a Participant's Compensation and Elective Deferrals, Nondeductible Employee Contributions, and/or Mandatory Employee Contributions, if applicable, are taken into account for purposes of determining all Matching Contributions that are made to the Plan on behalf of such Participant. Unless otherwise elected in the Adoption Agreement, the Matching Contribution Computation Period is the Plan Year.

MAXIMUM PERMISSIBLE AMOUNT

Means the maximum Annual Addition that may be contributed or allocated to a Participant's Individual Account under the Plan for any Limitation Year.

The Maximum Permissible Amount will not exceed the lesser of

a. $61,000, as adjusted for cost-of-living for years after 2022, or

b. 100% of the Participant's Includible Compensation for the Limitation Year.

The compensation limitation referred to in (b) will not apply to any contribution for medical benefits after separation from service (within the meaning of Code section 401(h) or 419A(f)(2)) that is otherwise treated as an Annual Addition.

If a short Limitation Year is created, the Maximum Permissible Amount will not exceed $61,000, as adjusted for cost-of-living for years after 2022, multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

For Limitation Years beginning on or after January 1, 2016, the compensation limitation referred to in (b) above will be increased by the amount of Difficulty of Care Payments for a taxable year.

MONTHS OF ELIGIBILITY SERVICE

Means the period of consecutive months, as specified in the Adoption Agreement, beginning on the Employee's date of hire, and ending on the last day of the initial period specified in the Adoption Agreement, during which an Employee completes at least the number of Hours of Service specified in the Adoption Agreement, if applicable. The method used to determine the Months of Eligibility Service must be administered in a uniform and nondiscriminatory manner. Employees do not complete the Months of Eligibility Service until they complete the required number of Hours of Service, if applicable, and reach the end of the period of consecutive months.

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NON-QUALIFIED CHURCH-CONTROLLED ORGANIZATION (NQCCO)
Means a church-controlled, tax-exempt organization described in Code section 501(c)(3) that does not meet the definition of a QCCO.

NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS
Means any contribution, other than Roth Elective Deferrals, rollovers, or transfers, made to the Plan by or on behalf of a Participant that is included in the Participant's gross income in the year in which made and that is maintained under a separate account to which earnings and losses are allocated.

NORMAL RETIREMENT AGE
Means the age and, if applicable, years of participation specified in the Adoption Agreement. If the Employer enforces a mandatory retirement age, the Normal Retirement Age is the lesser of that mandatory age or the age specified in the Adoption Agreement. If no age is specified in the Adoption Agreement, the Normal Retirement Age will be age 59½.

PARTICIPANT
Means any Employee or former Employee of the Employer who has met the Plan's age and eligibility service requirements, if applicable, has entered the Plan, and who is or may become eligible to receive a benefit of any type from this Plan or whose Beneficiary may be eligible to receive any such benefit.

PARTICIPATING EMPLOYER
Means an employer participating in the Plan. A Participating Employer may be a Related Employer or an employer who is not related to the Adopting Employer. Unless the Employer elected in the Adoption Agreement to allow all Related Employers to participate in the Plan, a Related Employer of the Adopting Employer must execute a Participating Employer Election Attachment prior to participation in the Plan. Any Participating Employer that is an Unrelated Employer must execute a Participating Employer Election Attachment prior to participation in the Plan. If the Plan is a multiple employer plan, the Adopting Employer must also complete a Participating Employer Election Attachment prior to participation in the Plan.

PERIOD OF SERVICE
Means the aggregate of all time periods beginning on the Employee's date of hire or rehire and ending on the date a Break in Service begins. The first day of employment or reemployment is the first day the Employee performs an Hour of Service. If the Plan is using the Elapsed Time method of determining eligibility service, this definition of Period of Service will replace the definition of Year of Eligibility Service found in this Definitions Section of the Plan. If the Plan is using the Elapsed Time method of determining vesting service, this definition of Period of Service will replace the definition of Year of Vesting Service found in this Definitions Section of the Plan.

PERIOD OF SEVERANCE
Means a continuous period of time during which the Employee is not employed by the Employer. Such period begins on the date the Employee ceases to be employed by the Employer, or if earlier, the 12-month anniversary of the date on which the Employee was otherwise first absent from service.

PLAN
Means this pre-approved 403(b) plan adopted by the Adopting Employer. The Plan consists of this Basic Plan Document, the corresponding Adoption Agreement, any attachments or amendments, as completed and signed by the Adopting Employer, including any amendment provisions adopted prior to the Effective Date of the Plan that are not superseded by the provisions of this restatement, and any other documents required to be considered part of the Plan by the IRS. Such documents include, but are not limited to, those that contain any of the material terms and conditions for eligibility, benefits, applicable limitations, the time and form under which benefit distributions may be made, and other optional features allowed under Code section 403(b).

PLAN ADMINISTRATOR
Means the Adopting Employer unless the managing body of the Adopting Employer designates a person or persons other than the Adopting Employer as the Plan Administrator. The Adopting Employer will also be the Plan Administrator if the person or persons so designated ceases to be the Plan Administrator and a successor Plan Administrator is not appointed. The duties of the Plan Administrator may be performed by Vendors, designated agents of the Plan Administrator, or others (including Employees of which a substantial portion of whose duties is administration of the Plan) pursuant to the terms of investment arrangements, written service agreements, or other documents under the Plan. For this purpose, an Employee is treated as having a substantial portion of his or her duties devoted to administration of the Plan if the Employee's duties with respect to administration of the Plan are a regular part of the Employee's duties and the Employee's duties relate to Participants and Beneficiaries generally (and the Employee only performs those duties for himself or herself as a consequence of being a Participant or Beneficiary).The Adopting Employer may establish an administrative committee that will carry out the Plan Administrator's duties. Members of the administrative committee may allocate the Plan Administrator's duties among themselves. If the managing body of the Adopting Employer designates a person or persons other than the Adopting Employer as Plan Administrator, such person or persons will serve at the pleasure of the Adopting Employer and will serve pursuant to such procedures as such managing body may provide. The term Plan Administrator will include any person authorized to perform the duties of the Plan Administrator. Where the Plan Administrator will not or cannot appoint a successor Plan Administrator, a majority of Participants in the Plan will have the authority to appoint a successor Plan Administrator but will not be obligated to do so if engaging a majority of Participants would result in unreasonable time, expense, or administrative burden. The Pre-approved Document Provider will in no case be designated as the Plan Administrator. The term Plan Administrator will include any person authorized to perform the duties of the Plan Administrator.

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PLAN SEQUENCE NUMBER
Means the three-digit number the Adopting Employer assigned to the Plan in the Adoption Agreement. The Plan Sequence Number identifies the number of plans the Employer maintains or has maintained. The Plan Sequence Number is 001 for the Employer's first plan, 002 for the second, etc.

PLAN YEAR
Means the 12-consecutive month period that coincides with the Adopting Employer's tax year or such other 12-consecutive month period as is designated in the Adoption Agreement. Notwithstanding the preceding, a Plan Year may be a period less than 12 months, as defined in the Adoption Agreement.

PRE-APPROVED DOCUMENT PROVIDER
Means the entity specified in the Adoption Agreement that makes this pre-approved plan document available to employers for adoption.

PRE-APPROVED PLAN
Means a plan, the form of which is the subject of a favorable opinion letter from the IRS.

PRE-TAX ELECTIVE DEFERRALS
Means Elective Deferrals that are not included in a Contributing Participant's gross income at the time deferred.

PRIMARY BENEFICIARY
Means an individual named as a Beneficiary under the Plan who has an unconditional right to all or a portion of a Participant's Individual Account upon the Participant's death.

PRIOR PLAN DOCUMENT
Means a plan document that was replaced by adoption of this Plan document as indicated in the Adoption Agreement.

PUBLIC SCHOOL
Means a State-sponsored educational organization described in Code section 170(b)(1)(A)(ii) (relating to educational organizations that normally maintain a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where educational activities are regularly carried on).

QACA ACP TEST SAFE HARBOR CONTRIBUTIONS
Means any QACA Basic Matching Contributions, QACA Enhanced Matching Contributions, and QACA Safe Harbor Nonelective Contributions.

QACA ADDITIONAL ACP TEST SAFE HARBOR MATCHING CONTRIBUTIONS
Means Matching Contributions described in Plan Section 3.01(G)(3).

QACA BASIC MATCHING CONTRIBUTIONS
Means Matching Contributions made pursuant to the QACA formula described in Adoption Agreement Section Three, in an amount equal to 1) 100 percent of the amount of the Employee's Elective Deferrals that do not exceed one percent of the Employee's Compensation for the Plan Year, plus 2) 50 percent of the amount of the Employee's Elective Deferrals that exceed one percent of the Employee's Compensation but do not exceed six percent of the Employee's Compensation for the Plan Year, if applicable.

QACA ENHANCED MATCHING CONTRIBUTIONS
Means Matching Contributions described in Code section 401(k)(12)(B)(iii) and made pursuant to the QACA formula elected by the Employer in the Adoption Agreement.

QACA SAFE HARBOR CONTRIBUTIONS
Means Employer Contributions made pursuant to the QACA provisions in Plan Section 3.01(G).

QACA SAFE HARBOR NONELECTIVE CONTRIBUTIONS
Means Employer Contributions made in an amount equal to at least three percent of each Participant's Compensation on behalf of each Eligible Employee, unless otherwise specified in the Adoption Agreement. Such contributions will be made without regard to whether a Participant makes an Elective Deferral, Mandatory Employee Contribution, or Nondeductible Employee Contribution.

QUALIFIED AUTOMATIC CONTRIBUTION ARRANGEMENT (QACA)
Means a Plan whereby Eligible Employees are automatically enrolled as Contributing Participants in the Plan and that requires Employer Contributions to the Plan as outlined in Plan Section 3.01(G) and Code sections 401(k)(13) and 401(m)(12) in order to be deemed to satisfy certain nondiscrimination testing requirements.

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QUALIFIED BIRTH OR ADOPTION DISTRIBUTION

Means any distribution from the Plan to an Employee if made during the one-year period beginning on the date on which a child of the Employee is born or on which the legal adoption by the Employee of an Eligible Adoptee is finalized. Notwithstanding the preceding, for purposes of a repayment of a Qualified Birth or Adoption Distribution to the Plan in accordance with Plan Section 3.07, a Qualified Birth or Adoption Distribution may be taken from a source other than the Plan.

QUALIFIED CHURCH-CONTROLLED ORGANIZATION (QCCO)

Means an organization described in Code section 3121(w)(3)(B) and the Treasury Regulations thereunder, and generally refers to any church controlled, tax-exempt organization described in Code section 501(c)(3), other than an organization which:

(A) Offers goods, services, or facilities for sale, other than on an incidental basis, to the general public, other than goods, services, or facilities which are sold at a nominal charge which is substantially less than the cost of providing such goods, services, or facilities; and

(B) Normally receives more than 25 percent of its support from either: (1) governmental sources, or (2) receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in activities which are not unrelated trades or businesses, or both.

QUALIFIED DOMESTIC RELATIONS ORDER

A. In General – Means a Domestic Relations Order

1. that creates or recognizes the existence of an Alternate Payee's rights to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable with respect to a Participant under the Plan, and

2. with respect to which the requirements described in the remainder of this definition are met.

B. Specification of Facts – A Domestic Relations Order will be a Qualified Domestic Relations Order only if the order clearly specifies

1. the name and last known mailing address (if any) of the Participant and the name and mailing address of each Alternate Payee covered by the order,

2. the amount or percentage of the Participant's benefits to be paid by the Plan to each such Alternate Payee, or the manner in which such amount or percentage is to be determined,

3. the number of payments or period to which such order applies, and

4. each plan to which such order applies.

C. Additional Requirements – In addition to paragraph (B) above, a Domestic Relations Order will be considered a Qualified Domestic Relations Order only if such order

1. does not require the Plan to provide any type or form of benefit, or any option not otherwise provided under the Plan,

2. does not require the Plan to provide increased benefits, and

3. does not require benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order previously determined to be a Qualified Domestic Relations Order.

D. Exception for Certain Payments – A Domestic Relations Order will not be treated as failing to meet the requirements above solely because such order requires that payment of benefits be made to an Alternate Payee

1. on or after the date on which the Participant attains (or would have attained) the earliest retirement age,

2. as if the Participant had retired on the date on which such payment is to begin under such order, and

3. in any form in which such benefits may be paid under the Plan to the Participant with respect to the Alternate Payee and their subsequent spouse.

QUALIFIED INDIVIDUAL

Means, an individual 1) who is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (referred to collectively as "COVID-19") by a test approved by the Centers for Disease Control and Prevention (including a test authorized under the Federal Food, Drug, and Cosmetic Act); 2) whose spouse or dependent (as defined in Code section 152) is diagnosed with COVID-19 by such a test; or 3) who experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19, being unable to work due to lack of child care due to COVID-19, closing or reducing hours of a business owned or operated by the individual due to COVID-19, having a reduction in pay (or self-employment income) due to COVID-19, or having a job offer rescinded or start date for a job delayed due to COVID-19, the individual's spouse or a member of the individual's household being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19, being unable to work due to lack of child care due to COVID-19, having a reduction in pay

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(or self-employment income) due to COVID-19, or having a job offer rescinded or start date for a job delayed due to COVID-19, or closing or reducing hours of a business owned or operated by the individual's spouse or a member of the individual's household due to COVID-19, or other factors as determined by the Secretary of the Treasury.

For this purpose, a "member of the individual's household" is someone who shares the individual's principal residence.

QUALIFIED NONELECTIVE CONTRIBUTIONS
Means Employer Contributions (other than Matching Contributions or Employer Nonelective Contributions) allocated to Participants' Individual Accounts that the Participants may not elect to receive in cash until distributed from the Plan, that are nonforfeitable when allocated to the Participants' Individual Accounts, and that are distributable only in accordance with the distribution provisions that are applicable to Elective Deferrals. Effective for taxable years beginning before July 20, 2018, such contributions are nonforfeitable at the time such amounts are contributed to the Plan.

QUALIFIED PLAN DISTRIBUTION ANNUITY CONTRACT
Means an annuity contract purchased for a Participant and distributed to the Participant by the Plan.

QUALIFYING CONTRIBUTING PARTICIPANT
Means a Contributing Participant who satisfies the requirements described in Plan Section 3.03 to be entitled to receive a Matching Contribution (and Forfeitures, if applicable) for a Plan Year.

QUALIFYING PARTICIPANT
Means an Employee who was a Participant on at least one day during the Plan Year and satisfies any additional conditions specified in the Adoption Agreement to be entitled to share in the Employer Contribution for any Plan Year. The determination of whether a Participant is entitled to share in the Employer Contribution will be made as of the last day of each Plan Year.

RECIPIENT
Means an Employee or former Employee. In addition, the Employee's or former Employee's surviving Spouse and the Employee's or former Employee's Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order, as defined in Code section 414(p), are Recipients with regard to the interest of the Spouse or former Spouse.

RELATED EMPLOYER
Means all employers that are aggregated with the Employer under Code section 414(b) and (c) (each as modified by Code section 415(h), (m), and (o)) and the Treasury Regulations thereunder.

If the Adopting Employer is a Church-Related Organization, a Related Employer will also include any other Church-Related Organization that the Adopting Employer elected to be aggregated with under Code section 414(c) until such election is revoked in accordance with IRS Notice 2018-81.

If the Plan is a Governmental Plan, Related Employer means all employers that are aggregated with the Employer in a manner consistent with Notice 89-23.

RELATED PARTICIPATING EMPLOYER
Means a Related Employer of the Adopting Employer who participates in the Plan. Unless the Employer elected in the Adoption Agreement to allow all Related Employers to participate in the Plan, a Related Employer of the Adopting Employer must execute a Participating Employer Attachment prior to participation in the Plan.

ROTH ELECTIVE DEFERRALS
Means Elective Deferrals that are includible in a Contributing Participant's gross income at the time deferred and have been irrevocably designated as Roth Elective Deferrals by the Contributing Participant in their deferral election.

SAFE HARBOR ARRANGEMENT
Means a Plan that has elected to make contributions in accordance with Plan Section 3.04.

SAFE HARBOR CONTRIBUTIONS
Means Employer Contributions made pursuant to either the Safe Harbor Arrangement provisions in Plan Section 3.04 or the QACA provisions in Plan Section 3.01(G).

SAFE HARBOR NONELECTIVE CONTRIBUTIONS
Means Employer Contributions made in an amount equal to at least three percent of each Participant's Compensation on behalf of each Eligible Employee, unless otherwise specified in the Adoption Agreement. Such contributions will be made without regard to whether a Participant makes an Elective Deferral, or a Nondeductible Employee Contribution.

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SEVERANCE FROM EMPLOYMENT

Means the date that an Employee ceases to be an Employee of the Employer maintaining the Plan or any Related Employer that is eligible to maintain a 403(b) plan under Treasury Regulation section 1.403(b)-2(b)(8), even if the Employee remains employed with another entity that is a Related Employer where either 1) such Related Employer is not eligible to maintain a 403(b) plan; or 2) the Employee is employed in a capacity that is not employment with an employer that is eligible to sponsor a 403(b) plan.

SPECIAL CODE SECTION 403(b) CATCH-UP CONTRIBUTIONS

Means, if applicable, Elective Deferrals that exceed an otherwise applicable Plan limit and that are made by a qualified employee of a qualified organization in accordance with Code section 402(g)(7), as described in Plan Section 3.01(E)(2).

If Special Code section 403(b) Catch-up Contributions are permitted by the Employer in the Adoption Agreement, any Elective Deferrals that exceed an otherwise applicable Plan limit will first be applied as Special Code section 403(b) Catch-up Contributions, with any additional Elective Deferrals being treated as Age 50 Catch-up Contributions, if applicable.

SPOUSE

Means the Spouse or surviving Spouse of the Participant, provided that a former Spouse will be treated as the Spouse or surviving Spouse and a current Spouse will not be treated as the Spouse or surviving Spouse to the extent provided under a Qualified Domestic Relations Order.

TAXABLE WAGE BASE

Means, with respect to any taxable year, the contribution and benefit base in effect in Section 230 of the Social Security Act at the beginning of the Plan Year.

UNRELATED PARTICIPATING EMPLOYER

Means an employer who is not a Related Employer of the Adopting Employer and who executes a Participating Employer Attachment. An employer who is a Related Employer of a Participating Employer but not of the Adopting Employer will not be considered an Unrelated Participating Employer unless it also executes a Participating Employer Attachment.

VALUATION DATE

Means the last day of the Plan Year and each other date designated by the Plan Administrator which is selected in a uniform and nondiscriminatory manner when the assets of the Plan are valued at their then fair market value.

VENDOR

Means the provider of an annuity contract or custodial account approved by the Employer for use under this Plan. Vendors are either insurance companies who may issue annuity contracts described in Treasury Regulation section 1.403(b)-2(b)(2) or a bank or other person (described in Treasury Regulation section 1.403(b)-8(d)(2)) who may hold amounts in a custodial account that meets the requirements of Treasury Regulation section 1.403(b)-8(d) including the requirement that the amounts are invested in stock of a regulated investment company.

VESTED

Means nonforfeitable, that is, an unconditional and legally enforceable claim against the Plan that is obtained by a Participant or the Participant's Beneficiary to that part of an immediate or deferred benefit under the Plan that arises from a Participant's Years of Vesting Service (Periods of Service, if applicable).

VESTED ACCOUNT BALANCE

Means the aggregate value of the Participant's Vested account balances derived from Employer Contributions (including rollovers), whether Vested before or upon death, including the proceeds of insurance contracts, if any, on the Participant's life. This definition will apply to a Participant who is vested in amounts attributable to Employer Contributions, Mandatory Employee Contributions, and Nondeductible Employee Contributions at the time of death or distribution.

YEAR OF ELIGIBILITY SERVICE

Means a 12-consecutive month period that coincides with an Eligibility Computation Period during which an Employee completes at least 1,000 Hours of Service (or such lesser number of Hours of Service specified in the Adoption Agreement), or such period specified in the Period of Service definition, if applicable. Employees are not credited with a Year of Eligibility Service until they complete the required number of Hours of Service and reach the end of the 12-consecutive month period or are employed at the end of the Period of Service, if applicable.

The Plan may be amended to change the method of crediting service between the Hours of Service method of determining service and the Elapsed Time method provided each Employee with respect to whom the method of crediting service is changed is afforded the protection described in Treasury Regulation section 1.410(a)-7(g) and other applicable rules promulgated by the IRS.

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YEAR OF SERVICE

Means, for purposes of determining Includible Compensation or Special Code Section 403(b) Catch-up Contributions, each full year during which an individual is a full-time Employee of the Employer, plus fractional credit for each part of a year during which the individual is either a full-time Employee of the Employer for a part of a year or a part-time Employee of the Employer. The Employee must be credited with a full Year of Service for each year during which the Employee is a full-time Employee and a fraction of a year for each part of a work period during which the Employee is a full-time or part-time Employee of the Employer. An Employee's number of Years of Service equals the aggregate of the annual work periods during which the Employee is employed by the Employer. The work period is the Employer's annual work period.

YEAR OF VESTING SERVICE

Means a Plan Year during which an Employee completes at least 1,000 Hours of Service (or such lesser number of Hours of Service specified in the Adoption Agreement for this purpose), or such period specified in the Period of Service definition, if applicable. Notwithstanding the preceding sentence, if the Adopting Employer so indicates in the Adoption Agreement, vesting will be computed by reference to the 12-consecutive month period beginning with the Employee's Employment Commencement Date and each successive 12-month period commencing on the anniversaries thereof, or some other 12-consecutive month period.

Years of Vesting Service will not include any period of time excluded from Years of Vesting Service in the Adoption Agreement. However, if an Employee becomes ineligible to participate in the Plan because they are no longer a member of an eligible class of Employees, but has not incurred a Break in Vesting Service, such Employee will continue to accumulate Years of Vesting Service.

In the event the Plan Year is changed to a new 12-month period, Employees will receive credit for Years of Vesting Service, in accordance with the preceding provisions of this definition, for each of the Plan Years (the old and new Plan Years) that overlap as a result of such change.

The Plan may be amended to change the method of crediting service between the Hours of Service method of determining service and the Elapsed Time method provided each Employee with respect to whom the method of crediting service is changed is afforded the protection described in Treasury Regulation section 1.410(a)-7(g) and other applicable rules promulgated by the IRS.

SECTION ONE: EFFECTIVE DATES

Pursuant to the DEFINITIONS Section of the Plan, the Effective Date means the date the Plan becomes effective as indicated in the Adoption Agreement. However, certain provisions of the Plan may have effective dates that differ from the Plan Effective Date, if, for example, the Plan is amended subsequent to the Effective Date.

SECTION TWO: ELIGIBILITY REQUIREMENTS

2.01 ELIGIBILITY TO PARTICIPATE

If the Adopting Employer is not a Church or QCCO, each Employee of the Employer, except an Employee who belongs to a class of Employees excluded from participation as indicated in the Adoption Agreement, will be eligible to participate in this Plan by electing to contribute a portion of their Compensation as an Elective Deferral. There is no minimum age an Employee must attain or eligibility service requirement that must be satisfied to become a Participant in this Plan for purposes of making Elective Deferrals. However, the age and eligibility service requirements specified in the Adoption Agreement for Elective Deferrals will apply if the Adopting Employer is a Church, QCCO, or maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code section 403(b)(12) and the corresponding Treasury Regulations. If permitted by the Adoption Agreement, an Employee who may make Elective Deferrals may also make Nondeductible Employee Contributions.

For all other types of contributions under the Plan, each Employee, except an Employee who belongs to a class of Employees excluded from participation as indicated in the Adoption Agreement, will be eligible to participate in the Plan upon satisfying the age and eligibility service requirements specified in the Adoption Agreement. If no age is specified in the Adoption Agreement, there will not be an age requirement. If no option for eligibility service is specified, no eligibility service will be required.

2.02 PLAN ENTRY

A. Plan Restatement – If this Plan is an amendment or restatement of a Prior Plan Document, each Employee who was a Participant in the Prior Plan Document before the Effective Date will continue to be a Participant in this Plan.

B. Effective Date – If this is an initial adoption of the Plan by the Employer, Employees will enter the Plan for purposes of making Elective Deferrals as soon as administratively feasible following the Employee's Employment Commencement Date and following the completion of any administrative requirements (equally applicable to all Employees) established by the Plan Administrator for purposes of orderly and reasonable administration of the Plan, unless they are in an excluded class of Employees listed in the Adoption Agreement. If the Adopting Employer is a Church, a QCCO, or it maintains another plan that satisfies the universal availability requirements under Code section 403(b)(12), an Employee will become a Participant for purposes of Elective Deferrals as of the Effective Date if the Employee has met the eligibility requirements of Plan Section 2.01 as of such date unless they are in an excluded class of Employees listed in the Adoption Agreement.

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For purposes of all other contributions, an Employee will become a Participant in the Plan as of the Effective Date if the Employee has met the eligibility requirements of Plan Section 2.01 as of such date. After the Effective Date of the Initial Plan Document, each Employee will become a Participant on the first Entry Date coinciding with or following the date the Employee satisfies the eligibility requirements of Plan Section 2.01, unless the Adopting Employer selects retroactive or next following Entry Dates in the Adoption Agreement.

C. Notification – The Plan Administrator shall notify each Employee who becomes eligible to be a Participant under this Plan and shall furnish the Employee with the enrollment forms or other documents that are required of Participants. Such notification will be in writing (or any other form permitted under any applicable rules promulgated by the IRS). The Employee will execute such forms or documents and make available such information as may be required in the administration of the Plan.

2.03 TRANSFER TO OR FROM AN INELIGIBLE CLASS

If an Employee who had been a Contributing Participant becomes ineligible to make Elective Deferrals (or Mandatory Employee Contributions or Nondeductible Employee Contributions, if applicable) because the Employee is no longer a member of an eligible class of Employees who may make Elective Deferrals, such Employee will participate as a Contributing Participant as soon as administratively feasible following the Employee's return to an eligible class of Employees who may make Elective Deferrals and following the completion of administrative requirements (equally applicable to all Employees) established by the Plan Administrator for purposes of orderly and reasonable administration of the Plan.

An Employee who is not a member of an eligible class of Employees who may make Elective Deferrals (or Mandatory Employee Contributions or Nondeductible Employee Contributions, if applicable) may become a Contributing Participant as soon as administratively feasible following the Employee's becoming a member of an eligible class of Employees who may make Elective Deferrals and following the completion of administrative requirements (equally applicable to all Employees) established by the Plan Administrator for purposes of orderly and reasonable administration of the Plan.

If an Employee who had been a Participant becomes ineligible to participate for the purpose of contributions other than Elective Deferrals (or Mandatory Employee Contributions or Nondeductible Employee Contributions, if applicable) because the Employee is no longer a member of an eligible class of Employees for that purpose, but has not incurred a Break in Eligibility Service, such Employee will participate for that purpose immediately following the Employee's return to an eligible class of Employees. If such Employee incurs a Break in Eligibility Service, the Employee's eligibility to participate for that purpose will be determined by Plan Section 2.04.

An Employee who is not a member of an eligible class of Employees for purposes of contributions other than Elective Deferrals (or Mandatory Employee Contributions or Nondeductible Contributions, if applicable) will become a Participant for that purpose immediately upon becoming a member of that eligible class, provided such Employee has satisfied the age and eligibility service requirements. If such Employee has not satisfied the age and eligibility service requirements as of the date the Employee becomes a member of that eligible class, such Employee will become a Participant for that purpose on the first Entry Date coinciding with or following the date the Employee satisfies those requirements.

2.04 RETURN AS A PARTICIPANT AFTER BREAK IN ELIGIBILITY SERVICE

A. Employee Not a Participant Before Break – If an Employee incurs a Break in Eligibility Service before satisfying the Plan's eligibility requirements for contributions other than Elective Deferrals (or Nondeductible Employee Contributions, if applicable), such Employee's eligibility service before such Break in Eligibility Service will not be taken into account.

B. Employee a Participant Before Break – If a Participant incurs a Break in Eligibility Service, such Participant will continue to participate in the Plan, or, if terminated, will participate immediately following the date of reemployment.

2.05 DETERMINATIONS UNDER THIS SECTION

The Plan Administrator will determine the eligibility of each Employee to be a Participant. This determination will be conclusive and binding upon all persons except as otherwise provided herein or by law.

2.06 TERMS OF EMPLOYMENT

Nothing with respect to the establishment of the Plan or any action taken with respect to the Plan, nor the fact that a common law Employee has become a Participant will give to that Employee any right to employment or continued employment or to grant any other rights except as specifically set forth in this Plan document or other applicable law; nor will the Plan limit the right of the Employer to discharge an Employee or to otherwise deal with an Employee without regard to the effect such treatment may have upon the Employee's rights under the Plan.

2.07 INFORMATION PROVIDED BY THE EMPLOYEE

Each Employee who participates in the Plan will provide to the Plan Administrator both at the time of initial enrollment, and on an ongoing basis, any information reasonably necessary or advisable for the Plan Administrator to administer the Plan, including any information regarding the Individual Agreements under the Plan.

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2.08 RECLASSIFICATION

No judicial or administrative reclassification, or reclassification by the Employer, of an individual as a common law employee will be applied to grant retroactive eligibility to any individual under this Plan.

SECTION THREE: CONTRIBUTIONS

3.01 ELECTIVE DEFERRALS

Each Employee who is not a member of an excluded class of Employees, as specified in Adoption Agreement Section Two, may enroll as a Contributing Participant with respect to the type of Elective Deferrals elected by the Adopting Employer in the Adoption Agreement. If the Adopting Employer is a Church or a QCCO, each Employee who is not a member of an excluded class of Employees, as specified in Adoption Agreement Section Two, may enroll as a Contributing Participant with respect to the type of Elective Deferrals elected by the Adopting Employer in the Adoption Agreement, upon satisfying the applicable age and service requirements.

A. Requirements to Enroll as a Contributing Participant – A Participant will be eligible to enroll as a Contributing Participant as soon as administratively feasible following their Employment Commencement Date, or, if applicable, the Employee's return to an eligible class of Employees who may make Elective Deferrals, and following the completion of administrative requirements that are established by the Plan Administrator for purposes of orderly and reasonable administration of the Plan and equally applicable to all Employees. A Participant who wishes to enroll as a Contributing Participant must deliver (either in writing or in any other form permitted by the IRS) a salary reduction agreement (or agreement to make Nondeductible Employee Contributions) to the Plan Administrator except as set forth in Plan Section 3.01(F) and (G) below. Notwithstanding the preceding, where 1) the Employer maintains another plan that satisfies the universal availability requirements under Code section 403(b)(12); or 2) the Employer is a Church or QCCO, each Employee must satisfy the eligibility requirements specified in the Adoption Agreement before they are eligible to enroll as a Contributing Participant. Except for occasional, bona fide administrative considerations as set forth in the Treasury Regulations or IRS guidance, contributions made pursuant to such election cannot precede the earlier of 1) the date on which services relating to the contribution are performed, and 2) the date on which the Compensation that is subject to the election would be payable to the Employee in the absence of an election to defer. Any limits on Elective Deferrals designated by the Employer in Adoption Agreement Section Three may be determined either periodically throughout the Plan Year (e.g., each payroll period) or at the end of the Plan Year provided that the determination is made in a uniform and nondiscriminatory manner.

   If the Adopting Employer has indicated in the Adoption Agreement that Participants may make separate deferral elections with respect to bonuses, Participants will be afforded a reasonable period of time before the issuance of such bonuses to elect to defer all or part of them into the Plan. Such an election to defer all or part of a bonus will be independent of any other salary reduction agreement and will not constitute a modification to any pre-existing salary reduction agreement. If the Plan permits both Pre-Tax Elective Deferrals and Roth Elective Deferrals and the Participant fails to designate whether their Elective Deferrals are Pre-Tax Elective Deferrals or Roth Elective Deferrals, the Participant will be deemed to have designated the Elective Deferral as Pre-Tax Elective Deferrals.

   Notwithstanding anything in this Plan to the contrary, Elective Deferrals will be transferred to the applicable Funding Vehicle within 15 business days of the month following the month in which the Elective Deferrals would otherwise have been payable to a Participant in cash or by such other deadline required by applicable state law.

B. Pre-Tax vs. Roth Elective Deferrals – If the Adopting Employer so elects in Adoption Agreement Section Three, each Employee who enrolls as a Contributing Participant may specify whether their Elective Deferrals are to be characterized as Pre-Tax Elective Deferrals, Roth Elective Deferrals, or a specified combination. A Contributing Participant's election will remain in effect until superseded by another election. Elective Deferrals contributed to the Plan as one type, either as Pre-Tax Elective Deferrals or Roth Elective Deferrals, may not later be reclassified as the other type. A Contributing Participant's Roth Elective Deferrals will be deposited in the Contributing Participant's Roth Elective Deferral subaccount in the Plan. No contributions other than Roth Elective Deferrals, in-plan Roth rollovers, if applicable, and properly attributable earnings will be credited to each Contributing Participant's Roth Elective Deferral subaccount, and gains, losses, and other credits or charges will be allocated on a reasonable and consistent basis to such subaccount. Notwithstanding the preceding, Elective Deferrals made pursuant to the ACA, EACA or QACA provisions of the Plan will be characterized as Pre-Tax Elective Deferrals unless designated as Roth Elective Deferrals in the Adoption Agreement and will not be characterized as Nondeductible Employee Contributions.

C. Ceasing or Changing Elective Deferrals – A Contributing Participant may modify their salary reduction agreement (or agreement to make Nondeductible Employee Contributions, if applicable) increase, decrease, or cease Elective Deferrals (or Nondeductible Employee Contributions, if applicable) at least annually and as of any such additional times established by the Plan Administrator in a uniform and nondiscriminatory manner.

   A Contributing Participant who desires to modify their elections will complete and deliver (either in writing or in any other form permitted by the IRS) a new salary reduction agreement (or agreement to make Nondeductible Employee Contributions, if applicable) to the Plan Administrator either changing the amount of their Elective Deferrals (or Nondeductible Employee Contributions, if applicable) or revoking the authorization to the Employer to make Elective Deferrals (or Nondeductible Employee Contributions, if applicable) on their behalf. The Plan Administrator may prescribe

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such uniform and nondiscriminatory rules as it deems appropriate to carry out the terms of this Plan Section 3.01(C). A Participant will automatically cease to be a Contributing Participant upon their Severance from Employment, or on account of termination of the Plan.

D. **Return as a Contributing Participant After Ceasing Elective Deferrals** – A Participant who has withdrawn as a Contributing Participant (e.g., pursuant to Plan Section 3.01(C) or a suspension due to a distribution on account of a Deemed Severance from Employment) may not again become a Contributing Participant until the first day of the Plan Year or the first day of the seventh month of the Plan Year following such withdrawal, unless the Plan Administrator, in a uniform and nondiscriminatory manner, permits withdrawing Participants to resume their status as Contributing Participants sooner.

E. Catch-up Contributions

1. Age 50 Catch-up Contributions – Unless otherwise elected in the Adoption Agreement, all Employees who are eligible to make Elective Deferrals under this Plan and who are age 50 or older by the end of their taxable year will be eligible to make Age 50 Catch-up Contributions. Age 50 Catch-up Contributions are not subject to the limits on Annual Additions under Code section 415.

2. Special Code Section 403(b) Catch-up Contributions (Employees With 15 Years of Service) – If the Adopting Employer so elects in Adoption Agreement and if the Employer is a qualified organization (within the meaning of Treasury Regulation section 1.403(b)-4(c)(3)(ii)), all qualified Employees will be eligible to make Special Code Section 403(b) Catch-up Contributions equal to the lesser of:

   (a) $3,000;

   (b) The excess of:

      (1) $15,000, over

      (2) The total Special Code Section 403(b) Catch-up Contributions made for the qualified Employee by the qualified organization for prior years; or

   (c) The excess of:

      (1) $5,000 multiplied by the number of Years of Service, (as defined in Treasury Regulation sections 1.403(b)-2(b)(21) and 1.403(b)-4(e)) of the Employee with the qualified organization, over

      (2) The total Elective Deferrals made for the Employee by the qualified organization for prior years.

   For purposes of this Plan Section 3.01(E)(2), a qualified Employee means an Employee who has completed at least 15 years of service (as defined in Treasury Regulation sections 1.403(b)-2(b)(21) and 1.403(b)-4(e)) taking into account only employment with the Employer.

Matching Contributions will be made in accordance with the Matching Contribution formula specified in the Adoption Agreement with regard to both the Age 50 Catch-up Contributions and Special Code Section 403(b) Catch-up Contributions. Catch-up Contributions made under this Plan Section 3.01(E) will be allocated first to Special Code Section 403(b) Catch-up Contributions under Plan Section 3.01(E)(2) and next as an Age 50 Catch-up Contribution under Plan Section 3.01(E)(1). However, in no event can the amount of the Elective Deferrals for a Participant's taxable year be more than the Participant's Compensation for the year.

F. Automatic Contribution Arrangements and Eligible Automatic Contribution Arrangements

1. Automatic Contribution Arrangement (ACA) – Each Employee who satisfies the eligibility requirements specified in the Adoption Agreement for Elective Deferrals will be given a reasonable opportunity to enroll as a Contributing Participant. Notwithstanding the preceding, if the Adopting Employer so elected in the Adoption Agreement, the Employer will make ACA contributions as Elective Deferrals on behalf of those Employees who are eligible to participate. Unless otherwise elected in the Adoption Agreement, Elective Deferrals will be made on behalf of those Employees who are hired on or after the Effective Date and have made a timely affirmative election to defer at a rate, including zero percent, that is less than the rate selected in the Adoption Agreement. The Employer will apply a uniform policy to determine whether a Participant has made a timely affirmative election. A Contributing Participant may modify a salary reduction agreement to prospectively increase or decrease the amount of their Elective Deferrals. Elective Deferrals for such Employee will continue at the rate specified in the Adoption Agreement until 1) the Employee provides the Employer a salary reduction agreement (either in writing or in any other form permitted under applicable rules promulgated by the IRS) to the contrary, or unless 2) the Employer reduces, ceases, or suspends Elective Deferrals made on behalf of Employees so as not to exceed the limits of the Code and other rules promulgated by the IRS (e.g., Code sections 401(a)(17), 402(g), and 415 or to comply with Treasury Regulation section 1.401(k)-3(c)(6)(v)(B)), or 3) Elective Deferrals are increased in accordance with Plan Section 3.01(F)(3). Unless otherwise elected in the Adoption Agreement or as otherwise indicated in rules promulgated by the IRS, Elective Deferrals made to the Plan pursuant to the ACA provisions will be subject to any other Plan rules otherwise applicable to Elective Deferrals. Unless otherwise elected in the Adoption Agreement, the initial default contribution rate will be three percent and the Elective Deferrals will be Pre-Tax Elective Deferrals.

   An Employer who adopts the ACA provisions will comply with the notice requirements described in item 4 below.

   An Employer who adopts the ACA provisions as described in this Plan Section 3.01(F)(1) will establish uniform and nondiscriminatory procedures designed to ensure that all Employees who are eligible to participate or Contributing Participants are provided with an effective opportunity to make or modify their salary deferral elections. Such procedures will include, but are not limited to, the means by which notice will be provided

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to each Employee or Contributing Participant of their right to complete a salary reduction agreement specifying a different amount or percentage of Compensation (including no Compensation) to be contributed to the Plan and a reasonable period of time for completing such a salary reduction agreement.

2. Eligible Automatic Contribution Arrangement (EACA) – Each Employee who satisfies the eligibility requirements specified in the Adoption Agreement for Elective Deferrals will be given a reasonable opportunity to enroll as a Contributing Participant. Notwithstanding the preceding, if the Adopting Employer so elected in the Adoption Agreement, the Employer will make EACA contributions as Elective Deferrals on behalf of those Employees who are eligible to participate. Unless otherwise elected in the Adoption Agreement, Elective Deferrals will be made on behalf of those Employees who are hired on or after the Effective Date and have made a timely affirmative election to defer at a rate, including zero percent, that is less than the rate selected in the Adoption Agreement. Notwithstanding anything in this Plan to the contrary, Employees may modify a salary reduction agreement to prospectively increase or decrease the amount of their Elective Deferrals upon any adoption of or changes to the EACA elections in the Adoption Agreement. The Employer will apply a uniform policy to determine whether a Participant has made a timely affirmative election. The rate selected must be applied uniformly except as otherwise provided in Treasury Regulation section 1.414(w)-1(b)(2) and will continue at the rate specified in the Adoption Agreement until 1) the Employee provides the Employer a salary reduction agreement (either in writing or in any other form permitted under rules promulgated by the IRS) to the contrary, or unless 2) the Employer reduces, ceases, or suspends Elective Deferrals made on behalf of Employees so as not to exceed the limits of the Code and other rules promulgated by the IRS (e.g., Code sections 401(a)(17), 402(g), and 415 or to comply with Treasury Regulation section 1.401(k)-3(c)(6)(v)(B)) or 3) Elective Deferrals are increased in accordance with Plan Section 3.01(F)(3). Unless otherwise elected in the Adoption Agreement or as otherwise indicated in rules promulgated by the IRS, Elective Deferrals made to the Plan pursuant to the EACA provisions will be subject to any other Plan rules otherwise applicable to Elective Deferrals. Unless otherwise elected in the Adoption Agreement, the initial default contribution rate will be three percent and the Elective Deferrals will be Pre-Tax Elective Deferrals.

   An Employer who adopts the EACA provisions described in this Plan Section 3.01(F)(2) will establish uniform and nondiscriminatory procedures designed to ensure that all Employees who are eligible to participate or Contributing Participants are provided with an effective opportunity to make and modify their salary deferral elections. Such procedures will include, but are not limited to, the means by which notice will be provided to each Employee or Contributing Participant of the right to complete a salary reduction agreement specifying a different amount or percentage of Compensation (including no Compensation) to be contributed to the Plan, and a reasonable period for completing such a salary reduction agreement.

   An Employer who adopts the EACA provisions will comply with the election period and notice requirements described in items 4 and 5 below.

   An Employer who makes EACA contributions as Elective Deferrals on behalf of those Employees who are eligible to participate and who are designated in the Adoption Agreement, if applicable, will be deemed to have affected those Employees for purposes of the EACA notice requirements. Participants with salary deferral agreements will be deemed to be affected for purposes of the EACA notice requirements where the Employer makes EACA contributions as Elective Deferrals on behalf of those current Employees designated in the Adoption Agreement. As a result, Participants with salary deferral agreements must also be provided with a notice pursuant to the EACA notice requirements described in item 4 below.

3. Increase of Automatic Elective Deferral – If the Adopting Employer so elects in the Adoption Agreement, the Elective Deferral percentage or amount for Contributing Participants who are automatically enrolled pursuant to the ACA and EACA Plan provisions will be adjusted automatically by the Employer in the increments and time periods stated in the Adoption Agreement.

4. Notice Requirement

   a. *ACA* – A comprehensive notice of the Employee's rights and obligations under the Plan, written in a manner calculated to be understood by the average Employee, will be provided to affected Participants within a reasonable period of time before the date which the ACA becomes effective and before each subsequent Plan Year pursuant to applicable rules promulgated by the IRS.

   b. *EACA* – A comprehensive notice of the Employee's rights and obligations under the Plan, written in a manner calculated to be understood by the average Employee which meets the content requirements of Code section 414(w)(4) and its associated regulations and other guidance, will be provided to affected Participants within a reasonable period of time before the start of the first Plan Year in which the EACA provisions become effective and before each subsequent Plan Year. The notice will accurately describe 1) the amount of the default Elective Deferrals that will be made on the Employee's behalf, 2) the Employee's right to elect to have a different Elective Deferral withheld including the right to not make Elective Deferrals at all, and 3) how Elective Deferral will be invested if the Employee does not provide investment instructions. A period of 30 to 90 days before the beginning of the Plan Year is deemed to be a reasonable period. Whether a different period is reasonable will be determined based on all of the relevant facts and circumstances. If a Plan has an eligibility period of less than 30 days (e.g., immediate eligibility), the Plan can provide the notice to Participants when they become eligible. If notice cannot be provided on or before the Employee's eligibility date, it will be deemed timely if it is provided as soon as practicable after that date and before the pay date for the payroll period in which the Employee becomes eligible. In such case, the Employee must be allowed to defer

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from Compensation earned beginning on the date the Employee enters the Plan.

Notwithstanding the preceding, the Employer may change these notice requirements pursuant to applicable rules promulgated by the IRS.

5. EACA Election Periods – In addition to any other election periods provided under the Plan, each Employee who is eligible to participate may make or modify a deferral election during a reasonable period of time immediately following receipt of the notice described above. Notwithstanding the preceding, the Employer may change the election periods described above pursuant to applicable rules promulgated by the IRS.

6. Reset Rule

   a. *ACA* – An Employee who is rehired following a Severance from Employment will be treated as a new Employee for purposes of determining their appropriate Elective Deferral rate, regardless of their Elective Deferral rate prior to their Severance from Employment. The Employer will make ACA contributions as Elective Deferrals on behalf of the rehired Employee at the rate specified in the Adoption Agreement until the rate of such Elective Deferrals is changed in accordance with Plan Section 3.01(F)(1).

   b. *EACA* – An Employee who is rehired after a Severance from Employment and for whom no Compensation is automatically withheld and contributed to the Plan as an Elective Deferral during the Plan Year immediately preceding the Employee's date of rehire will be treated as a new Employee upon rehire for purposes of determining the appropriate Elective Deferral rate and the availability of permissible withdrawals. An Employee who is rehired after a Severance from Employment and for whom Compensation was last automatically withheld and contributed to the Plan as an Elective Deferral during the Plan Year immediately preceding the Employee's date of rehire will be treated as not having terminated for purposes of determining the appropriate Elective Deferral rate. In addition, any increase of the rate of EACA contributions that would have been automatically withheld had the Employee not had a Severance from Employment will be taken into account to determine the appropriate Elective Deferral rate.

G. Qualified Automatic Contribution Arrangement (QACA) – If the Adopting Employer is a Church-Related Organization or a NQCCO and has elected the QACA option in the Adoption Agreement, and if these QACA provisions are followed for the Plan Year, then any provisions relating to the ACP Test described in Code section 401(m)(2) will not apply. To the extent that any other provision of the Plan is inconsistent with the provisions of this Plan Section 3.01(G), the provisions of this section will apply. If the Adopting Employer so provides in the Adoption Agreement, the QACA Safe Harbor Contributions will be made to the defined contribution plan indicated in the Adoption Agreement and not to this Plan. However, even though another plan is listed in the Adoption Agreement, such contributions will be made to this Plan unless 1) each Eligible Employee under this Plan is also eligible under the other plan, and 2) the other plan has the same Plan Year as this Plan. Provided the QACA notice provided by the Employer also satisfies the requirements specified in Plan Section 3.01(F)(4)(b), the Plan will be an EACA as well as a QACA.

1. Elective Deferrals – If elected in the Adoption Agreement, the Employer will make QACA contributions as Elective Deferrals to the Plan on behalf of those Eligible Employees as designated in the Adoption Agreement. Unless otherwise elected in the Adoption Agreement, Elective Deferrals will be made on behalf of those Employees who are hired on or after the Effective Date and have made a timely affirmative election to defer at a rate, including zero percent, that is less than the rate selected in the Adoption Agreement. The Employer will apply a uniform policy to determine whether a Participant has made a timely affirmative election. The rates for the QACA Elective Deferrals selected in the Adoption Agreement must be applied uniformly except as otherwise provided in Treasury Regulation section 1.401(k)-3(j)(2). Unless otherwise elected in the Adoption Agreement, the initial default contribution rate will be three percent and the Elective Deferrals will be pre-tax Elective Deferrals. Notwithstanding anything in this Plan to the contrary, Employees may modify a salary reduction agreement to prospectively increase or decrease the amount of their Elective Deferrals upon any adoption of or changes to the QACA elections in the Adoption Agreement.

   An Employer who adopts the QACA provisions will establish uniform and nondiscriminatory procedures designed to ensure that all Eligible Employees or Contributing Participants are provided with an effective opportunity to make and modify their salary deferral election. Such procedures will include, but not be limited to, the means by which the notice will be provided to each Eligible Employee or Contributing Participant of the right to complete a salary reduction agreement specifying a different amount or percentage of Compensation (including no Compensation) to be contributed to the Plan, and a reasonable period for completing such a salary reduction agreement.

   An Employer who adopts the QACA provisions will comply with the notice and election period requirements described in items (5) and (6) below.

2. QACA ACP Test Safe Harbor Contributions – Unless otherwise elected in the Adoption Agreement, in addition to the Elective Deferrals described in item 1, above, the Employer will make QACA ACP Test Safe Harbor Contributions to the Plan according to the QACA Basic Matching Contributions definition on behalf of each Eligible Employee. If the Employer makes QACA ACP Test Safe Harbor Contributions to the Plan based on Compensation earned during a portion of the Matching Contribution Computation Period (e.g., on a payroll basis when the Matching Contribution Computation Period is Plan Year), the Employer shall re-calculate ("true-up") the Matching Contribution based on the Compensation earned and Elective Deferrals made over the Matching Contribution Computation Period. Such true-up amount shall be made in

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a uniform and non-discriminatory manner.

The Employer may make QACA ACP Test Safe Harbor Contributions at the same time as it contributes Elective Deferrals or at any other time as permitted by law and regulations. Such QACA ACP Test Safe Harbor Contributions will satisfy the ACP testing requirements of the Plan, provided such contributions are the only Matching Contributions and nonelective contributions made to the Plan, in accordance with Code sections 401(k)(13) and 401(m)(12). QACA ACP Test Safe Harbor Contributions will be made to the designated Employees and will be Vested according to the vesting schedule selected by the Employer, as indicated in the Adoption Agreement. QACA Safe Harbor Nonelective Contributions cannot be made with regard to permitted disparity rules under Code section 401(l). Notwithstanding the preceding, the Employer may reduce, cease, or suspend Elective Deferrals made on behalf of Eligible Employees so as not to exceed the limits of Code sections 401(a)(17), 402(g), and 415, or to comply with Treasury Regulation section 1.401(k)-3(c)(6)(v)(B).

3. QACA Additional ACP Test Safe Harbor Matching Contributions – In addition to the Elective Deferrals described in item 1, above, and the QACA ACP Test Safe Harbor Contributions described in item 2, above, the Employer will make QACA Additional ACP Test Safe Harbor Matching Contributions, if any, indicated in the Adoption Agreement on behalf of each Eligible Employee. Such additional contributions are not required. The Employer may make QACA Additional ACP Test Safe Harbor Matching Contributions at the same time that it contributes Elective Deferrals or at any other time as permitted by law and regulation. If the Employer makes QACA Additional ACP Test Safe Harbor Matching Contributions to the Plan based on Compensation earned during a portion of the Matching Contribution Computation Period (e.g., on a payroll basis when the Matching Contribution Computation Period is the Plan Year), the Employer shall re-calculate ("true-up") the Matching Contribution based on the Compensation earned and Elective Deferrals made over the Matching Contribution Computation Period. Such true-up shall be made in a uniform and non-discriminatory manner.

   If the Employer has elected to make Additional ACP Test Safe Harbor Matching Contributions only when needed to use Forfeitures timely, the Additional ACP Test Safe Harbor Matching Contributions will be allocated in a manner that matches each Contributing Participant's Elective Deferrals that do not exceed a permissible percentage of the Contributing Participant's Compensation for the Plan Year. If the Employer makes QACA Additional ACP Test Safe Harbor Matching Contributions, such contributions will satisfy the safe harbor requirements of Code section 401(m)(12), provided that they do not exceed statutory limits of Code sections 401(k)(13) and 401(m)(12) as described in the Adoption Agreement. Matching Contributions made to the Plan that exceed the limits of Code sections 401(k)(13) and 401(m)(12) will subject the Plan to ACP testing.

4. QACA Elective Deferral Increases – Unless otherwise elected in the Adoption Agreement, QACA rate increases will not occur during the Initial Period. Unless otherwise elected in the Adoption Agreement, after the Initial Period, rate increases will occur on the first day of each Plan Year at a rate of one percent per year until a maximum of six percent is reached. If the Adopting Employer so elects in the Adoption Agreement, the Elective Deferral percentage or amount for Contributing Participants who are not automatically enrolled under the QACA provisions will be adjusted automatically by the Employer in the increments and time periods stated in the Adoption Agreement. In addition to the preceding, the Plan Administrator, in a uniform and nondiscriminatory manner, may establish operational procedures to enable all Contributing Participants, including those who are not automatically enrolled as Contributing Participants pursuant to the QACA provisions, to elect to have their Elective Deferrals automatically increased.

   An Employer who adopts the QACA Elective Deferral increase feature described in this Plan Section 3.01(G)(4) will establish uniform and nondiscriminatory procedures designed to ensure that each Contributing Participant is provided an effective opportunity to make and modify their salary deferral election such that QACA Elective Deferral increases will not apply to such Participant. Such procedures include, but are not limited to, the means by which notice will be provided to each Contributing Participant of their right to complete a salary reduction agreement discontinuing QACA Elective Deferral increases and a reasonable period of time for completing such a salary reduction agreement.

5. QACA Notice Requirement – A comprehensive notice of the Employee's rights and obligations under the Plan, written in a manner calculated to be understood by the average Eligible Employee which meets the content requirements of Code section 401(k)(13), its associated regulations, and other guidance, will be provided to affected Participants within a reasonable period of time before the start of the first Plan Year in which the QACA provisions become effective and before each subsequent Plan Year. Effective for Plan Years beginning on or after January 1, 2020, such notice requirements are not applicable if the Adopting Employer has elected the QACA Nonelective Contributions. In addition to the requirements found in Treasury Regulation section 1.401(k)-3(d), the notice will accurately describe 1) the amount of the default Elective Deferrals that will be made on the Employee's behalf, 2) the Employee's right to elect to have a different Elective Deferral withheld including the right to not make Elective Deferrals at all, and 3) how Elective Deferrals will be invested if the Employee does not provide investment instructions. A period of 30 to 90 days before the beginning of the Plan Year is deemed to be a reasonable period. Whether a different period is reasonable will be determined based on all of the relevant facts and circumstances. If a Plan has an eligibility period of less than 30 days (e.g., immediate eligibility), the Plan can provide the notice to Participants when they become eligible. If notice cannot be provided on or before the Employee's eligibility date, it will be deemed timely if it is provided as soon as practicable after that date and before the pay date for the payroll period in which the Employee becomes eligible. In such case, the Employee must be allowed to defer from Compensation earned beginning on the date the Employee enters the Plan.

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Notwithstanding the preceding, the Employer may change these notice requirements pursuant to rules promulgated by the IRS.

6. QACA Election Periods – If the Adopting Employer has elected the QACA Basic Matching Contribution or QACA Enhanced Matching Contribution option in the Adoption Agreement, each Eligible Employee may make or modify a deferral election during a reasonable period of time immediately following receipt of the notice described above in addition to any other election periods provided under the Plan. Notwithstanding the preceding, the Employer may change the election periods described above pursuant to rules promulgated by the IRS.

7. QACA Reset Rule – An Employee who is rehired after a Severance from Employment and for whom no Compensation is automatically withheld and contributed to the Plan as an Elective Deferral during the Plan Year immediately preceding the Employee's date of rehire will be treated as a new Employee upon rehire for purposes of determining the appropriate Elective Deferral rate and the availability of permissible withdrawals. An Employee who is rehired after a Severance from Employment and for whom Compensation was last automatically withheld and contributed to the Plan as an Elective Deferral during the Plan Year immediately preceding the Employee's date of rehire will be treated as not having terminated for purposes of determining the appropriate Elective Deferral rate. In addition, any increase of the rate of QACA contributions that would have been automatically withheld had the Employee not had a Severance from Employment will be taken into account to determine the appropriate Elective Deferral rate.

H. Automatic Increase of Elective Deferrals for Employees Who Are Not Automatically Enrolled – If the Adopting Employer so elects in the Adoption Agreement, automatic increases of Elective Deferrals will be initiated by the Adopting Employer only for Employees specified in the Adoption Agreement who are not automatically enrolled pursuant to the ACA, EACA, or QACA Plan provisions. The Elective Deferrals will be adjusted automatically by the Employer in the increments and time periods stated in the Adoption Agreement.

An Employer who adopts the automatic Elective Deferral increase feature described in this Plan Section 3.01(H) will establish uniform and nondiscriminatory procedures designed to ensure that each Contributing Participant is provided an effective opportunity to modify their salary deferral election such that automatic increase of Elective Deferrals will not apply to such Employee. Such procedures will include, but are not limited to, the means by which notice will be provided to each Employee of their right to opt out of the automatic Elective Deferral increases and a reasonable period of time for completing such procedure.

In addition to the preceding, the Plan Administrator may, in a uniform and nondiscriminatory manner, establish operational procedures to enable all Contributing Participants, including those who were not automatically enrolled as Contributing Participants pursuant to the ACA, EACA, or QACA Plan provisions, to elect to have their Elective Deferrals automatically increased.

3.02 MANDATORY EMPLOYEE CONTRIBUTIONS

If the Employer elects in Adoption Agreement Section Three, Part B, each Employee who is not a member of an excluded class of Employees, as specified in the Adoption Agreement, must become a Contributing Participant by contributing Mandatory Employee Contributions to the Plan, as set forth in the Adoption Agreement. The Employer will establish uniform and nondiscriminatory rules and procedures for Mandatory Employee Contributions as it deems necessary and advisable to properly administer the Plan. A separate account will be maintained by the Plan Administrator for the Mandatory Employee Contributions of each Participant.

3.03 MATCHING CONTRIBUTIONS

The Employer may make Matching Contributions under the Plan on behalf of Qualifying Contributing Participants if elected in the Adoption Agreement. To be a Qualifying Contributing Participant for a Plan Year, the Participant must make Elective Deferrals (or Mandatory Employee Contributions or Nondeductible Employee Contributions, if the Employer has agreed to match such contributions) for the Plan Year and satisfy any age, eligibility service, and any other requirements and/or conditions that are specified for Matching Contributions in the Adoption Agreement. The Employer may make Matching Contributions at the same time as it contributes Elective Deferrals (or Mandatory Employee Contributions or Nondeductible Employee Contributions, if applicable) or at any other time as permitted by law and regulation. If the Employer makes Matching Contributions to the Plan based on Compensation earned during a portion of the Matching Contribution Computation Period (e.g., on a payroll basis when the Matching Contribution Computation Period is the Plan Year), the Employer shall re-calculate ("true-up") the Matching Contribution based on the Compensation earned and Elective Deferrals (or Nondeductible Employee Contributions) made over the Matching Contribution Computation Period. Such true-up amount shall be made in a uniform and non-discriminatory manner.

If the Employer is not a Church, QCCO, Public School or other governmental entity, for Plan Years beginning on or after 2006 (or such earlier date on which the final regulations under Treasury Regulation section 1.401(m) became effective), Matching Contributions with respect to a non-Highly Compensated Employee taken into account under the Actual Contribution Percentage (ACP) test cannot exceed the greatest of 1) five percent of Compensation, 2) the amount of the Qualifying Contributing Participant's Elective Deferrals, and 3) the product of two times the plan's representative matching rate and the Qualifying Contributing Participant's Elective Deferrals for a year. The "representative matching rate," for this purpose, is the lowest matching rate for any eligible non-Highly Compensated Employee among a group of eligible non-Highly Compensated Employees that consists of one-half of all non-Highly Compensated Employees for the Plan Year who make Elective Deferrals for the Plan Year (or if greater, the lowest matching rate for all eligible non-Highly Compensated Employees in the Plan who are employed by the Employer on the last day of the Plan Year and who make Elective Deferrals for the Plan Year). The "matching rate" is generally the Matching Contribution made for a Qualifying Contributing Participant, divided by their

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Elective Deferrals for the year. If the matching rate is not the same for all levels of Elective Deferrals, the matching rate is determined assuming that a Qualifying Contributing Participant's Elective Deferrals are equal to six percent of Compensation.

3.04 SAFE HARBOR ARRANGEMENT

If the Adopting Employer is a Church-Related Organization or a NQCCO and has elected the Safe Harbor Arrangement option in the Adoption Agreement, then any provisions relating to the ACP test described in Code section 401(m)(2) will not apply. To the extent that any other provision of the Plan is inconsistent with the provisions of this Plan Section 3.04, the provisions of this Section 3.04 will apply. If the Adopting Employer so provides in the Adoption Agreement, the Safe Harbor Contributions will be made to the defined contribution plan indicated in the Adoption Agreement and not to this Plan. However, even though another plan is listed in the Adoption Agreement, such contributions will be made to this Plan unless 1) each Eligible Employee under this Plan is also eligible under the other plan, and 2) the other plan has the same Plan Year as this Plan.

An Employer who adopts the Safe Harbor Arrangement provisions will comply with the notice requirements and election period described in Plan Sections 3.04(C) and (D) below.

In accordance with Treasury Regulation section 1.401(m)-1(c)(2), it is impermissible for the Employer to use ACP testing for a Plan Year in which it is intended for the Plan to be a Safe Harbor Arrangement through its written terms, and the Employer fails to satisfy the requirements of such safe harbor for the Plan Year.

A. ACP Test Safe Harbor Contributions – Unless such contributions are otherwise limited in the Adoption Agreement, the Employer will make the ACP Test Safe Harbor Contributions, if any, indicated in the Adoption Agreement on behalf of each Eligible Employee for the Plan Year. The Employer may make ACP Test Safe Harbor Contributions at the same time as it contributes Elective Deferrals or at any other time as permitted by law and regulation. If the Employer makes ACP Test Safe Harbor Contributions to the Plan based on Compensation earned during a portion of the Matching Contribution Computation Period (e.g., on a payroll basis when the Matching Contribution Computation Period is the Plan Year), the Employer shall re-calculate ("true-up") the Matching Contribution based on the Compensation earned and Elective Deferrals made over the Matching Contribution Computation Period. Such true-up shall be made in a uniform and non-discriminatory manner.

   In addition, such contributions cannot be made with regard to permitted disparity rules under Code section 401(l).

B. Additional ACP Test Safe Harbor Matching Contributions – In addition to the ACP Test Safe Harbor Contributions described in the Definition section of the Plan, the Employer will make the Additional ACP Test Safe Harbor Matching Contributions, if any, indicated in the Adoption Agreement on behalf of each Eligible Employee for the Plan Year. The Employer may make Additional ACP Test Safe Harbor Matching Contributions at the same time as it contributes Elective Deferrals or at any other time as permitted by law and regulation. If the Employer makes Additional ACP Test Safe Harbor Matching Contributions to the Plan based on Compensation earned during a portion of the Matching Contribution Computation Period (e.g., on a payroll basis when the Matching Contribution Computation Period is the Plan Year), the Employer shall re-calculate ("true-up") the Matching Contribution based on the Compensation earned and Elective Deferrals made over the Matching Contribution Computation Period. Such true-up shall be made in a uniform and non-discriminatory manner.

   If the Employer has elected to make Additional ACP Test Safe Harbor Matching Contributions only when needed to use Forfeitures timely, the Additional ACP Test Safe Harbor Matching Contributions will be allocated in a manner that matches each Contributing Participant's Elective Deferrals that do not exceed a permissible percentage of the Contributing Participant's Compensation for the Plan Year. If the Employer makes Additional ACP Test Safe Harbor Matching Contributions, such contributions will satisfy the ACP safe harbor requirements of Code section 401(m)(11), provided that they do not exceed statutory limits of Code sections 401(k)(12) and 401(m)(11) as described in the Adoption Agreement. Matching Contributions made to the Plan that exceed the limits of Code sections 401(k)(12) and 401(m)(11) will subject the Plan to ACP testing.

C. Notice Requirement – An Adopting Employer who has elected the Safe Harbor Arrangement provisions will provide each Eligible Employee a comprehensive notice of the Employee's rights and obligations under the Plan, written in a manner calculated to be understood by the average Eligible Employee. The notice shall be provided at least 30 days, but not more than 90 days, or any other reasonable period before the beginning of the Plan Year (or such other times if permitted by the IRS). If an Employee becomes eligible after the 90th day before the beginning of the Plan Year and does not receive the notice for that reason, the notice must be provided no more than 90 days before the Employee becomes eligible but not later than the date the Employee becomes eligible. Notwithstanding the preceding, the Employer may change this notice requirement pursuant to the rules promulgated by the IRS.

   Notwithstanding the preceding, if the Employer amends the plan to provide for retroactive application of the Safe Harbor Arrangement provisions pursuant to Plan Section 3.04 (E) below, the Employer must satisfy the notice requirements of this Plan Section 3.04(C) if the Employer provides a contingent notice that would otherwise satisfy the requirements in the preceding paragraph except that in lieu of specifying the amount of the ACP Safe Harbor Contribution, the notice states that the Employer will determine during the Plan Year whether to make a Safe Harbor Nonelective Contribution. If a contingent notice is provided and the Employer decides to make a Safe Harbor Nonelective Contribution, the Employer must deliver a follow-up notice to each Eligible Employee no later than 30 days or any other reasonable period before the last day of the Plan Year notifying them of the Safe Harbor Nonelective Contribution and must execute all necessary Plan amendments. If an Employer fails to provide a follow-up notice, no

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Safe Harbor Nonelective Contribution will be required, and the Plan will not qualify as a Safe Harbor Arrangement for that year. The Plan may qualify as a Safe Harbor for subsequent years following proper notice and contributions.

D. **Election Periods** – If the Adopting Employer has elected the Basic Matching Contributions, Enhanced Matching Contributions, or Additional ACP Test Safe Harbor Matching Contributions option in the Adoption Agreement, each Eligible Employee may make or modify a deferral election during the 30-day period immediately following receipt of the notice described in Plan Section 3.04(C) above, in addition to any other election periods provided under the Plan. Notwithstanding the preceding, the Employer may change the election periods described above pursuant to rules promulgated by the IRS.

E. **Retroactive Application of Safe Harbor Nonelective Contributions** – Notwithstanding anything in this Plan to the contrary, the Adopting Employer may amend the Plan after the beginning of the Plan Year to provide that the Safe Harbor Nonelective Contribution provisions of this Plan Section 3.04 will apply for such Plan Year. If the amendment is adopted at any time before the 30th day before the close of the Plan Year, the Employer will make Safe Harbor Nonelective Contributions to the Plan for such Plan Year in an amount equal to at least three percent of each Eligible Employee's Compensation, as specified in the Adoption Agreement. However, if the amendment is adopted at any time on or after the 30th day before the close of the Plan Year but before the last day for distributing excess contributions for the Plan Year (under Code section 401(k)(8)(A)) the Employer will make Safe Harbor Nonelective Contributions to the Plan for such Plan Year in an amount equal to at least four percent of each Eligible Employee's Compensation, as specified in the Adoption Agreement.

Notwithstanding the preceding, this Plan Section 3.04(E) shall not apply to any Plan Year if the Plan provided, at any time during the Plan Year, that the Basic Matching Contribution, Enhanced Matching Contribution, QACA Basic Matching Contribution, or QACA Enhanced Matching Contribution requirements applied to the Plan Year.

3.05 EMPLOYER NONELECTIVE CONTRIBUTIONS

A. **Obligation to Contribute** – Except as otherwise elected in the Adoption Agreement, the Employer may make Employer Nonelective Contributions in an amount to be determined from year to year.

B. **Allocation Formula and the Right to Share in the Employer Nonelective Contribution**

1. General – Unless otherwise elected in the Adoption Agreement, Employer Nonelective Contributions will be allocated to all Qualifying Participants using a pro rata allocation formula. Under the pro rata allocation formula, Employer Nonelective Contributions will be allocated to the Individual Accounts of behalf Qualifying Participants in the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants for the Plan Year. The Employer Contribution for any Plan Year will be deemed allocated to each Participant's Individual Account as of the last day of that Plan Year.

   Notwithstanding the preceding, Employer Nonelective Contributions will be allocated to the Plan on behalf of each Participant who has incurred a Disability and who is a non-Highly Compensated Employee if so specified in the Adoption Agreement and without regard to any allocation conditions. Compensation for such contributions will be the greater of the Participant's actual Compensation during the Plan Year or the Compensation the Participant would have received if the Participant had been paid at the rate of Compensation paid immediately before becoming disabled. Contributions made with respect to amounts treated as Compensation will be fully Vested when allocated to the Participant and will be made on behalf of the disabled Participant until the Participant incurs a Severance from Employment.

   Any Employer Contribution for a Plan Year must satisfy Code section 401(a)(4) and the Treasury Regulations for such Plan Year.

2. Special Rules for Integrated Plans – If the Adopting Employer has selected the integrated allocation formula in the Adoption Agreement, subject to the overall permitted disparity limits, Employer Nonelective Contributions will be allocated as follows:

   Step 1. Employer Nonelective Contributions will first be allocated to each Qualifying Participant's Individual Account in the ratio that the sum of each Qualifying Participant's total Compensation and Compensation in excess of the integration level bears to the sum of all Qualifying Participants' total Compensation and Compensation in excess of the integration level, but not in excess of the applicable maximum disparity rate as described below.

   Step 2. Any Employer Nonelective Contributions remaining after the allocation in Step 1 will be allocated pro rata to Qualifying Participants in the manner described in Plan Section 3.05(B)(1).

a. *Maximum Disparity Rate* – If the Adopting Employer has selected the integrated contribution or allocation formula in the Adoption Agreement, the integration level will be defined in the Adoption Agreement. If the Adopting Employer has selected the integrated contribution or allocation formula and no integration level is selected in the Adoption Agreement, the Taxable Wage Base will be the integration level. The maximum disparity rate will be determined in accordance with the following table.

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MAXIMUM DISPARITY RATE

Integration Level	Maximum Disparity
Taxable Wage Base (TWB)	5.7%
More than $0 but not more than 20 percent of TWB	5.7%
More than 20 percent of TWB but not more than 80 percent of TWB	4.3%
More than 80 percent of TWB but less than TWB	5.4%

b. *Annual Overall Permitted Disparity Limit* – Notwithstanding the preceding paragraphs, for any Plan Year this Plan benefits any Participant who benefits under a qualified plan or simplified employee pension, as defined in Code section 408(k), that is maintained by the Employer and that provides for permitted disparity (or imputes disparity), any Employer Nonelective Contributions and forfeitures will be allocated to the account of each Qualifying Participant (except that Forfeitures will be allocated to all Participants if specified by the Adopting Employer in the Adoption Agreement) in the ratio that such Qualifying Participant's total Compensation bears to the total Compensation of all Qualifying Participants.

c. *Cumulative Permitted Disparity Limit* – The cumulative permitted disparity limit for a Participant is 35 total cumulative permitted disparity years. Total cumulative permitted years means the number of years credited to the Participant for allocation or accrual purposes under this Plan, or any other qualified plan or simplified employee pension plan (whether or not terminated) ever maintained by the Employer. For purposes of determining the Participant's cumulative permitted disparity limit, all years ending in the same calendar year are treated as the same year. If the Participant has not benefited under a defined benefit or target benefit plan for any year beginning on or after January 1, 1994, the Participant has no cumulative disparity limit.

Compensation will mean compensation as defined in the Definition section of the Plan, without regard to any exclusions selected in Section Six of the Adoption Agreement.

3. Minimum Coverage Test – Notwithstanding anything in the Plan to the contrary, if the Adopting Employer is a Church-Related Organization or a NQCCO, the Adopting Employer may use either the ratio percentage test (and the correction option described below, if applicable) or the average benefits test to satisfy the minimum coverage requirements. This paragraph may apply for any Plan Year that the Plan fails to satisfy the ratio percentage test described in Code section 410(b)(1) as of the last day of any such Plan Year. The ratio percentage test is satisfied if, on the last day of the Plan Year, taking into account all Employees, or former Employees who were employed by the Employer on any day during the Plan Year, either the Plan benefits at least 70 percent of Employees who are not Highly Compensated Employees or the Plan benefits a percentage of Employees who are not Highly Compensated Employees that is at least 70 percent of the percentage of Highly Compensated Employees benefiting under the Plan. A Participant is treated as benefiting under the Plan for any Plan Year during which the Participant received or is deemed to receive an allocation in accordance with Treasury Regulation section 1.410(b)-3(a). If the Plan fails the ratio percentage test, the Employer Contribution for the Plan Year may be allocated to an individual Participant, and any similarly situated Participants to the extent necessary, within each of the classes set forth in (i) through (iii) below, in order of priority, until the Plan satisfies the minimum coverage test. For example, if the Employer Contribution is allocated to all individuals in the first class of Participants and the Plan still fails, the Employer Contribution will be allocated to an individual Participant and any other similarly situated Participants in the second class of Participants set forth below. If the Employer Contribution is allocated to all individuals in the second class of Participants and the Plan still fails, the Employer Contribution will then be allocated to an individual Participant and any other similarly situated Participants in the third class of Participants set forth below. The Participants to be included are as follows:

i. Each Participant who is still employed on the last day of the Plan Year starting with the Participant who has completed either the highest number of Hours of Service during the Plan Year, if the Hours of Service method of determining service is used; or the highest number of days worked during the Plan Year, if the Elapsed Time method of determining service is used;

ii. Each Participant who is not employed on the last day of the Plan Year because the Participant has died, incurred a Disability, or attained Normal Retirement Age;

iii. Each Participant who is not employed on the last day of the Plan Year starting with the Participant who has completed either the highest number of Hours of Service during the Plan Year, if the Hours of Service method of determining service is used; or the highest number of days worked during the Plan Year, if the Elapsed Time method of determining service is used.

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If the minimum coverage test is performed after any Employer Contribution has been allocated and the Plan fails the minimum coverage test, the Employer will make an additional contribution to the Plan on behalf of an individual Participant and all similarly situated Participants to the extent necessary to satisfy testing that are entitled thereto pursuant to items (i) through (iii) above. The amount of the contribution for such Participants will be determined pursuant to the Plan's allocation formula.

4. Age-Weighted Allocation Formula – If the age-weighted allocation formula is elected in the Adoption Agreement, the total Employer Nonelective Contribution will be allocated to each Qualifying Participant such that the equivalent benefit accrual rate for each Qualifying Participant is identical. The equivalent benefit accrual rate is the annual annuity commencing at the Qualifying Participant's testing age, expressed as a percentage of the Qualifying Participant's Compensation, which is provided from the allocation of Employer Nonelective Contributions and Forfeitures for the Plan Year, using standardized actuarial assumptions that satisfy Treasury Regulation section 1.401(a)(4)-12. The Qualifying Participant's testing age is the later of Normal Retirement Age or the Qualifying Participant's current age.

a. Unless otherwise elected in the Adoption Agreement, if the age-weighted allocation method is selected, Employer Nonelective Contributions will be allocated to the Individual Accounts of Qualifying Participants in the manner described below.

Step 1. Determine each Qualifying Participant's number of points based upon the following formula:

Points = .01 x Compensation x allocation factor derived from the allocation factor tables set forth in Adoption Agreement Section Nine.

The pre-retirement and post-retirement interest rate used to calculate the annual Employer Nonelective Contribution will be eight and one-half percent.

Step 2. Determine each Qualifying Participant's allocation using the following formula:

$$\text{Allocation} = \frac{\text{Points of Qualifying Participant}}{\text{Total Points of all Qualifying Participants}} \times \text{Employer Nonelective Contribution}$$

Step 3. If the Plan has a uniform points allocation for Employer Nonelective Contributions, make any reallocations necessary to satisfy the safe harbor formula.

b. If the age-weighted formula for allocations and the safe harbor requirements of Treasury Regulation section 1.401(a)(4)-2(b)(3) are selected in the Adoption Agreement, then, to the extent necessary, the following steps will be taken.

i. Identify the Employees of the Employer who are not Highly Compensated Employees of such Employer who participate in the Plan and determine the average allocation rate for such group of Employees.

ii. Identify the Employees of the Employer who are Highly Compensated Employees of such Employer who participate in the Plan and determine the average allocation rate for such group of Employees.

iii. As of the date of allocation, determine that amount by which the average allocation rate for the group of Participants who are not Highly Compensated Employees is less than the average allocation rate of the group of the Participants who are Highly Compensated Employees.

iv. Lower the aggregate allocation to all of the Highly Compensated Employees by the amount necessary to cause the average allocation rate of the Participants who are not Highly Compensated Employees (as determined after including the amount by which the Highly Compensated Employees' allocation is lowered and that is subsequently allocated to the Participants who are not Highly Compensated Employees) to equal the average allocation rate of the Participants who are Highly Compensated Employees (as determined after the Highly Compensated Employees' allocation has been lowered).

v. Reallocate the aggregate amount of the contributions after the reduction in (iv) above to the Participants who are Highly Compensated Employees using the allocation formula in the Adoption Agreement; provided that for purposes of this allocation, "Qualifying Participants" will mean only those Participants who are Highly Compensated Employees and "Employer Nonelective Contributions" will mean only those contributions allocated to Participants who are Highly Compensated Employees.

vi. Reallocate the aggregate amount of the contributions after the increase in (iv) above to the Participants who are not Highly Compensated Employees using the allocation formula in the Adoption Agreement; provided that for purposes of this allocation,

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"Qualifying Participants" will mean only those Participants who are not Highly Compensated Employees and "Employer Nonelective Contributions" will mean only those contributions allocated to Participants who are not Highly Compensated Employees.

c. If the age-weighted formula for allocations and the general test requirements of Treasury Regulation section 1.401(a)(4)-2(c) are selected in the Adoption Agreement, then, to the extent necessary, the following steps will be taken for each rate group of the Employer that fails to satisfy the rules of that section.

i. Identify the Employees of the Employer who are not Highly Compensated Employees of such Employer who participate in the Plan and who are not part of the applicable rate group because their allocation rates are too low and arrange them in order of their allocation rates from the highest to the lowest.

ii. Identify the Highly Compensated Employees who participate in the Plan and are in the rate group and arrange them in order of their allocation rates from the highest to the lowest.

iii. As of the date of allocation, lower the allocation of the Highly Compensated Employee with the highest allocation rate determined in (ii) above. The reduction will equal the amount that when added to the Individual Account of the individual in (i) above who has the highest allocation rate will cause that rate to be increased to equal that of the Highly Compensated Employee with respect to whom the rate group is constructed. As of the date of allocation, that reduction will be added to such individual's Individual Account.

iv. Repeat (iii) above with respect to the individual in (i) above who has the next highest equivalent accrual rate and continue that process with the other individuals described in (i) above in the order of their allocation rates from the highest to the lowest until such rules are satisfied for the rate group. If the allocation rate of a Highly Compensated Employee is lowered under (iii) above or this clause (iv) to the point where it is equal to that of one or more other Highly Compensated Employees in the rate group, then any further reductions in allocations will be apportioned between the former and latter Highly Compensated Employees in a manner that causes their allocation rates to be reduced by the same amount.

5. New Comparability Formulas

a. *Allocation Group Formulas* – If the Adopting Employer has selected the individual allocation group formula in the Adoption Agreement, each Qualifying Participant will constitute a separate allocation group for purposes of allocating Employer Nonelective Contributions. If the Adopting Employer has selected the pre-determined allocation group formula in the Adoption Agreement, Qualifying Participants will be divided into the groups specified in the Adoption Agreement.

The Employer Nonelective Contribution will be allocated as follows:

i. The total amount of Employer Nonelective Contributions is allocated among the deemed aggregated allocation groups in portions determined by the Employer. A deemed aggregated allocation group consists of all of the separate allocation groups that have the same allocation rate.

ii. Within each deemed aggregated allocation group, the allocated portion is allocated to each Qualifying Participant in the ratio that such Qualifying Participant's Compensation bears to the total Compensation of all Qualifying Participants in the deemed allocation group unless otherwise elected in the Adoption Agreement.

The number of eligible non-Highly Compensated Employees to which a particular allocation rate applies must reflect a reasonable classification of Employees. An allocation rate is the amount of Employer Nonelective Contributions allocated to a Qualifying Participant for a Plan Year, expressed as a percentage of Compensation.

The Employer must provide the Plan Administrator written instructions describing the portion of the Employer Nonelective Contribution to be allocated to each allocation group at the time the allocation is made.

If the Adopting Employer has chosen pre-determined allocation groups in the Adoption Agreement, the allocation group to which each Qualifying Participant belongs will be determined on a date or dates determined by the Plan Administrator in a uniform and nondiscriminatory manner. A Qualifying Participant is not required to be included in more than one allocation group for a Plan Year. In the event that a Qualifying Participant is included in more than one allocation group, the Qualifying Participant's share of the Employer Nonelective Contribution allocated to each group will be based on the Qualifying Participant's Compensation for the part of the Plan Year the Participant was in the group.

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If a new comparability allocation group formula is selected in the Adoption Agreement, unless otherwise specified in the Adoption Agreement the following provisions will apply.

Individual Allocation Groups – Each Qualifying Participant will constitute a separate allocation group.

Pro Rata Formula – If an allocation group formula is selected, Employer Nonelective Contributions will be allocated in the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants in the applicable allocation group for the Plan Year. The amounts so allocated will satisfy the minimum allocation gateway requirements set forth in the Plan and will not exceed the limits imposed by Code section 415.

Interest Rate Assumption and Mortality Table – The pre-retirement and post-retirement interest rate assumption will be eight and a half percent and the mortality table will be the UP-1984 Mortality Table.

Minimum Allocation Gateway – The Plan will satisfy the minimum allocation gateway by reallocating preliminary contributions or hypothetical contributions made to Highly Compensated Employees to non-Highly Compensated Employees so that the allocation to each non-Highly Compensated Employee equals the lesser of 1) the amount determined by reallocating contributions allocated to Highly Compensated Employees to non-Highly Compensated Employees so that the allocation to each non-Highly Compensated Employee equals at least one-third of the allocation rate of the highest compensated Highly Compensated Employee with the highest allocation rate in the manner as described in Plan Section 3.05(B)(6)(c) or 2) the amount determined by reallocating contributions allocated to Highly Compensated Employees to non-Highly Compensated Employees so that the allocation to each non-Highly Compensated Employee equals at least five percent of the non-Highly Compensated Employee's Compensation (if the definition of Compensation is not within the meaning of Compensation as described in Part A of the definition of Compensation in the Plan's Definition section, a definition which is within the meaning of Compensation as described in Part A of the definition of Compensation in the Plan's Definition section will apply) in the manner as described in Plan Section 3.05(B)(6)(c).

b. *Age and/or Service Weighted Formula* – If the Employer has selected the age and/or service weighted allocation method in the Adoption Agreement the allocation will be made based on the formula specified in the Adoption Agreement.

A Qualifying Participant will not be considered to have accrued an Employer Nonelective Contribution until the allocation meets the requirements under Code section 401(a)(4) and its associated regulations. If a new comparability allocation formula is selected in the Adoption Agreement, the allocation may satisfy the general test of Treasury Regulation section 1.401(a)(4)-2 either on a benefits or a contribution basis.

6. Minimum Allocation Requirements for Employer Nonelective Contributions Tested on a Benefits Basis – If the Adopting Employer is a Church-Related Organization or NQCCO, the Employer may, at its discretion, choose to test the allocation of Employer Nonelective Contributions elected in the Adoption Agreement using the general test of Treasury Regulation section 1.401(a)(4)-2 on either a benefits basis or a contribution basis. An Adopting Employer that tests an Employer Nonelective Contribution on a benefits basis must satisfy the allocation requirements in one of items (a), (b), or (c) below. Unless otherwise elected in the Adoption Agreement, for the purposes of the preceding sentence, an Adopting Employer must satisfy the allocation requirements in item (c) so that the allocation to each non-Highly Compensated Employee equals the lesser of the amounts described in items (c)(i) and (c)(ii) below.

a. *Broadly Available Allocation Rates* – The Plan must provide an allocation that uses broadly available allocation rates. The Plan will have broadly available allocation rates for the Plan Year if each allocation rate under the Plan is currently available during the Plan Year to a group of Employees that satisfies the requirements under Code section 410(b) (without regard to the average benefit percentage test of Treasury Regulation section 1.410(b)-5) and as otherwise specified in Treasury Regulation section 1.401(a)(4)-8(b)(1)(iii).

b. *Gradually Increasing Allocation Formula* – The Plan must provide an allocation based on the age and/or service allocation formula in the Adoption Agreement that satisfies the requirements to be gradually increasing age and/or service formula under Treasury Regulation section 1.401(a)(4)-8(b)(1)(iv).

c. *Minimum Allocation Gateway* – The Plan must provide a benefit under the allocation method selected in the Adoption Agreement that satisfies one of the following minimum allocation gateway tests by making the appropriate selections in the Adoption Agreement, if applicable.

The Plan satisfies a minimum allocation gateway for a plan that is not a combination of permissively aggregated defined contribution and defined benefit plans if it otherwise satisfies Treasury Regulation section 1.401(a)(4)-8(b)(1)(vi). The Plan will satisfy such gateway if it meets one of the two following formulas.

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i. **One-Third Approach** – Each non-Highly Compensated Employee who is eligible to participate has an allocation rate that is at least one-third of the allocation rate of the Highly Compensated Employee with the highest allocation rate. For purposes of determining this allocation rate, such allocation rate will equal the quotient of the Employer Nonelective Contribution allocated to a Participant divided by the Participant's Compensation.

If a selection is made in the Adoption Agreement to satisfy a minimum allocation gateway and to reallocate hypothetical contributions from Highly Compensated Employees to non-Highly Compensated Employees in order to provide each non-Highly Compensated Employee with an allocation rate that is equal to at least one-third of the allocation rate of the Highly Compensated Employee with the highest allocation rate, then, to the extent necessary, the following steps will be taken.

A. Identify the Employees of the Employer who participate in the Plan who are non-Highly Compensated Employees of such Employer and arrange them in order of their allocation rates from the highest to the lowest.

B. Identify the Highly Compensated Employees of the Employer who participate in the Plan and arrange them in order of their allocation rates from the highest to the lowest.

C. As of the date of allocation, lower the allocation to the Highly Compensated Employee with the highest allocation rate determined in (B) above. The reduction will equal the lesser of 1) the amount necessary so that the non-Highly Compensated Employee with the lowest allocation rate receives an allocation equal to one-third of the allocation rate of the Highly Compensated Employee with the highest allocation rate, or 2) the amount which would cause such Highly Compensated Employee's allocation rate to equal the allocation rate of the Highly Compensated Employee with the next highest allocation rate. As of the date of allocation, that reduction will be added to the Individual Account of the non-Highly Compensated Employee described in 1) above.

D. Repeat the procedures in (C) above until all non-Highly Compensated Employees have an allocation rate equal to at least one-third of the allocation rate of the Highly Compensated Employee with the highest allocation rate. If the allocation rate of a Highly Compensated Employee is lowered under (C) above or this clause (D) to the point where it is equal to that of the Highly Compensated Employees with the next highest allocation rate, then any further reductions in allocations will be apportioned between the former and latter Highly Compensated Employees in a manner that causes their equivalent allocation rates to be reduced by the same amount.

E. Participants whose sole allocation for a Plan Year consists of a Safe Harbor Nonelective Contribution are considered benefiting for purposes of the minimum allocation gateway. Allocation rates will include such contributions when determining whether the minimum gateway allocation has been satisfied.

ii. **Five-Percent Approach** – Each non-Highly Compensated Employee who is eligible to participate receives an allocation of at least five percent of such Employee's Compensation, as defined in Part A of the definition of Compensation in the Plan's Definition section, for the period during which the non-Highly Compensated Employee is eligible to receive an allocation under this section.

If a selection is made in the Adoption Agreement to satisfy a minimum allocation gateway under new comparability and to reallocate hypothetical contributions from Highly Compensated Employees to non-Highly Compensated Employees in order to provide each non-Highly Compensated Employee with an allocation of at least five percent of such Employee's Compensation, as defined in Part A of the definition of Compensation in the Plan's Definition section, for the period during which the non-Highly Compensated Employee is eligible to receive an allocation under this section, then, to the extent necessary, the following steps will be taken.

A. Identify the Employees of the Employer who participate in the Plan who are non-Highly Compensated Employees of such Employer and arrange them in order of their allocation rates from the highest to the lowest.

B. Identify the Highly Compensated Employees of the Employer who participate in the Plan and arrange them in order of their allocation rates from the highest to the lowest.

C. As of the date of allocation, lower the allocation to the Highly Compensated Employee with the highest allocation rate determined in (B) above. The reduction will equal the lesser of 1) the amount necessary so that the non-Highly Compensated Employee with the lowest allocation rate receives an allocation equal to five percent of such Employee's Compensation, as defined in Part A of the definition of Compensation in the Plan's Definition section, for the period during which the non-Highly Compensated Employee is eligible to receive an allocation under this section, or 2) the amount that would cause such Highly Compensated Employee's allocation rate to equal the allocation rate of the Highly Compensated Employee with the next highest allocation rate. As of the date of allocation, that reduction will be added to the Individual Account of the non-Highly

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Compensated Employee described in 1) above.

D. Repeat the procedures in (C) above until each of the non-Highly Compensated Employees have an allocation rate equal to at least five percent of such Employee's Compensation, as defined in Part A of the definition of Compensation in the Plan's Definition section, for the period during which the each of the non-Highly Compensated Employees are eligible to receive an allocation under this section. If the allocation rate of a Highly Compensated Employee is lowered under (C) above or this clause (D) to the point where it is equal to that of the Highly Compensated Employees with the next highest allocation rate, then any further reductions in allocations will be apportioned between the former and latter Highly Compensated Employees in a manner that causes their equivalent allocation rates to be reduced by the same amount.

E. If the allocation rate of the Highly Compensated Employees is less than five percent, either before any reallocation pursuant to this Plan Section 3.05(B)(6)(c), or as a result of any reallocation pursuant to this Plan Section 3.05(B)(6)(c), then for that Plan Year, the Employer Nonelective Contributions will be allocated as if the Employer had elected a pro rata allocation formula (as described in Adoption Agreement Section Three).

F. Participants whose sole allocation for a Plan Year consists of a Safe Harbor Nonelective Contribution, are considered benefiting for purposes of the minimum allocation gateway. Allocation rates will include such contributions when determining whether the minimum gateway allocation has been satisfied.

The Employer must make additional contributions to a Participant who is a non-Highly Compensated Employee and who receives only a Safe Harbor Nonelective Contribution, in order to satisfy the minimum allocation gateway. The amount of such additional contribution will be equal to the difference between the amount required to satisfy the minimum allocation gateway and the Safe Harbor Nonelective Contribution received by such Employee, whichever is applicable.

C. Allocation of Forfeitures – Subject to the Employer's discretion, forfeitures may be applied first to the payment of the Plan's administrative expenses in accordance with Plan Section 7.04 or applied to the restoration of Participant's Individual Accounts pursuant to Plan Section 4.01(B)(3). Unless the Adoption Agreement indicates otherwise, any remaining Forfeitures will be used to reduce Employer Contributions.

Unless otherwise elected in the Adoption Agreement or as specified in rules, regulations, or other pronouncements promulgated by the IRS, Forfeitures of Employer Nonelective Contributions, Matching Contributions, Additional ACP Test Safe Harbor Matching Contributions, Excess Aggregate Contributions, QACA ACP Test Safe Harbor Contributions, and QACA Additional ACP Test Safe Harbor Matching Contributions will be used to reduce Employer Contributions other than Elective Deferrals or any additional contributions specified in rules, regulations, or other pronouncements promulgated by the IRS. Notwithstanding the preceding, Forfeitures arising under Plan Section 3.11 may be allocated to Qualifying Participants in accordance with Plan Section 3.05(B).

Forfeitures must be applied as soon as administratively feasible, but no later than the last day of the Plan Year following the Plan Year in which the Forfeitures arose. Notwithstanding the preceding, Forfeitures must be applied in a uniform and nondiscriminatory manner if applied either to the payment of the Plan's administrative expenses or to the restoration of a Participants' Individual Accounts pursuant to Plan Section 4.01(B)(3). Forfeitures that are reallocated to Participants' Individual Accounts need not be reallocated to the same contribution source from which they were forfeited. Forfeitures of Excess Aggregate Contributions will not be allocated to the Account of a Highly Compensated Employee.

D. Timing of Employer Contributions – The Employer Contributions made by an Employer for each Plan Year will be deposited into the Plan within the time period permitted by law or regulation for such contributions. Notwithstanding the preceding, Employer Contributions may be deposited during the Plan Year for which they are being made.

E. Return of the Employer Contributions to the Employer Under Special Circumstances – If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.

3.06 QUALIFIED NONELECTIVE CONTRIBUTIONS

If the Adopting Employer is a Church-Related Organization or a NQCCO, the Employer may make Qualified Nonelective Contributions under the Plan if elected in the Adoption Agreement. The amount of such contribution, if any, to the Plan for each Plan Year, will be determined by the Employer. Notwithstanding anything to the contrary in the Plan, the Employer may make Qualified Nonelective Contributions to the Plan in the amount necessary to satisfy testing requirements.

Qualified Nonelective Contributions Used to Satisfy Testing Requirements – If the current-year testing rules apply to the Plan, in lieu of distributing Excess Aggregate Contributions as provided in Plan Section 5.10, the Employer may, if permitted in the Adoption Agreement, use all or any portion

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of the Qualified Nonelective Contributions to satisfy the Actual Contribution Percentage test. The option to use all or any portion of the Qualified Nonelective Contributions to satisfy the Actual Contribution Percentage test is not available if prior-year testing rules apply to the Plan.

Notwithstanding anything to the contrary in the Plan, and in addition to, or in lieu of, the allocation formula selected in the Adoption Agreement, Qualified Nonelective Contributions may be allocated to the Individual Accounts of a group of non-Highly Compensated Employees selected by the Employer and who are eligible Participants, following the requirements under Treasury Regulation section 1.401(m) (including the permissive disaggregation rules) for purpose of satisfying the Actual Contribution Percentage test. No allocation will be required in excess of the amount required to satisfy the Actual Contribution Percentage test.

3.07 ROLLOVER CONTRIBUTIONS

Unless otherwise elected in the Adoption Agreement, an Employee may make Indirect Rollover and Direct Rollover contributions to the Plan from distributions made from plans described in Code sections 401(a), 403(a), 403(b), 408, and 457(b) (if maintained by a governmental entity) unless an Employee is either an Employee of a Related Employer that does not participate in this Plan or a member of any excluded class in Adoption Agreement Section Two and Plan Section 2.01. Nondeductible employee contributions and Roth elective deferral contributions will not be permitted to be included in such rollover contributions to the Plan unless otherwise indicated in the Adoption Agreement. However, if such amounts are permitted to be included as part of an Indirect Rollover or Direct Rollover contribution to the Plan, the nondeductible employee contributions and Roth elective deferral contributions will only be accepted as a rollover contribution to the Plan if the Plan Administrator obtains information regarding the Participant's tax basis under Code section 72 in such amounts. The Plan Administrator may require the Employee to certify, either in writing or in any other form permitted under applicable rules promulgated by the IRS, that the contribution qualifies as a rollover contribution under the applicable provisions of the Code. If it is later determined that all or part of a rollover contribution was ineligible to be contributed to the Plan, the Plan Administrator shall direct that any ineligible amounts, plus earnings or losses attributable thereto (determined in the same manner that earnings or losses are determined for other Plan purposes), be distributed from the Plan to the Employee as soon as administratively feasible.

A separate account will be maintained by the Plan Administrator for each Employee's rollover contributions, which will be nonforfeitable at all times. Such account will share in the income and gains and losses of the Funding Vehicle in the same manner that gains and losses are determined for other Plan purposes. Where the Adoption Agreement does not permit Employer designation with respect to rollover contributions, the Employer may, in a uniform and nondiscriminatory manner, allow only Employees who have become Participants in the Plan to make rollover contributions. However, if the Employer permits Employees who have not become Participants in the Plan and/or former Employees to maintain rollover contributions in the Plan, such individuals will be treated as Participants for purposes of those assets, but they may not receive a loan from the Plan.

A Participant who receives a Qualified Birth or Adoption Distribution, a Coronavirus-Related Distribution or a federally declared disaster distribution as described in Plan Section 5.01(D)(3) from the Plan may, in accordance with the Plan's existing rollover contribution elections and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution. In addition, if elected in the Adoption Agreement, a Participant who receives a Qualified Birth or Adoption Distribution that is taken from a source other than the Plan may, in accordance with the Adopting Employer's elections in the Adoption Agreement and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution. Furthermore, if elected in an amendment to the Adoption Agreement that was adopted prior to the Effective Date of the Plan and that is not superseded by the provisions of this restatement, a Participant who received a Coronavirus-Related Distribution that was taken from a source other than the Plan could have, in accordance with the Adopting Employer's elections and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution. For purposes of any repayments to the Plan under this Plan Section 3.07, the Participant will be treated as having received the Qualified Birth or Adoption Distribution or Coronavirus-Related Distribution in an eligible rollover distribution (as defined in Code section 402(c)(4)) and as having contributed the amount to the Eligible Retirement Plan within 60 days of the distribution.

Unless otherwise elected in the Adoption Agreement and to the extent permitted under the Individual Agreements, effective for Plan Years beginning on or after January 1, 2020, the Plan will accept a rollover contribution of a Lifetime Income Investment Distribution from an Eligible Retirement Plan.

3.08 PLAN-TO-PLAN TRANSFER CONTRIBUTIONS

A. If elected in the Adoption Agreement, the Plan may receive any amounts transferred to it on behalf of an Employee from another Code section 403(b) plan, unless an Employee is either employed by a Related Employer that does not participate in this Plan or a member of any excluded class of Employees listed in Adoption Agreement Section Two. Whether any particular transfer may be accepted by the Plan, and the procedures for the receipt of such transfers by the Plan, will be determined by the requirements of Treasury Regulation section 1.411(d)-4, Q&A-3, Treasury Regulation section 1.403(b)-10(b)(3), and other rules promulgated by the IRS. The Plan Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Plan Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treasury Regulation section 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies the requirements of Code section 403(b).

B. The amount so transferred will be credited to the Participant's Individual Account, so that the Participant whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant immediately before the transfer. A separate subaccount will be maintained by the Plan Administrator for each Employee's transfer contributions, which will, if applicable, be

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nonforfeitable at all times. Such account will share in the income and gains and losses of the Funding Vehicles in which invested. Notwithstanding the preceding, an Employee's separate account established solely on account of an event described in Code section 414(l) will continue to be subject to the Plan's vesting schedule except as otherwise provided therein.

C. To the extent any amount transferred is subject to any distribution restrictions required under Code section 403(b) and Treasury Regulation section 1.403(b)-6, distribution restrictions under the Plan which apply to the Participant or Beneficiary whose assets are being transferred will not be less stringent than those imposed under the transferor plan. The transferred amount will not be considered an Elective Deferral under the Plan in determining the maximum deferral under Plan Section Three.

3.09 NONDEDUCTIBLE EMPLOYEE CONTRIBUTIONS

If elected in the Adoption Agreement, each Employee who satisfies the eligibility requirements specified in Adoption Agreement Section Two for making Elective Deferrals, and who is not a member of an excluded class of Employees, as specified in the Adoption Agreement, may contribute Nondeductible Employee Contributions to the Plan by enrolling as a Contributing Participant pursuant to the applicable provisions of Plan Section 3.01. The Employer will establish uniform and nondiscriminatory rules and procedures for Nondeductible Employee Contributions as it deems necessary and advisable, including, but not limited to, rules describing any amounts or percentages of Compensation Participants may or must contribute to the Plan. If the Adopting Employer is a Church-Related Organization or NQCCO, Nondeductible Employee Contributions, together with any Matching Contributions, will be limited so as to satisfy the Actual Contribution Percentage test in Plan Section 3.12. Notwithstanding the preceding, contributions made to the Plan on an after-tax basis (e.g., to repay defaulted loans, if permitted by the Individual Agreement, or to buy back previously forfeited amounts as described in Plan Section 4.01(B)(3)) do not constitute Nondeductible Employee Contributions and will not, therefore, be subject to the nondiscrimination test of Code section 401(m) or the Annual Additions limit of Code section 415.

A separate account will be maintained by the Plan Administrator for the Nondeductible Employee Contributions of each Participant.

3.10 REPAYMENTS

A. Repayment of Qualified Birth or Adoption Distributions – 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) if the Participant is eligible to make a rollover contribution to the Plan in accordance with Plan Section 3.07 at the time of recontribution. In addition, if elected in the Adoption Agreement, a Participant who receives a Qualified Birth or Adoption Distribution from a source other than the Plan may, in accordance with the Adopting Employer's elections in the Adoption Agreement and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in accordance with Plan Section 3.07 and in an aggregate amount not to exceed the amount of such distribution. 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. The Plan will ensure that one or more investment arrangements are available to accept the recontribution.

B. Repayment of Coronavirus-Related Distributions – A Qualified Individual who received a Coronavirus-Related Distribution under the Plan was entitled to recontribute all or a portion of the Coronavirus-Related Distribution (not to exceed the amount of the distributions) at any time during the three-year period beginning the day after the date of a Coronavirus-Related Distribution made under the Plan if the Participant is eligible to make a rollover contribution to the Plan in accordance with Plan Section 3.07 at the time of recontribution. In addition, if elected in an amendment to the Adoption Agreement that was adopted prior to the Effective Date of the Plan that is not superseded by the provisions of this restatement, a Qualified Individual who received a Coronavirus-Related Distribution from a source other than the Plan may, in accordance with the Adopting Employer's elections in the Adoption Agreement and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in accordance with Plan Section 3.07 and in an aggregate amount not to exceed the amount of such distribution. The recontribution of a Coronavirus-Related Distribution that is eligible for tax-free rollover treatment and made within the three-year period described above will be treated as a rollover contribution to the Plan.

C. Repayment of Disaster-Related Distributions – If elected by the Employer in the Adoption Agreement and to the extent permitted under the Individual Agreement, a Participant who received one or more federally declared disaster distributions is entitled to recontribute the distributions (not to exceed the amount of the distributions) if the Participant is eligible to make a rollover contribution to the Plan in accordance with Plan Section 3.07 at the time of recontribution and the applicable legislation or guidance authorizes such a repayment.

3.11 LIMITATION ON ALLOCATIONS

A. General Limitation on Annual Additions – A Participant's Annual Additions under the Plan for a Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan.

B. Aggregation of Section 403(b) Plans of the Employer – If Annual Additions are credited to a Participant under any section 403(b) plans of the Employer in addition to this Plan for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan and such other Code section 403(b) plans may not exceed the Maximum Permissible Amount.

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C. Aggregation Where Participant Is in Control of Any Employer – If a Participant is in control of any employer for a Limitation Year, the sum of the Participant's Annual Additions for the Limitation Year under this Plan, any other Code section 403(b) plans of the Employer, any defined contribution plans maintained by controlled employers, and any Code section 403(b) plans of any other employers may not exceed the Maximum Permissible Amount. For purposes of this paragraph, a Participant is in control of an employer based upon the rules of Code sections 414(b), 414(c), and 415(h); and a defined contribution plan means a defined contribution plan that is qualified under Code section 401(a) or 403(a), a Code section 403(b) plan, or a simplified employee pension within the meaning of Code section 408(k).

1. Annual Notice to Participants – The Administrator will provide written or electronic notice to Participants that explains the limitation in paragraph (C), above, in a manner calculated to be understood by the average Participant and informs Participants of their responsibility to provide information to the Plan Administrator that is necessary to satisfy paragraph (C). The notice will advise Participants that the application of the limitations will take into account information supplied by the Participant and that failure to provide necessary and correct information to the Plan Administrator could result in adverse tax consequences to the Participant, including the inability to exclude contributions to the Plan under Code section 403(b). The notice will be provided annually, beginning no later than the year in which the Employee becomes a Participant.

2. Coordination of Limitation on Annual Additions Where Employer Has Another Code Section 403(b) Pre-Approved Plan or Participant Is in Control of Employer – The Annual Additions which may be credited to a Participant under this Plan for any Limitation Year will not exceed the Maximum Permissible Amount, reduced by the Annual Additions credited to the Participant under any other Code Section 403(b) Pre-approved Plan of the Employer in addition to this Plan and, if the Participant is in control of an employer, any defined contribution plans maintained by controlled employers and Code section 403(b) plans of any other employers. Contributions to the Participant's Individual Account under this Plan will be reduced to the extent necessary to prevent this limitation from being exceeded.

3. Excess Annual Additions

a. If, notwithstanding paragraphs (A), (B) and (C), above, a Participant's Annual Additions under this Plan, or under this Plan and plans aggregated with this Plan result in an Excess Annual Addition for a Limitation Year, the Excess Annual Addition will be deemed to consist of the Annual Additions last credited, except Annual Additions to a defined contribution plan qualified under Code section 401(a) or a simplified employee pension maintained by an employer controlled by the Participant will be deemed to have been credited first.

b. If an Excess Annual Addition is credited to a Participant under this Plan and another Code Section 403(b) Pre-approved Plan of the Employer on the same date, the Excess Annual Addition attributable to this Plan will be the product of:

i. the total Excess Annual Addition credited as of such date, multiplied by

ii. the ratio of (A) the Annual Additions credited to the Participant for the Limitation Year as of such date under this Plan to (B) the total Annual Additions credited to the Participant for the Limitation Year as of such date under this Plan and all other Code Section 403(b) Pre-approved Plans of the Employer.

c. Any Excess Annual Addition attributable to this Plan will be corrected in the manner described in item (5), below.

4. Coordination of Limitation on Annual Additions Among Annuity Contracts – All section 403(b) annuity contracts purchased by an Employer for a Participant are treated as one section 403(b) annuity contract for purposes of applying the limitations of section 415 of the Code. For these purposes, a 403(b) annuity contract includes annuity contracts, custodial accounts and Retirement Income Accounts.

5. Coordination of Limitation on Annual Additions Where Employer Has Another Code Section 403(b) Plan That Is Not a Code Section 403(b) Pre-Approved Plan – If Annual Additions are credited to the Participant for the Limitation Year under another Code section 403(b) plan of the Employer which is not a Code Section 403(b) Pre-approved Plan, the Annual Additions which may be credited to the Participant under this Plan for the Limitation Year will be limited in accordance with items (2) and (3), above, as though the other plan was a Code Section 403(b) Pre-approved Plan, unless the Employer provides other limitations in the Adoption Agreement.

6. Correction of Excess Annual Additions – A Participant's Excess Annual Additions for a taxable year are includible in the Participant's gross income for that taxable year. A Participant's Excess Annual Additions attributable to this Plan will be credited in the year of the excess to a separate account under the Plan for such Excess Annual Additions which will be maintained by the Vendor until the Excess Annual Additions are distributed. This separate account will be treated as a separate contract to which Code section 403(c) (or another applicable provision of the Code) applies. Amounts in the separate account may be distributed at any time, notwithstanding any other provisions of the Plan.

D. Difficulty of Care Payments – Except as otherwise provided herein or by law or regulation, for Plan Years beginning on or after January 1, 2016, Participant contributions allocable to Difficulty of Care Payments shall be treated as Nondeductible Employee Contributions for purposes of the Code and this Plan. Such contributions shall not, however, cause the Plan to be treated as failing to meet the requirements of any provision described in

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Code chapter 1, Normal Taxes and Surtaxes, by reason of any contribution that is based on Difficulty of Care Payments.

3.12 ACTUAL CONTRIBUTION PERCENTAGE TEST (ACP)

This Plan Section 3.12 is only applicable to a Plan if the Adopting Employer is a Church-Related Organization or a NQCCO.

A. **Limits on Highly Compensated Employees** – The Actual Contribution Percentage (hereinafter "ACP") for Participants who are Highly Compensated Employees for each Plan Year and the ACP for Participants who are non-Highly Compensated Employees for the same Plan Year must satisfy one of the following tests.

1. The ACP for Participants who are Highly Compensated Employees for the Plan Year will not exceed the ACP for Participants who are non-Highly Compensated Employees for the same Plan Year multiplied by 1.25.

2. The ACP for Participants who are Highly Compensated Employees for the Plan Year will not exceed the ACP for Participants who are non-Highly Compensated Employees for the same Plan Year multiplied by 2.0, provided that the ACP for the Participants who are Highly Compensated Employees does not exceed the ACP for Participants who are non-Highly Compensated Employees by more than two percentage points.

   The Plan must satisfy the ACP test using either the prior-year testing or current-year testing requirements described below. Notwithstanding the preceding, and unless otherwise elected in the Adoption Agreement, the prior-year testing method described below will apply to this Plan.

3. Prior-Year Testing – The ACP for a Plan Year for Participants who are Highly Compensated Employees for each Plan Year and the prior year's ACP for Participants who were non-Highly Compensated Employees for the prior Plan Year must satisfy one of the following tests.

   a. The ACP for a Plan Year for Participants who are Highly Compensated Employees for the Plan Year will not exceed the prior year's ACP for Participants who were non-Highly Compensated Employees for the prior Plan Year multiplied by 1.25.

   b. The ACP for a Plan Year for Participants who are Highly Compensated Employees for the Plan Year will not exceed the prior year's ACP for Participants who were non-Highly Compensated Employees for the prior Plan Year multiplied by 2.0, provided that the ACP for Participants who are Highly Compensated Employees does not exceed the ACP for Participants who were non-Highly Compensated Employees in the prior Plan Year by more than two percentage points.

   For the first Plan Year, if this Plan 1) permits any Participant to make Nondeductible Employee Contributions, 2) provides for Matching Contributions, or 3) both, and 4) this is not a successor Plan, for purposes of the preceding tests, the prior year's non-Highly Compensated Employees' ACP will be three percent unless the Employer has elected in the Adoption Agreement to use the Plan Year's ACP for these Participants.

   Notwithstanding the preceding, if the Adopting Employer has elected the Safe Harbor Arrangement or the QACA option in the Adoption Agreement, the current-year testing provisions described in Plan Section 3.12(A)(4) will apply. In addition, if the Adopting Employer has elected the Safe Harbor Arrangement or the QACA option in the Adoption Agreement and the Adoption Agreement does not permit Employer designation with respect to the ACP testing method, the current-year testing provision in Plan Section 3.12(A)(4) will apply.

4. Current-Year Testing – If elected by the Adopting Employer in the Adoption Agreement, the ACP tests in Plan Sections 3.12(A)(1) and (2), above, will be applied by comparing the current Plan Year's ACP for Participants who are Highly Compensated Employees for each Plan Year with the current Plan Year's ACP for Participants who are non-Highly Compensated Employees. Once an election to use current-year testing is made, the Employer can elect prior-year testing for a Plan Year only if the Plan has used current-year testing for each of the preceding five Plan Years (or if lesser, the number of Plan Years the Plan has been in existence) or if, as a result of the merger or acquisition described in Code section 410(b)(6)(C)(i), the Employer maintains both a plan using prior-year testing and a plan using current-year testing and the change is made within the transition period described in Code section 410(b)(6)(C)(ii).

B. **Special Rules**

1. A Participant is a Highly Compensated Employee for a particular Plan Year if they meet the definition of a Highly Compensated Employee in effect for that Plan Year. Similarly, a Participant is a non-Highly Compensated Employee for a particular Plan Year if they do not meet the definition of a Highly Compensated Employee in effect for that Plan Year.

2. For purposes of this Plan Section 3.12, the Contribution Percentage for any Participant who is a Highly Compensated Employee and who is eligible to have Contribution Percentage Amounts allocated to their Individual Account under two or more plans described in Code section 403(b) that are maintained by the Employer, will be determined as if the total of such Contribution Percentage Amounts was made under each

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plan. If a Highly Compensated Employee participates in two or more such plans or arrangements that have different plan years, all Contribution Percentage Amounts made during the Plan Year under all such plans and arrangements will be aggregated.

3. In the event that this Plan satisfies the requirements of Code sections 401(m), 401(a)(4), or 410(b) only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such Code sections only if aggregated with this Plan, then this Plan Section 3.12(B)(3) will be applied by determining the Contribution Percentage of Employees as if all such plans were a single plan. If more than 10 percent of the Employer's non-Highly Compensated Employees are involved in a plan coverage change as defined in Treasury Regulation section 1.401(m)-2(c)(4), then any adjustments to the non-Highly Compensated Employee ACP for the prior year will be made in accordance with such regulations, unless the Employer has elected in the Adoption Agreement to use the current-year testing method. Plans may be aggregated in order to satisfy Code section 401(m) only if they have the same Plan Year and use the same ACP testing method.

4. For purposes of determining the Actual Contribution Percentage test, Nondeductible Employee Contributions are considered to have been made in the Plan Year in which contributed to the Plan. Matching Contributions and Qualified Nonelective Contributions will be considered made for a Plan Year if made no later than the end of the 12-month period beginning on the day after the close of the Plan Year.

5. The Employer shall maintain records sufficient to demonstrate satisfaction of the ACP test and the amount of Qualified Nonelective Contributions used in such test.

6. The determination and treatment of the Contribution Percentage of any Participant will satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

7. If the Employer elects to take Qualified Nonelective Contributions into account as Contribution Percentage Amounts for purposes of the ACP test, then (subject to such other requirements as may be prescribed by the Secretary of the Treasury) the Employer may elect, in a uniform and nondiscriminatory manner, either to include all Qualified Nonelective Contributions in the ACP test or to include only the amount of such Qualified Nonelective Contributions that are needed to meet the ACP test.

8. Special Rule for Early Participation– If the Plan provides for Matching Contributions or Nondeductible Employee Contributions and provides that Employees are eligible to participate with regard to such contributions before they have completed the minimum age and service requirements in Code section 410(a)(1)(A), and if the Plan applies Code section 410(b)(4)(B) in determining whether the Plan meets the requirements in Code section 410(b)(1), then in determining whether the Plan meets the ACP test, either:

   a. pursuant to Code section 401(m)(5)(C), the ACP test is performed under the Plan (determined without regard to disaggregation under Treasury Regulation section 1.410(b)-7(c)(3)), using the ACP for all eligible Highly Compensated Employees for the Plan Year and the ACP of eligible non-Highly Compensated Employees for the applicable year, disregarding all non-Highly Compensated Employees who have not met the minimum age and service requirements in Code section 410(a)(1)(A); or

   b. pursuant to Treasury Regulation section 1.401(m)-1(b)(4), the Plan is disaggregated into separate plans and the ACP test is performed separately for all eligible Participants who have completed the minimum age and service requirements in Code section 410(a)(1)(A) and for all eligible Participants who have not completed the minimum age and service requirements in Code section 410(a)(1)(A).

3.13 DIFFICULTY OF CARE CONTRIBUTIONS

Effective for Plan Years beginning on or after January 1, 2016, Participant may make contributions to, or receive allocations under, the Plan that are based on the Participant receiving Difficulty of Care Payments, even if the Participant has no other Compensation. Such amounts will be treated as Nondeductible Employee Contributions to the Plan, except as otherwise provided herein or by law or regulation.

3.14 IN-PLAN ROTH ROLLOVERS

A. **Eligibility** – If elected by the Adopting Employer in the Adoption Agreement, Recipients may complete Direct In-Plan Roth Rollovers. Unless otherwise elected in the Adoption Agreement, a Plan that allows Direct In-Plan Roth Rollovers will allow Direct In-Plan Roth Rollovers of all non-Roth contributions.

If elected by the Adopting Employer in the Adoption Agreement, Recipients may complete Indirect In-Plan Roth Rollovers for any Eligible Rollover Distribution from the Plan.

Effective January 1, 2013, if elected by the Adopting Employer in the Adoption Agreement, Recipients may complete In-Plan Roth Rollovers for any contributions that are not otherwise distributable under the applicable Plan provisions at the time of the request. In-Plan Roth Rollovers of such contributions must be completed as Direct In-Plan Roth Rollovers.

Unless otherwise elected in the Adoption Agreement, Recipients may complete an unlimited number of In-Plan Roth Rollovers.

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B. **Separate Accounting** – Contributions and withdrawals of In-Plan Roth Rollover contributions will be credited and debited to an In-Plan Roth Rollover account maintained for each Participant. The Plan will maintain a record of the amount of In-Plan Roth Rollover contributions in each Participant's Individual Account. Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's In-Plan Roth Rollover account and the Participant's other accounts under the Plan.

No contributions other than In-Plan Roth Rollover contributions and properly attributable earnings will be credited to each Participant's In-Plan Roth Rollover account.

C. **Distributable Events** – Unless otherwise elected in the Adoption Agreement, a Recipient may complete a Direct In-Plan Roth Rollover at any time. Unless otherwise elected in the Adoption Agreement, a Recipient does not have to be fully Vested in an eligible account to complete a Direct In-Plan Roth Rollover.

If a Recipient completes a Direct In-Plan Roth Rollover of an amount that is eligible for distribution under the Code and/or Treasury Regulations, the Plan Administrator, in a uniform and nondiscriminatory manner and as allowed under the Code and rules promulgated by the IRS, may establish operational procedures allowing a Recipient to elect to gross-up their distribution for voluntary tax withholding purposes. If a Recipient completes a Direct In-Plan Roth Rollover of an amount that is not eligible for distribution under the Code and/or Treasury Regulations, such amount will be subject to the distribution restrictions that applied prior to the In-Plan Roth Rollover.

Except for amounts withheld pursuant to a voluntary withholding election by the Recipient, Direct In-Plan Roth Rollovers will not be considered distributions from the Plan for the purposes of Code sections 72(p), 401(a)(11), 411(d)(6)(B)(ii) or other Code sections pursuant to rules promulgated by the IRS.

D. **Loans** – If elected by the Adopting Employer in the Adoption Agreement, a Recipient may include any outstanding loan amount attributable to an eligible account in a Direct In-Plan Roth Rollover. Loan amounts included in a Direct In-Plan Roth Rollover will continue to be subject to the Plan's loan rules and the Plan's loan policy. In addition, the terms of the loan must remain the same following the Direct In-Plan Roth Rollover.

If the Participant's Individual Account contains In-Plan Roth Rollover contributions, the specific rules governing the loan program may also designate the extent to which In-Plan Roth Rollover contributions will 1) be used to calculate the maximum amount available for a loan, or 2) be available as a source from which loan proceeds may be taken or which may be used as security for a loan. To the extent permitted by law and related regulations, the rules established by the Plan Administrator may specify the ordering rules to be applied in the event of a defaulted loan.

SECTION FOUR: VESTING AND FORFEITURES

4.01 DETERMINING THE VESTED PORTION OF PARTICIPANT INDIVIDUAL ACCOUNTS

Each type of contribution made by the Employer on behalf of a Participant that is subject to a different vesting schedule (and earnings thereon) will be credited to a separate account pursuant to Plan Section 7.02(B). On or after the date on which the Participant's interest in the separate account becomes nonforfeitable, the contract will be treated as a Code section 403(b) annuity contract if 1) no election has been made under Code section 83(b) with respect to the contract, 2) the Participant's interest in the separate account has been subject to a substantial risk of forfeiture before becoming nonforfeitable, 3) contributions subject to different vesting schedules (and earnings thereon) have been maintained in separate accounts, and 4) the separate account at all times satisfied the requirements of Code section 403(b) except for the nonforfeitability requirement in Code section 403(b)(1)(C). If only a portion of the Participant's interest in a separate account becomes nonforfeitable in a year, then that portion of the contract will be considered a Code section 403(b) annuity contract and the remaining forfeitable portion will be considered a separate contract to which Code section 403(c) (or another applicable provision of the Code) applies.

A. **Determining the Vested Portion** – In determining the Vested portion of a Participant's Individual Account, the following rules apply.

1. Employer Contributions – The Vested portion of a Participant's Individual Account derived from Employer Contributions other than Elective Deferrals is determined by applying the vesting schedule(s) selected in Adoption Agreement Section Four, except as otherwise provided in this Plan Section 4.01(A).

2. Other Contributions – A Participant is fully Vested in their rollover contributions and transfer contributions (subject to the exceptions in Plan Section 3.08), Elective Deferrals, Nondeductible Employee Contributions, Mandatory Employee Contributions, Qualified Nonelective Contributions, and ACP Test Safe Harbor Contributions, including any earnings thereon. Separate accounts will be maintained for each Participant, including separate accounts for Pre-Tax Elective Deferrals and Roth Elective Deferrals. Each account will be credited with the applicable contributions and earnings thereon.

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3. Fully Vested Under Certain Circumstances – Full vesting of Individual Accounts occurs when:

   a. the Employee reaches Normal Retirement Age;

   b. the Plan is terminated or partially terminated as defined by rules promulgated by the IRS, and the Participant is an affected participant; or

   c. there exists a complete discontinuance of contributions under the Plan and the Participant is an affected participant.

   Further, unless otherwise elected in the Adoption Agreement, an Employee is fully Vested if the Employee dies, incurs a Disability, or satisfies the conditions for Early Retirement Age (if applicable). Notwithstanding the preceding, the portion of an Employee's Individual Account attributable to Employer Nonelective Contributions that are made based on their imputed Compensation on account of incurring a Disability will be fully Vested at all times.

4. Participants Under a Prior Plan Document – If a Participant was a participant under a Prior Plan Document on the Effective Date, their Vested percentage will not be less than it would have been under such Prior Plan Document as computed on the Effective Date.

5. Additional ACP Test Safe Harbor Matching Contributions – Notwithstanding anything in this Plan to the contrary, Additional ACP Safe Harbor Matching Contributions will be Vested as indicated in the Matching Contributions vesting schedule in the Adoption Agreement, but, in any event, such contributions will be fully Vested upon an Employee's attainment of Normal Retirement Age, upon the complete or partial termination of the Plan, or upon the complete discontinuance of Employer Contributions.

B. **Severance from Employment** – If a Participant incurs a Severance from Employment, any portion of their Individual Account that is not Vested will be held in a Forfeiture account. Such Forfeiture account will share in any increase or decrease in the fair market value of the assets of the Funding Vehicles. The disposition of such Forfeiture account will be as follows:

1. Cashout of Certain Participants After a Severance from Employment – If the Vested value of the Participant's Individual Account does not exceed $1,000 (or such other cashout level specified in the Adoption Agreement), the Vested value of the Participant's Individual Account will be paid from the Plan pursuant to Plan Sections 5.01(B)(1) and 5.04(A), subject to a uniform and nondiscriminatory written policy established by the Plan Administrator. The portion that is not Vested will be treated as a Forfeiture and applied in accordance with Plan Section 3.05(C). If a Participant's Vested Individual Account exceeded the cashout amount when the Participant severed employment, but such Individual Account is reduced such that it is not greater than the cashout level at a later time, the Vested portion of the Participant's Individual Account will be paid from the Plan and the portion that is not Vested will be treated as a Forfeiture and applied in accordance with Plan Section 3.05(C). For purposes of this Section, if the value of the Vested portion of a Participant's Individual Account is zero, the Participant will be deemed to have received a distribution of such Vested Individual Account.

2. Participants Who Elect to Receive Distributions After a Severance from Employment – If such Participant who has severed from employment elects to receive a distribution of the entire Vested portion of their Individual Account in accordance with Plan Section 5.01(B), the portion that is not Vested will be treated as a Forfeiture. Such Forfeiture will be applied in accordance with Plan Section 3.05(C). If such terminated Participant elects to receive a partial distribution of their Vested Individual Account, no Forfeiture may occur until the Participant elects to receive the remaining portion of their Vested Individual Account.

3. Reemployed Participants Who Received Distributions – If such Participant is deemed to receive a distribution pursuant to Plan Section 4.01(B)(1) and the Participant subsequently resumes employment before the date the Participant incurs five consecutive Breaks in Vesting Service, upon the reemployment of such Participant, the Employer-derived Individual Account balance will be restored to the amount on the date of the deemed distribution. If such Participant receives a distribution pursuant to Plan Section 4.01(B)(1) or (2) and the Participant subsequently resumes employment, the Participant's Employer-derived Individual Account balance will be restored to the amount on the date of distribution if the Participant repays to the Plan the full amount of the distribution that was subject to a vesting schedule before the earlier of

   a. five years after the first date on which the Participant is subsequently reemployed by the Employer, or

   b. the date the Participant incurs five consecutive Breaks in Vesting Service following the date of the distribution.

   Any restoration of a Participant's Individual Account pursuant to this Plan Section 4.01(B)(3) will be made from other Forfeitures, income or gain to the Funding Vehicle, or contributions made by the Employer.

4. Reemployed Participants Who Did Not Receive Distributions – If such Participant neither receives nor is deemed to receive a distribution pursuant to Plan Section 4.01(B)(1) or (2) and the Participant returns to the service of the Employer before incurring five consecutive Breaks in

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Vesting Service, there will be no Forfeiture. Rather, the amount in such Forfeiture account will be restored to such Participant's Individual Account.

C. Vesting Breaks in Service

1. Vesting of Pre-Break Accruals – Years of Vesting Service (Periods of Service, if applicable) credited after a Participant incurs five consecutive Breaks in Vesting Service will be disregarded in determining the Vested portion of such Participant's Individual Account that was accrued before the five consecutive Breaks in Vesting Service. If a Participant who has neither received a distribution nor has been deemed to receive a distribution incurs five consecutive Breaks in Vesting Service, the portion of the Participant's Individual Account which is not Vested will be treated as a Forfeiture and applied in accordance with Plan Section 3.05(C).

2. Vesting of Post-Break Accruals – Years of Vesting Service (Periods of Service, if applicable) credited before a Break in Vesting Service will apply for purposes of determining the Vested portion of a Participant's Individual Account that is accrued after such Break in Vesting Service.

D. Distribution Before Full Vesting – If a distribution is made to a Participant who was not then fully Vested in their Individual Account derived from Employer Contributions, and if the Participant may increase their Vested percentage in their Individual Account, then the following rules will apply:

1. a separate account will be established for the Participant's interest in the Plan as of the time of the distribution, and

2. at any relevant time, the Participant's Vested portion of the separate account will be equal to an amount ("X") determined in accordance with the standard formula described below unless the Employer chooses, in a uniform and nondiscriminatory manner, to apply the alternative formula.

   Standard Formula: $X = P (AB + (R \times D)) - (R \times D)$

   Alternative Formula: $X = P (AB + D) - D$

For purposes of the standard and alternative formulas described above, "P" is the Vested percentage at the relevant time; "AB" is the separate account balance at the relevant time; "D" is the amount of the distribution; and "R" is the ratio of the separate account balance at the relevant time to the separate account balance after distribution.

E. QACA ACP Test Safe Harbor Contributions – Notwithstanding anything in this Plan to the contrary, QACA ACP Test Safe Harbor Contributions will be Vested as indicated in the Adoption Agreement over a period that may not exceed two years. If no election is made, all benefits attributable to such contributions will be fully Vested at all times. In addition, such contributions will be fully Vested upon an Employee's attainment of Normal Retirement Age, upon the complete or partial termination of the Plan, or upon the complete discontinuance of Employer Contributions.

F. QACA Additional ACP Test Safe Harbor Matching Contributions– Notwithstanding anything in this Plan to the contrary, QACA Additional ACP Test Safe Harbor Matching Contributions will be Vested according to the vesting provisions for Matching Contributions selected in the Adoption Agreement, but, in any event, such contributions will be fully Vested upon an Employee's attainment of Normal Retirement Age, upon the complete or partial termination of the Plan, or upon the complete discontinuance of Employer Contributions.

4.02 FORFEITURES AND VESTING OF MATCHING CONTRIBUTIONS

Matching Contributions will be Vested in accordance with the vesting schedule for Matching Contributions in the Adoption Agreement. Notwithstanding the foregoing, Matching Contributions will be fully Vested in accordance with Plan Section 4.01(A)(3). Matching Contributions must be forfeited if the contributions to which they relate are Excess Elective Deferrals (unless the Excess Elective Deferrals are for non-Highly Compensated Employees, in which event the Plan Administrator will have discretion as to whether such amounts will be forfeited), Excess Aggregate Contributions or Excess Annual Additions which are distributed pursuant to Plan Section 3.11. Such Forfeitures will be allocated in accordance with Plan Section 3.05(C).

When a Participant incurs a Severance from Employment, whether a Forfeiture arises with respect to Matching Contributions will be determined in accordance with Plan Section 4.01(B).

4.03 FORFEITURES OF QACA ACP TEST SAFE HARBOR CONTRIBUTIONS AND QACA ADDITIONAL ACP TEST SAFE HARBOR MATCHING CONTRIBUTIONS

Notwithstanding any other provisions of the Plan, QACA Basic Matching Contributions, QACA Enhanced Matching Contributions, or QACA Additional ACP Test Safe Harbor Matching Contributions must be forfeited if the contributions to which they relate are Excess Elective Deferrals (unless the Excess Elective Deferrals are for non-Highly Compensated Employees, in which event the Plan Administrator will have discretion as to whether such amounts will be forfeited), or Excess Annual Additions that are distributed according to provisions in Plan Section 3.11. Such Forfeitures will be allocated in accordance with Plan Section 3.05(C) as it relates to Matching Contributions.

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Matching Contributions (adjusted for gain or loss) that have been allocated to a Contributing Participant's account under the EACA or QACA provisions, and that relate to Elective Deferrals permissively withdrawn, must be forfeited. Such Forfeitures will be allocated in accordance with Plan Section 3.05(C) as it relates to Matching Contributions.

When a Participant incurs a Severance from Employment, whether a Forfeiture arises, with respect to QACA Basic Matching Contributions, QACA Enhanced Matching Contributions, QACA Safe Harbor Nonelective Contributions, or QACA Additional ACP Test Safe Harbor Matching Contributions, will be determined in accordance with Plan Section 4.01(B).

SECTION FIVE: DISTRIBUTIONS

5.01 DISTRIBUTIONS

A. Eligibility for Distributions

1. Entitlement to Distribution – The Vested portion of a Participant's Individual Account attributable to Employer Contributions (including Additional ACP Test Safe Harbor Matching Contributions, QACA Additional ACP Test Safe Harbor Matching Contributions, and Mandatory Employee Contributions) other than those described in Plan Section 5.01(A)(2) will be distributable to the Participant upon 1) the Participant satisfying the distribution events specified in the Adoption Agreement, 2) the Participant's Severance from Employment after attaining Normal Retirement Age, and 3) if the Plan designates an Early Retirement Age, the Participant's Severance from Employment after satisfying any Early Retirement Age conditions. If a Participant incurs a Severance from Employment before satisfying the age requirement but after satisfying the service requirement of the Early Retirement Age conditions (if any), the Participant will be entitled to elect an early retirement benefit upon satisfying such age requirement. If a Participant who is entitled to a distribution is not legally competent to request or consent to a distribution, the Participant's court-appointed guardian, an attorney in fact acting under a valid power of attorney, or any other individual or entity authorized under state law to act on behalf of the Participant, may request and accept a distribution of the Vested portion of a Participant's Individual Account under this Plan Section 5.01(A). All distributions are subject to the applicable Individual Agreements.

2. Special Requirements for Certain 403(b) Contributions – Notwithstanding the prior provisions of Plan Section 5.01(A)(1), Elective Deferrals, Qualified Nonelective Contributions, and income allocable to each, are not distributable to a Participant or their Beneficiary or Beneficiaries, in accordance with such Participant's or Beneficiaries' election, earlier than upon the Participant's Severance from Employment, death, or Disability, except as listed below. For purposes of this paragraph, a Participant shall be treated as having a Severance from Employment during any period the Participant is performing service in the uniformed services described in Code section 3401(h)(2)(A). A Participant who elects to receive a distribution pursuant to the preceding sentence may not make any Elective Deferral or Mandatory Employee Contributions during the six-month period beginning on the date of the distribution.

   To the extent permitted by the terms governing the applicable Individual Agreement, such amounts may also be distributed upon any one of the following events:

   a. if elected in the Adoption Agreement, the existence of a hardship incurred by the Participant as described in Plan Section 5.01(C)(2)(b). Notwithstanding the preceding, where no election is available in the Adoption Agreement, distribution of Elective Deferrals or Qualified Nonelective Contributions, Basic Matching Contributions, Enhanced Matching Contributions, Safe Harbor Nonelective Contributions, QACA Basic Matching Contributions, QACA Enhanced Matching Contributions, and QACA Safe Harbor Nonelective Contributions will be permitted upon the existence of a hardship as described in Plan Section 5.01(C)(2)(b);

   b. if elected in the Adoption Agreement, attainment of age 59½;

   c. amounts invested in a Lifetime Income Investment in accordance with Plan Section 5.01(D)(4);

   d. if elected in the Adoption Agreement, a Qualified Birth or Adoption Distribution in accordance with Plan Section 5.01(D)(5);

   e. if elected in the Adoption Agreement that was adopted prior to the Effective Date of the Plan and that is not superseded by the provisions of this restatement Adoption Agreement, a Coronavirus-Related Distribution in accordance with Plan Section 5.01(D)(6); or

   f. If elected in the Adoption Agreement, a distribution due to being affected by a federally declared disaster in accordance with Plan Section 5.01(D)(3).

   All distributions that may be made pursuant to one or more of the foregoing distribution eligibility requirements are subject to the spousal and Participant consent requirements (if applicable) contained in ERISA section 205 and the Individual Agreements.

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Notwithstanding the preceding, ACP Test Safe Harbor Contributions and QACA ACP Test Safe Harbor Contributions may not be distributed earlier than Severance from Employment, death, Disability, an event described in Code section 401(k)(10), or the attainment of age 59½.

Notwithstanding the preceding, unless otherwise elected in the Adoption Agreement, contributions made to the Plan under the EACA or QACA provisions of the Plan may be distributed as permissible withdrawals in accordance with the following:

Permissible Withdrawals – Elective Deferrals made according to the Plan under either the EACA or the QACA (provided the QACA otherwise satisfies Code section 414(w)) provisions may be withdrawn from the Plan penalty-free if the following conditions are satisfied. First, the permissible withdrawal is made pursuant to an election to withdraw by the Participant. Second, unless otherwise elected in the Adoption Agreement, the election to withdraw made by the Participant is made no later than the date that is 30 days after the date of the first Elective Deferral of such Participant made under either the EACA or QACA provisions (i.e., after the pay date the Compensation would otherwise have been included in gross income). For purposes of determining the date of the first default elective contribution, all EACAs under the Plan covering Employees who cannot be disaggregated under Code section 410(b) must be aggregated. Third, the permissible withdrawal consists of Elective Deferrals (adjusted for gain or loss) made to the Plan under the EACA or QACA provisions through the effective date of the election. The effective date of the election to withdraw will be no later than the earlier of 1) the pay date for the second payroll period beginning after the election is made, or 2) the first pay date that occurs at least 30 days after the election was made.

An affirmative election made by a Participant will not restrict their right to take a permissible withdrawal provided the conditions above are satisfied. Matching Contributions (adjusted for gain or loss) that have been allocated to a Participant's account under the EACA or QACA provisions, and that related to Elective Deferrals permissively withdrawn, must be forfeited and excluded from nondiscrimination testing. Such Forfeitures will be allocated in accordance with Plan Section 3.05(C) as it relates to Matching Contributions. Matching Contributions need not be made if the Elective Deferrals to which they relate are withdrawn before the date the Matching Contributions would otherwise have been allocated.

Any fee charged to the Participant for such permissible withdrawal may not be greater than any other fee charged to a Participant for other distributions from the Plan.

For years beginning after 2005, if both Pre-Tax Elective Deferrals and Roth Elective Deferrals were made for a year, the Plan Administrator, in a uniform and nondiscriminatory manner, may establish operational procedures, including ordering rules as permitted under the law and related regulations, to the extent permitted by the Individual Agreements, that specify whether distributions, including corrective distributions of Excess Elective Deferrals, Excess Aggregate Contributions, or Excess Annual Additions, will consist of a Participant's Pre-Tax Elective Deferrals, Roth Elective Deferrals, or a combination of both, to the extent such type of Elective Deferral was made for the year. The operational procedures may include an option for Participants to designate whether the distribution is being made from Pre-Tax or Roth Elective Deferrals.

3. Special Requirements for Annuity Contracts and Custodial Accounts – Notwithstanding the provisions in Plan Sections 5.01(A)(1) and (2) above, if elected in the Adoption Agreement, the Vested portion of a Participant's Individual Account attributable to Employer Nonelective Contributions and Matching Contributions (including earnings thereon) in annuity contracts issued as of the close of the taxable year beginning before January 1, 2009, and Elective Deferrals (including earnings thereon) in annuity contracts as of the close of the taxable year beginning before December 31, 1988, will be distributable at any time, to the extent permitted in the Prior Plan Document, the annuity contract, and the Code. Notwithstanding the preceding, amounts transferred from a custodial account to an annuity contract must retain the more stringent withdrawal restrictions applicable under the custodial account and may not be distributable in accordance with this paragraph.

   Notwithstanding the prior paragraph, distributions from a custodial account that is approved by an Employer for use under the Plan for the portion of a Participant's Individual Account that is not attributable to Elective Deferrals may not be paid to a Participant before the Participant has a Severance from Employment, dies, becomes disabled (within the meaning of Code section 72(m)(7)), attains age 59½, or before the date that is 90 days prior to the date a Lifetime Income Investment may no longer be held as an investment option under the Plan in accordance with Plan Section 5.01(D)(4).

4. Distribution Exceptions

   a. *Excess Elective Deferrals* – None of the prior provisions of this Plan Section 5.01(A) will prevent distribution in the case of correction of Excess Elective Deferrals as permitted by Treasury Regulation section 1.403(b)-4(f).

   b. *Plan Termination* – None of the prior provisions of this Plan Section 5.01(A) will prevent distribution in the case of plan termination as permitted by Treasury Regulation section 1.403(b)-10(a).

5. Distribution Request: When Distributed – A Participant or Beneficiary entitled to a distribution who wishes to receive a distribution must submit a request (either in writing or in any other form permitted under rules promulgated by the IRS) to the Plan Administrator. If required in writing,

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such request will be made upon a form provided or approved by the Plan Administrator. Unless otherwise elected in the Adoption Agreement and upon a valid request, the Plan Administrator will direct the Vendors to commence distribution as soon as administratively feasible after the request is received.

Distributions will be made based on the value of the Vested portion of the Individual Account available at the time of actual distribution. To the extent the distribution request is for an amount greater than the Individual Account, the Vendors will be entitled to distribute the entire Vested portion of the Individual Account.

B. Distributions Upon Severance from Employment

1. Value of Individual Account Does Not Exceed the Cashout Level – If the value of the Vested portion of a Participant's Individual Account does not exceed the cashout level, the following rules will apply regarding Plan Section 4.01(B)(1).

   a. If the value of the Vested portion of a Participant's Individual Account does not qualify as an Eligible Rollover Distribution, to the extent permitted under the terms of the applicable Individual Agreement, distribution from the Plan may be made to the Participant in a single lump sum in lieu of all other forms of distribution under the Plan following the Participant's Severance from Employment.

   b. Unless specified otherwise in the Adoption Agreement, if the value of the Vested portion of a Participant's Individual Account does not exceed $1,000 and qualifies as an Eligible Rollover Distribution, and 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 in accordance with this Plan Section Five, distribution will be made to the Participant in a single lump sum in lieu of all other forms of distribution under the Plan.

   c. If the value of the Vested portion of a Participant's Individual Account exceeds $1,000 and qualifies as an Eligible Rollover Distribution, and if 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 in accordance with this Plan Section Five, distribution will be paid by the Plan Administrator in a Direct Rollover to an individual retirement account (as described in Code section 408(a), 408(b) or 408A) designated by the Plan Administrator.

   Distributions made under this paragraph will occur following the Participant's Termination of Employment in accordance with a uniform and nondiscriminatory schedule established by the Plan Administrator. Notwithstanding the preceding, if the Participant is reemployed by the Employer prior to the occurrence of the distribution, no distribution will be made under this paragraph.

   Unless otherwise elected in the Adoption Agreement, the value of the Participant's Vested Individual Account for purposes of this paragraph will be determined by including rollover contributions (and earnings allocable thereto) within the meaning of Code sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(a)(ii), and 457(e)(16). If rollovers were previously included in determining the value of the Participant's Vested Individual Account for purposes of this paragraph, any Adoption Agreement election to exclude rollovers will be effective prospectively as of the date the Adoption Agreement was amended.

2. Individual Account Balances Exceeding Cashout Level – If the value of such Participant's Vested Individual Account exceeds the cashout level, and if the Individual Account is immediately distributable, the Participant must consent to any distribution of such Individual Account.

   The consent of the Participant and the Participant's Spouse will be obtained (either in writing or in any other form permitted under rules promulgated by the IRS) within the 180-day period ending on the Annuity Starting Date. The Plan Administrator shall notify the Participant and the Participant's Spouse of the right to defer any distribution until the Participant's Individual Account is no longer immediately distributable. Such notification will include a general description of the material features, and an explanation of the relative values of the optional forms of benefit available under the Plan and will be provided no less than 30 days and no more than 180 days before the Annuity Starting Date.

   Such distribution may commence less than 30 days after the notice, provided that:

   a. the Plan Administrator clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

   b. the Participant, after receiving the notice, affirmatively elects a distribution.

   Notwithstanding the preceding, only the Participant need consent to the commencement of a distribution while the Individual Account is immediately distributable. Neither the consent of the Participant nor the Participant's Spouse will be required to the extent that a distribution is required to satisfy Plan Section 5.05 or Code section 415 for Excess Annual Additions. In addition, upon termination of this Plan, if the Plan does not offer an annuity option (purchased from a commercial provider), the Participant's Individual Account may, without the Participant's

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consent, be distributed to the Participant or transferred to another defined contribution plan (other than an employee stock ownership plan as defined in Code section 4975(e)(7)) within the same controlled group.

An Individual Account is immediately distributable if any part of the Individual Account could be distributed to the Participant (or surviving Spouse) before the Participant attains or would have attained (if not deceased) the later of Normal Retirement Age or age 62.

C. Distributions During Employment

1. In-Service Withdrawals

a. *Pre-2009 Distributions from Annuity Contracts* – If elected in Adoption Agreement Section Five, Part A, and subject to the Individual Agreements, a Participant who is not otherwise eligible to receive a distribution of their Individual Account may elect to receive an in-service distribution of all or part of the Vested portion of their Individual Account attributable to Matching Contributions and Employer Nonelective Contributions from annuity contracts issued before January 1, 2009.

b. *Post-2008 Distributions from Annuity Contracts* – If elected in Adoption Agreement Section Five, Part A, and subject to the Individual Agreements, a Participant who is not otherwise eligible to receive a distribution of their Individual Account may elect to receive an in-service distribution of all or part of the Vested portion of their Individual Account attributable to Matching Contributions and Employer Nonelective Contributions from annuity contracts issued after December 31, 2008.

i. **Participant for Five or More Years** – An Employee who has been a Participant in the Plan for five or more years may withdraw up to the entire Vested portion of their Individual Accounts.

ii. **Participant for Less Than Five Years** – An Employee who has been a Participant in the Plan for less than five years may withdraw only the amount which has been in their Individual Account attributable to Employer Nonelective Contributions for at least two full Plan Years, measured from the date such contributions were allocated.

2. Hardship Withdrawals

a. *Hardship Withdrawals of Matching Contributions and Employer Nonelective Contributions from Annuity Contracts* – If elected in Adoption Agreement Section Five, Part A, and to the extent permitted by the Individual Agreements, an Employee may elect to receive a hardship distribution of all or part of the Vested portion of their Individual Account attributable to Employer Contributions (other than those described in Plan Section 5.01(C)(2)(b)), from annuity contracts other than those described in Plan Section 5.01(A)(2). For purposes of this Plan Section 5.01(C)(2)(a), hardship is defined as an immediate and heavy financial need of the Employee where such Employee lacks other available resources. Financial needs considered immediate and heavy include, but are not limited to, 1) expenses for (or necessary to obtain) medical care, that would be deductible under Code section 213(d) (determined without regard to the limitations in Code section 213(a) relating to the applicable percentage of adjusted gross income and recipients of the medical care) provided that, if the recipient of the medical care is not listed in Code section 213(a), the recipient is a Primary Beneficiary; 2) costs directly related to the purchase (excluding mortgage payments) of a principal residence for the Employee; 3) payment of tuition, related educational fees, and room and board expenses, for up to the next 12 months of post-secondary education for the Employee, the Employee's Primary Beneficiary, the Employee's Spouse, children, or dependents; 4) payments necessary to prevent the eviction of the Employee from, or a foreclosure on the mortgage of, the Employee's principal residence; 5) payments for funeral or burial expenses for the Employee's deceased parent, Spouse, Primary Beneficiary, child or dependent; 6) expenses to repair damage to the Employee's principal residence that would qualify for a casualty loss deduction under Code section 165 (determined without regard to section 165(h)(5) and whether the loss exceeds 10 percent of adjusted gross income); and 7) expenses and losses (including loss of income) incurred by the Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA), if 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 and the Participant did not request a distribution from the Plan for such expenses and losses pursuant to Plan Section 5.01(D)(3).

A distribution will be considered necessary to satisfy an immediate and heavy financial need of the Employee only if

i. the Employee has obtained all currently available distributions (including distributions of ESOP dividends under Code section 404(k)), other than hardship distributions, under the Plan and all other plans of deferred compensation, whether qualified or nonqualified, maintained by the Employer and, if elected in the Adoption Agreement, the Employee has obtained all nontaxable loans under all plans maintained by the Employer and/or satisfies any additional conditions specified in the Adoption Agreement;

ii. the distribution is not in excess of the amount of an immediate and heavy financial need (including amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution);

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iii. the Employee provided the Plan Administrator with a representation, in writing (including by electronic media), or in such other form that may be permitted under rules promulgated by the IRS, that Participant has insufficient cash or other liquid assets reasonably available to satisfy the need; and

iv. the Plan Administrator does not have actual knowledge that is contrary to the Employee's written representation.

b. *Hardship Withdrawals of Elective Deferrals, Qualified Nonelective Contributions, and Safe Harbor Contributions*

i. **Hardship Withdrawals of Elective Deferrals from Annuity Contracts and Custodial Accounts** – If elected in Adoption Agreement Section Five, Part A, and to the extent permitted by Individual Agreements, distribution of Elective Deferrals (including any earnings credited to a Employee's account as of the later of December 31, 1988, and the end of the last Plan Year ending before July 1, 1989) may be made to an Employee in the event of hardship.

ii. **Hardship Withdrawals of Qualified Nonelective Contributions and Safe Harbor Contributions from Annuity Contracts** – Unless otherwise elected in the Adoption Agreement, and to the extent permitted by Individual Agreements, distribution of Qualified Nonelective Contributions, Basic Matching Contributions, Enhanced Matching Contributions, Safe Harbor Nonelective Contributions, QACA Basic Matching Contributions, QACA Enhanced Matching Contributions, and QACA Safe Harbor Nonelective Contributions, not including any earnings thereon, from annuity contracts may be made to an Employee in the event of hardship.

For the purposes of this Plan Section 5.01(C)(2)(b), hardship is defined as an immediate and heavy financial need of the Employee where the distribution is needed to satisfy the immediate and heavy financial need of such Employee.

For purposes of determining whether an Employee has a hardship, rules similar to those described in Plan Section 5.01(C)(2)(a) will apply except that only the financial needs listed above will be considered. In addition, a distribution will be considered as necessary to satisfy an immediate and heavy financial need of the Employee only if all plans maintained by the Employer provide that the Employee's Elective Deferrals (or Nondeductible Employee Contributions, if applicable) will be suspended for six months. However, an Employee's Elective Deferrals (and Nondeductible Employee Contributions, if applicable) will not be suspended for any period of time due to the receipt of a hardship distribution that is made during the Plan Year beginning on or after January 1, 2019.

3. Transfers from the Plan – Nothing in this Plan will prohibit the Plan Administrator from permitting (or prohibiting) Participants to transfer their Individual Accounts to other eligible plans, provided such transfers are permitted (or prohibited) in a uniform and nondiscriminatory manner. The Plan Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it.

4. Qualified Reservist Distributions – Unless otherwise elected in the Adoption Agreement, Participants may take penalty-free qualified reservist distributions from the Plan. A qualified reservist distribution means any distribution to a Participant where 1) such distribution is made from Elective Deferrals, 2) such Participant was ordered or called to active duty for a period in excess of 179 days or for an indefinite period, and 3) such distribution is made during the period beginning on the date of such order or call and ending at the close of the active duty period. The Participant must have been ordered or called to active duty after September 11, 2001.

D. Miscellaneous Distribution Issues

1. Distribution of Rollovers, Transfers, Mandatory Employee Contributions, and Nondeductible Employee Contributions – The following rules will apply with respect to entitlement to distribution of rollovers, transfers, Mandatory Employee Contributions, and Nondeductible Employee Contributions.

a. *Entitlement to Distribution* –

i. **Rollovers and Elective Transfers** – To the extent permitted by the terms governing each Funding Vehicle, any amount that is held in a separate account that is attributable to rollover and/or elective transfer contributions (including rollovers and elective transfers of Nondeductible Employee Contributions) and earnings thereon may be distributed at any time upon request.

ii. **Non-Elective Transfers** – Each type of contribution (e.g., Elective Deferral, Employer Matching) included in non-elective transfer contributions received by the Plan as a result of a merger, consolidation, spin-off, or other Employer-initiated event will be distributable pursuant to the Plan's provisions governing distributions of the same contribution type, subject to the provisions of Code section 411(d)(6). If one or more contribution type does not exist under the Plan, such contributions will be subject to the Plan's provisions governing distributions of Employer Nonelective Contributions.

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Notwithstanding the foregoing, to the extent any amount transferred to the Plan is subject to any distribution restrictions required under Code section 403(b) and Treasury Regulation section 1.403(b)-6, distribution restrictions under the Plan which apply to the Participant or Beneficiary whose assets are being transferred will not be less stringent than those imposed under the transferor plan.

iii. **Mandatory Employee Contributions** – Mandatory Employee Contributions will be subject to the Plan's provisions governing distribution of Employer Nonelective Contributions.

iv. **Nondeductible Employee Contributions** – A Participant may at any time, upon a request submitted to the Plan Administrator (either in writing or in any other form permitted under applicable rules promulgated by the IRS), withdraw an amount from their Individual Account attributable to Nondeductible Employee Contributions (including earnings thereon) to the extent permitted by the Individual Agreements. In the event the portion of a Participant's Individual Account attributable to Nondeductible Employee Contributions experiences a loss such that the amount remaining in such subaccount is less than the amount of Nondeductible Employee Contributions made by the Participant, the maximum amount which the Participant may withdraw is an amount equal to the remaining portion of the Participant's Individual Account attributable to Nondeductible Employee Contributions.

Notwithstanding the prior paragraph, distributions from a custodial account approved by the Employer for the portion of a Participant's Individual Account that is attributable to Nondeductible Employee Contributions (including earnings thereon) may not be paid to a Participant before the Participant has a Severance from Employment, dies, becomes disabled (within the meaning of Code section 72(m)(7)), or attains age 59½.

b. *Direct Rollovers of Eligible Rollover Distributions* – Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Recipient's election under this Plan Section 5.01(D)(1)(b), a Recipient may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least $500 (or such lesser amount if the Plan Administrator permits in a uniform and nondiscriminatory manner) paid directly to an Eligible Retirement Plan specified by the Recipient in a Direct Rollover. The Plan will also permit a non-Spouse Beneficiary to directly roll over his or her portion of the Individual Account to an inherited individual retirement arrangement (under Code sections 408 or 408A). Such Direct Rollovers must otherwise qualify as an Eligible Rollover Distribution.

The payor shall provide, within a reasonable time period before making an Eligible Rollover Distribution, a written explanation to the Recipient that satisfies Code Section 402(f).

2. Commencement of Benefits – Notwithstanding any other provision, unless the Participant elects otherwise, distribution of benefits will begin no later than the 60th day after the latest of the close of the Plan Year in which

a. the Participant attains age 65 (or Normal Retirement Age, if earlier),

b. the Participant reaches the 10th anniversary of the year in which the Participant commenced participation in the Plan, or

c. the Participant incurs a Severance from Employment.

Notwithstanding the preceding, the failure of a Participant (and Spouse, if applicable) to consent to a distribution while a benefit is immediately distributable, within the meaning of Plan Section 5.01(B), will be deemed to be an election to defer commencement of payment of any benefit sufficient to satisfy this Plan Section 5.01(D)(2).

3. Federally Declared Disaster – If allowed by the Plan Sponsor, and to the extent permitted under the Individual Agreement, Participants may have previously requested or may in the future request a distribution of, or loan from, the Vested portion of their Individual Account balance related to federally declared disaster area tax relief (e.g., Disaster Tax Relief and Airport Extension Act of 2017), and as allowed under the Code and any additional rules, regulations, or other pronouncements promulgated by the IRS.

4. Portability of Lifetime Income – In accordance with Code sections 403(b)(11)(D) and 403(b)(7)(A) and related guidance, a Participant may, upon a request submitted to the Plan Administrator (either in writing or in any other form permitted under rules promulgated by the IRS), withdraw amounts invested in a Lifetime Income Investment in the form of a Direct Rollover described in Code section 401(a)(31)(A) to an Eligible Retirement Plan or a Qualified Plan Distribution Annuity Contract. Such distributions must be made on or after the date that is 90 days prior to the date on which such Lifetime Income Investment is no longer authorized to be held as an investment option under the Plan.

5. Qualified Birth or Adoption Distributions – If elected in the Adoption Agreement, and to the extent permitted under the Individual Agreement, a Participant may take Qualified Birth or Adoption Distributions from the Plan on or after January 1, 2020. The aggregate amount of such distributions from all plans maintained by the Employer, including all plans maintained by a Related Employer, to such individual with respect to

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any birth or adoption may not exceed $5,000.

6. Coronavirus-Related Distribution – If elected in an amendment to the Adoption Agreement that was adopted prior to the Effective Date of the Plan and that is not superseded by the provisions of this restatement, and to the extent permitted under the Individual Agreement, a Participant who was a Qualified Individual may have taken a Coronavirus-Related Distribution from the Plan during the period between January 1, 2020 and prior to December 31, 2020, unless a different effective date within this period is indicated in such amendment. However, the aggregate amount of such distributions from all plans maintained by the Employer, including all plans maintained by a Related Employer, for any taxable year to such individual may not exceed $100,000.

5.02 FORM OF DISTRIBUTION TO A PARTICIPANT

Unless otherwise specified in the Adoption Agreement, and to the extent permitted by the Individual Agreements, if the value of the Vested portion of a Participant's Individual Account exceeds $1,000, the Participant may request (either in writing or in any other form permitted under applicable rules promulgated by the IRS) that the Vested portion of their Individual Account be paid to them in one or more of the following forms of payment: 1) in a lump sum, 2) in a non-recurring partial payment, 3) in installment payments (a series of regularly scheduled recurring partial payments), or 4) applied to the purchase of an annuity contract (if assets are held in a custodial account) or converted to an income option (if assets are held in an annuity contract).

5.03 DISTRIBUTIONS UPON THE DEATH OF A PARTICIPANT

A. **Designation of Beneficiary – Spousal Consent** – Each Participant may designate, in a form or manner approved by and delivered to the Plan Administrator and/or Vendor, one or more primary and contingent Beneficiaries to receive all or a specified portion of the Participant's Individual Account in the event of the Participant's death. A Participant may change or revoke such Beneficiary designation by completing and delivering the proper form to the Plan Administrator and/or Vendor.

In the event that a Participant wishes to designate a Primary Beneficiary who is not their Spouse, the Participant's Spouse must consent (either in writing or in any other form permitted under rules promulgated by the IRS) to such designation, and the Spouse's consent must acknowledge the effect of such designation and be witnessed by a notary public or plan representative. Notwithstanding this consent requirement, if the Participant establishes to the satisfaction of the Plan Administrator that such written consent may not be obtained because there is no Spouse or the Spouse cannot be located, no consent will be required. In addition, if the Spouse is legally incompetent to give consent, the Spouse's legal guardian, even if the guardian is the Participant, may give consent. If the Participant is legally separated or the Participant has been abandoned (within the meaning of local law) and the Participant has a court order to such effect, spousal consent is not required unless a Qualified Domestic Relations Order provides otherwise. Any change of Beneficiary will require a new spousal consent to the extent required by the Code or Treasury Regulations.

In the event that a Participant fails to designate a Beneficiary, the rights of Beneficiaries will be determined under the Individual Agreements, to the extent applicable.

B. **Payment to Beneficiary** – Subject to the Individual Agreements, if a Participant dies before the Participant's entire Individual Account has been paid to them, such deceased Participant's Individual Account will be payable to any surviving Beneficiary designated by the Participant, or, if no Beneficiary survives the Participant, to the Participant's Spouse, or, where no Spouse exists, to the Participant's estate, unless otherwise set forth in the Individual Agreement. If the Beneficiary is a minor, distribution will be deemed to have been made to such Beneficiary if the portion of the Participant's Individual Account to which the Beneficiary is entitled is paid to their legal guardian or, if applicable, to their custodian under the Uniform Gifts to Minors Act or the Uniform Transfers to Minors Act. If a Beneficiary is not a minor but is not legally competent to request or consent to a distribution, distributions will be deemed to have been made to such Beneficiary if the portion of the Participant's Individual Account to which the Beneficiary is entitled is paid to the Participant's court-appointed guardian, an attorney in fact acting under a valid power of attorney, or any other individual or entity authorized under state law to act on behalf of the Beneficiary. A Beneficiary may disclaim their portion of a Participant's Individual Account by providing the Plan Administrator written notification pursuant to Code section 2518(b).

C. **Distribution Request – When Distributed** – A Beneficiary of a deceased Participant entitled to a distribution who wishes to receive a distribution must submit a request (either in writing or in any other form permitted under rules promulgated by the IRS) to the Plan Administrator. If required in writing, such request will be made on a form provided by or approved by the Plan Administrator. Unless otherwise elected in the Adoption Agreement, upon a valid request, if applicable, the Plan Administrator will direct the Vendor to commence distribution as soon as administratively feasible after the request is received.

5.04 FORM OF DISTRIBUTION TO BENEFICIARIES

A. **Value of Individual Account Does Not Exceed $5,000** – If the value of the Vested portion of a Participant's Individual Account does not exceed $5,000, the value of the Vested portion of a Participant's Individual Account may be made to the Beneficiary, as permitted by the Individual Agreements.

Unless otherwise elected in the Adoption Agreement, the value of the Participant's Vested Individual Account for purposes of this paragraph will be determined by including rollover contributions (and earnings allocable thereto) within the meaning of Code sections 402(c), 403(a)(4), 403(b)(8),

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408(d)(3)(A)(ii), and 457(e)(16).

B. **Value of Individual Account Exceeds $5,000** – If the value of the Vested portion of a Participant's Individual Account exceeds $5,000, the value of the Vested portion of a Participant's Individual Account may be made to the Beneficiary, as permitted by the Individual Agreements.

C. **Other Forms of Distribution to Beneficiary** – If the value of a Participant's Individual Account exceeds $5,000, and the Beneficiary is the Participant's surviving Spouse, the Beneficiary may, subject to the requirements of Plan Section 5.05, request (either in writing or in any other form permitted under rules promulgated by the IRS) that the Participant's Individual Account be paid in any form of distribution permitted to be taken by the Participant under this Plan and the Individual Agreements other than applying the Individual Account toward the purchase of an annuity contract. Notwithstanding the preceding, installment payments to a Beneficiary cannot be made over a period exceeding the Life Expectancy of such Beneficiary.

Notwithstanding the preceding provisions, a Beneficiary is permitted (subject to regulatory guidance) to directly roll over their portion of the Individual Account to an inherited individual retirement arrangement (under Code sections 408 or 408A). Such Direct Rollovers must otherwise qualify as Eligible Rollover Distributions.

5.05 REQUIRED MINIMUM DISTRIBUTION REQUIREMENTS

Effective for Participants turning age 70 ½ or who die after December 31, 2019, the amendments made by the Setting Every Community Up for Retirement Enhancement Act of 2019 are hereby reflected. The Plan shall comply with the minimum distribution requirements of Code section 401(a)(9) and the regulations thereunder in accordance with the terms governing each Funding Vehicle, if applicable, unless and to the extent otherwise permitted by law and in regulations or other rules of general applicability published by the Department of the Treasury or the Internal Revenue Service. For purposes of applying the distribution rules of Code section 401(a)(9), each Funding Vehicle is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of Treasury Regulation section 1.408-8, except as provided in Treasury Regulation section 1.403(b)-6(e).

5.06 ANNUITY CONTRACTS

Any annuity contract distributed under the Plan (if permitted or required by this Plan Section Five) must be nontransferable. The terms of any annuity contract purchased and distributed by the Plan to a Participant or Spouse will comply with the requirements of the Plan. Notwithstanding any provision of the Plan to the contrary, the availability of any form of distribution is subject to the terms of the Issuer's annuity contracts.

5.07 DISTRIBUTIONS IN-KIND

Any distribution under this Plan may be made either in any form permitted by the Individual Agreements, or in cash by converting assets other than cash into cash, or in any combination of the two foregoing methods but only to the extent permitted by the Individual Agreements.

5.08 PROCEDURE FOR MISSING PARTICIPANTS OR BENEFICIARIES

The Plan Administrator must use all reasonable measures to locate Participants or Beneficiaries who are entitled to distributions from the Plan. Such measures may include using certified mail, checking records of other plans maintained by the Employer, contacting the Participant's Beneficiaries, or using internet search tools, commercial locator services, and credit reporting agencies. The Plan Administrator should consider the cost of the measures relative to the Individual Account balance when determining which measures are used.

In the event that the Plan Administrator cannot locate a Participant or Beneficiary who is entitled to a distribution from the Plan pursuant to Plan Section 5.01(B)(1), 5.01(D)(2), or 7.08, the Plan Administrator may, after using all reasonable measures and consistent with applicable laws, regulations, and other pronouncements under the Code, as well as the Individual Agreements, use any reasonable procedure to dispose of distributable Plan assets, including but not limited to any of the following: 1) establish an individual retirement arrangement (IRA), under Code section 408, that complies with the automatic rollover safe harbor regulations, without regard to the amount in the Individual Account, 2) establish a federally insured bank account for and in the name of the Participant or Beneficiary and transfer the assets to such bank account, 3) purchase an annuity contract with the assets in the name of the Participant or Beneficiary (unless an annuity form of distribution is prohibited under the Plan), 4) transfer the assets to the unclaimed property fund of the state in which the Participant or Beneficiary was last known to reside, or 5) after the expiration of five years after the benefit becomes payable, treat the amount distributable as a Forfeiture and allocate it in accordance with the terms of the Plan, and if the Participant or Beneficiary is later located, restore such benefit in the amount of the Forfeiture, unadjusted for earnings and losses to the Plan, to the extent permitted by the Individual Agreements.

In the event the Plan is terminated, payments must be made in a manner that protects the benefit rights of a Participant or Beneficiary. Benefit rights will be deemed to be protected if the amount in a Participant's or Beneficiary's Individual Account is placed into an IRA, used to purchase an annuity contract, or transferred to another qualified retirement plan. Benefit rights need not, however, be protected if an Individual Account becomes subject to state escheat laws or if a payment is made to satisfy Code section 401(a)(9), or if such other process is followed that is consistent with applicable statutory or regulatory guidance.

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5.09 DISTRIBUTION OF EXCESS ELECTIVE DEFERRALS

A. General Rule – A Participant may assign to this Plan any Excess Elective Deferrals made during a taxable year of the Participant by notifying the Plan Administrator of the amount of the Excess Elective Deferrals to be assigned to the Plan. Unless otherwise elected in the Adoption Agreement, Participants who claim Excess Elective Deferrals for the preceding calendar year must submit their claims (either in writing or in any other form permitted under rules promulgated by the IRS) to the Plan Administrator by March 1. A Participant is deemed to notify the Plan Administrator of any Excess Elective Deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plan, contract, or arrangement of the Employer.

Notwithstanding any other provision of the Plan, Excess Elective Deferrals, plus any income and minus any loss allocable thereto, will be distributed no later than April 15th to any Participant to whose Individual Account Excess Elective Deferrals were assigned for the preceding year and who claims Excess Elective Deferrals for such taxable year except to the extent such Excess Elective Deferrals were classified as Catch-up Contributions. The Plan Administrator, in a uniform and nondiscriminatory manner, will determine whether the distribution of Excess Elective Deferrals for a year will be made first from the Participant's Pre-Tax Elective Deferral account or the Roth Elective Deferral account, or a combination of both, to the extent both Pre-Tax Elective Deferrals and Roth Elective Deferrals were made for the year, or may allow Participants to specify otherwise.

B. Determination of Income or Loss – Excess Elective Deferrals will be adjusted for any income or loss up to the end of the Plan Year to which such contributions were allocated. The income or loss allocable to Excess Elective Deferrals is the income or loss allocable to the Participant's Elective Deferral account for the taxable year multiplied by a fraction, the numerator of which is such Participant's Excess Elective Deferrals for the year and the denominator of which is the Participant's Individual Account balance attributable to Elective Deferrals without regard to any income or loss occurring during such taxable year. Notwithstanding the preceding, the Plan Administrator may compute the income or loss allocable to Excess Elective Deferrals in the manner described in Plan Section Seven (i.e., the usual manner used by the Plan for allocating income or loss to Participants' Individual Accounts or any reasonable method), provided such method is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year. The Plan will not fail to use a reasonable method for computing the income or loss on Excess Elective Deferrals merely because the income allocable is based on a date that is no more than seven days before the distribution.

5.10 DISTRIBUTION OF EXCESS AGGREGATE CONTRIBUTIONS

A. General Rule – Notwithstanding any other provision of this Plan, Excess Aggregate Contributions, plus any income and minus any loss allocable thereto, will be forfeited, if forfeitable, or if not forfeitable, distributed no later than 12 months after a Plan Year to Participants to whose accounts such Excess Aggregate Contributions were allocated for such Plan Year. Excess Aggregate Contributions are allocated to the Highly Compensated Employee with the largest Contribution Percentage Amounts taken into account in calculating the ACP test for the year in which the excess arose, beginning with the Highly Compensated Employee with the largest amount of such Contribution Percentage Amounts and continuing in descending order until all the Excess Aggregate Contributions have been allocated. If such Excess Aggregate Contributions are distributed more than 2½ months (six months in the case of Excess Aggregate Contributions under an EACA if all Employees who are eligible to participate are affected as described in the Plan) after the last day of the Plan Year in which such Excess Aggregate Contributions were made, a 10-percent excise tax will be imposed on the Employer maintaining the Plan with respect to those amounts. Excess Aggregate Contributions will be treated as Annual Additions under the Plan even if distributed.

B. Determination of Income or Loss – Excess Aggregate Contributions will be adjusted for any income or loss up to the end of the Plan Year to which such contributions were allocated. The income or loss allocable to Excess Aggregate Contributions allocated to each Participant is the income or loss allocable to the Participant's Nondeductible Employee Contribution account, Matching Contribution account, and, if applicable, Qualified Nonelective Contribution account and Elective Deferral account(s) for the Plan Year multiplied by a fraction, the numerator of which is such Participant's Excess Aggregate Contributions for the year and the denominator of which is the Participant's Individual Account balance(s) attributable to Contribution Percentage Amounts without regard to any income or loss occurring during such Plan Year. Notwithstanding the preceding, the Plan Administrator may compute the income or loss allocable to Excess Aggregate Contributions in the manner described in Plan Section Seven (i.e., the usual manner used by the Plan for allocating income or loss to Participants' Individual Accounts or any reasonable method), provided such method is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year. The Plan will not fail to use a reasonable method for computing the income or loss on Excess Aggregate Contributions merely because the income allocable is based on a date that is no more than seven days before the distribution.

C. Accounting for Excess Aggregate Contributions – Excess Aggregate Contributions allocated to a Participant will be forfeited, if forfeitable, or distributed on a pro rata basis from the Participant's Nondeductible Employee Contribution account, Matching Contribution account, (and, if applicable, the Participant's Qualified Nonelective Contribution account or Elective Deferral account, or both). The Plan Administrator, in a uniform and nondiscriminatory manner, will determine whether the distribution of Elective Deferrals that are Excess Aggregate Contributions for a year will be made first from the Participant's Pre-Tax Elective Deferral account or the Roth Elective Deferral account, or a combination of both, to the extent both Pre-Tax Elective Deferrals and Roth Elective Deferrals were made for the year, or may allow Participants to specify otherwise.

5.11 LOANS TO PARTICIPANTS

If the Adoption Agreement so indicates, a Participant may receive a loan from the Funding Vehicles authorized by the Employer for use under the Plan, subject to the following rules, the Individual Agreements, if applicable, and the Plan's loan policy.

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A. No Participant loan will exceed the Present Value of the Vested portion of a Participant's Individual Account.

B. In the event of default, foreclosure on the Participant's account balance in an annuity authorized by the Employer for use under the Plan, if applicable, or the note and attachment of security, if applicable, will not occur until a distributable event occurs in the Plan.

C. Loan repayments will be suspended under the Plan as permitted under Code section 414(u)(4).

D. For years beginning after 2005, if the Participant's Individual Account contains both Pre-Tax Elective Deferrals and Roth Elective Deferrals, the specific rules governing the loan program and the Individual Agreements, if applicable, may also designate the extent to which Pre-Tax Elective Deferrals, Roth Elective Deferrals, or a combination of both will 1) be used to calculate the maximum amount available for a loan, or 2) be available as a source from which loan proceeds may be taken or which may be used as security for a loan. To the extent permitted by law and related regulations, the rules established by the Vendor and the Individual Agreements may specify the ordering rules to be applied in the event of a defaulted loan.

E. Loans will be evidenced by a legally enforceable agreement specifying the amount and date of the loan and the repayment schedule.

F. The Plan Administrator will exchange information with the Vendors as necessary to coordinate limitations and other requirements of Code section 72(p).

G. For plan loans made on or after December 21, 2019, no loans will be made through credit cards or other similar arrangements.

Notwithstanding any other provisions of this Plan, the portion of the Participant's Vested Individual Account used as a security interest held by the Plan by reason of a loan outstanding to the Participant will be taken into account for purposes of determining the amount of the Individual Account payable at the time of death or distribution, but only if the reduction is used as repayment of the loan. If less than 100 percent of the Participant's Vested Individual Account (determined without regard to the preceding sentence) is payable to the surviving Spouse, then the Individual Account will be adjusted by first reducing the Vested Individual Account by the amount of the security used as repayment of the loan, and then determining the benefit payable to the surviving Spouse.

To avoid taxation to the Participant, unless otherwise permitted by law or regulatory guidance, no loan to any Participant can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant would exceed the lesser of 1) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or 2) 50 percent of the present value of the nonforfeitable Individual Account of the Participant. For the purpose of the above limitation, all loans from all plans of the Employer and other members of a group of employers described in Code sections 414(b), 414(c), and 414(m) are aggregated. Furthermore, any loan will by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which, within a reasonable time (determined at the time the loan is made), will be used as the principal residence of the Participant. Notwithstanding the preceding, a Participant will suspend their loan repayments under this Plan as permitted under Code section 414(u)(4). An assignment or pledge of any portion of the Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this paragraph.

The Plan Administrator shall administer the loan program in accordance with specific rules that are documented either in writing or in such other format as permitted by the IRS, as applicable. Such rules will include, at a minimum, the following: 1) the identity of the person or positions authorized to administer the Participant loan program, 2) the procedure for applying for loans, 3) the basis on which loans will be approved or denied, 4) limitations (if any) on the types and amounts of loans offered, 5) the procedure under the program for determining a reasonable rate of interest, 6) the types of collateral that may secure a Participant loan, and 7) the events constituting default and the steps that will be taken to preserve Plan assets in the event of such default.

Unless otherwise elected in an amendment to the Adoption Agreement that was adopted prior to the Effective Date of the Plan and that is not superseded by the provisions of this restatement, a Participant who was otherwise permitted to receive a loan from the investment arrangement authorized by the Employer for use under the Plan pursuant to this Plan Section 5.11 and was a Qualified Individual was entitled to request a loan during the period beginning on March 27, 2020, and ending on September 22, 2020. If elected in an amendment to the Adoption Agreement that was adopted prior to the Effective Date of the Plan and that is not superseded by the provisions of this restatement, a Qualified Individual was permitted to request such loan even if a Participant was not otherwise permitted to receive a loan pursuant to this Plan Section 5.11. With respect to a loan that is made to a Qualified Individual, the maximum loan percentage in this Plan Section 5.11 shall be applied by substituting "100 percent of the present value of the nonforfeitable Individual Account of the Participant" for "50 percent of the present value of the nonforfeitable Individual Account of the Participant," and the maximum loan amount in this Plan Section 5.11 shall be determined by substituting "$100,000" for "$50,000." The Plan Administrator may have relied on the Participant's certification that they were a Qualified Individual, as permitted by the IRS, for purposes of determining whether a loan is a coronavirus-related loan.

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In the case of a Participant who was a Qualified Individual with an outstanding loan on or after March 27, 2020, 1) if the due date to repay the loan, which otherwise meets the terms of repayment, occurred during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year, 2) any subsequent repayments with respect to the loan shall be appropriately adjusted to reflect the delay in the due date and any interest accruing during such delay, and 3) in determining compliance with the repayment terms of the loan, the one-year period described above shall be disregarded.

5.12 LIABILITY FOR WITHHOLDING

The Plan Administrator shall be responsible for withholding federal income taxes from distributions from the Plan, unless the Participant (or Beneficiary, where applicable) elects not to have such taxes withheld. Another payor may act as agent for the Plan Administrator to withhold such taxes and to make the appropriate distribution reports, provided the Plan Administrator furnishes all the information to the other payor which such payor may need to properly perform withholding and reporting.

SECTION SIX: DEFINITIONS

Unless modified in Adoption Agreement Section Six, words and phrases used in the Plan with initial capital letters will, for the purpose of this Plan, have the meanings set forth in the portion of the Plan entitled "Definitions" unless the context indicates that other meanings are intended.

SECTION SEVEN: MISCELLANEOUS

7.01 VENDORS, FUNDING VEHICLES, AND INDIVIDUAL AGREEMENTS

A. In General – The Plan Administrator will select the Vendors that will provide the Funding Vehicles under the Plan. As indicated by the definition of Vendor, the Vendors are insurance companies or banks or other entities that hold amounts in custodial accounts that invest in regulated investment companies (mutual fund companies). The Plan Administrator will identify each entity that will be treated as a Vendor for purposes of the Plan.

The Plan Administrator will also identify the investment accounts that each Vendor may offer under the Funding Vehicles, subject to the Individual Agreements. The Vendor may be permitted to offer one or more Funding Vehicles as authorized by the Plan Administrator.

Each Funding Vehicle offered by a Vendor may provide a range of investment options. The Plan Administrator will determine the investment options that will be available under a Funding Vehicle. The Plan Administrator may alter the investment options available under a Funding Vehicle. Participants must be notified of any alterations to the investment options available under the Funding Vehicles.

Unless otherwise elected in the Adoption Agreement, a Participant may elect to use the investment options of one or more Vendors to receive contributions under the Plan made on their behalf and may change the Vendor or Vendors who are to receive those contributions, but only pursuant to rules specified by the Plan Administrator and the Individual Agreements and acceptable to the affected Vendors. Each Participant will complete an application form or use another method of application made available by the Plan Administrator and Vendor or Vendors in order for one or more Funding Vehicles to be issued or utilized on behalf of the Participant under the Plan. The Plan Administrator may, at its discretion, and for the benefit of Participants and Beneficiaries, change the Vendors available under the Plan for future allocations to the extent permitted by the Individual Agreements. The Plan Administrator must notify affected Participants and Beneficiaries regarding any such change.

Funding Vehicles will be made available for the sole purpose of providing benefits under this Plan in accordance with Code section 403(b) and any other laws relating thereto. Documents establishing such Funding Vehicles will be consistent with the terms of the Plan. In the event of any conflict between the terms of this Plan and the terms of any document that is made a part of the Plan or incorporated by reference, the Plan provisions will control. In the event of any conflict between the terms of this Plan and the terms of any portion of any document that is not a part of the Plan, the Plan provisions will control. Notwithstanding the preceding, in no event will the terms of the Plan expand or change the benefits, rights, or features available under the Individual Agreements.

Each Vendor and the Plan Administrator shall exchange such information as may be necessary to satisfy Code section 403(b). If any Vendor ceases to be eligible to receive contributions under the Plan, the Employer will enter into an information sharing agreement with the former Vendor to the extent another agreement with the Vendor does not provide for the exchange of information, as required by the Code and Treasury Regulations thereunder.

Each Participant shall provide at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the administration of the Plan, including any information required under the terms governing the Funding Vehicle.

B. Investment of Contributions – Contributions made on behalf of a Participant will be forwarded in accordance with applicable regulations to the Vendors authorized to accept contributions under the terms of the Plan.

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C. **Allocation Among Vendors** – Unless otherwise elected in the Adoption Agreement, a Participant may elect to allocate the Employer Contributions made for the Participant among the investment options which are available under the Individual Agreements. The Plan Administrator may permit, in a uniform and nondiscriminatory manner, a Beneficiary of a deceased Participant or the Alternate Payee under a Qualified Domestic Relations Order to individually direct investments in accordance with this Plan Section 7.01(C).

Each separate investment option will be charged or credited (as appropriate) with the earnings, gains, losses, or expenses attributable to such separate investment option under the Individual Agreement.

D. **Transfers Limited to Vendors Eligible to Accept New Employer Contributions** – Unless otherwise elected in the Adoption Agreement, Participant direction of their Individual Account will be limited to only those Vendors who are eligible to receive contributions under the Plan, Participants or Beneficiaries may change the investment of their Individual Accounts among the Funding Vehicles issued by Vendors authorized under the Plan provided that (i) such Vendor may accept new Employer Contributions, (ii) such transfers are permissible under the restrictions of the relevant Individual Agreements, and (iii) such transfers are consistent with any procedures and rules which may be established by the Plan Administrator and that Vendor, including any rules or procedures with respect to the sharing of information necessary for plan compliance under the Code and Treasury Regulations thereunder.

If any Vendor authorized to accept contributions under the Plan ceases to be eligible to receive contributions under the Plan, the Employer will enter into an information sharing agreement with the Vendor to the extent another agreement with the Vendor does not provide for the exchange of information, as required by the Code and Treasury Regulations thereunder.

E. **Transfers to Vendors Not Eligible to Accept New Employer Contributions** – Participants or Beneficiaries may transfer any portion of their Individual Account among the investment options under the Funding Vehicles of the eligible Vendors or to another Funding Vehicle of a Vendor not permitted to accept new Employer Contributions, provided that (i) such transfers are permissible under the restrictions of the relevant Individual Agreement, and (ii) such transfers are consistent with any procedures and rules which may be established by the Plan Administrator and the Vendors. In addition, the following conditions must be satisfied:

1. The Participant or Beneficiary must have a balance in their Individual Account immediately after the exchange that is at least equal to the balance in their Individual Account immediately before the exchange,

2. The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the Individual Agreements being exchanged, and

3. The Employer and any Vendor not eligible to receive contributions under the Plan enter into an agreement under which the Employer and the Vendor agree to share information as may be necessary to ensure that the Funding Vehicle issued by the Vendor will satisfy Section 403(b) of the Code ("information sharing agreement").

F. **Exclusive Benefit** – Each custodial account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the custodial account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.02 VALUATION AND INDIVIDUAL ACCOUNTS

A. **Valuation** – The Participants' Individual Accounts will be valued each Valuation Date at fair market value.

B. **Establishment and Maintenance** – The Plan Administrator (or Vendor, if applicable) shall establish and maintain an Individual Account in the name of each Participant to reflect the total value of their interest in the Funding Vehicle (including, but not limited to, Employer Contributions and earnings thereon). Each Individual Account established hereunder will consist of such subaccounts as may be needed for each Participant including, but not limited to:

1. a subaccount to reflect Employer Contributions and Forfeitures allocated on behalf of a Participant;

2. a subaccount to reflect a Participant's rollover contributions;

3. a subaccount to reflect a Participant's transfer contributions;

4. a subaccount to reflect a Participant's Nondeductible Employee Contributions;

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5. a subaccount to reflect a Participant's Pre-Tax Elective Deferrals;

6. a subaccount to reflect a Participant's Roth Elective Deferrals;

7. a subaccount to reflect a Participant's Mandatory Employee Contributions;

8. a subaccount to reflect a Participant's pre-1987 contributions exempt from the distribution rules described in Code section 401(a)(9);

9. a subaccount to reflect a Participant's pre-1989 Elective Deferrals in an annuity contract; and

10. a subaccount to reflect a Participant's pre-2009 Employer Nonelective Contributions and Matching Contributions in an annuity contract.

The Plan Administrator (or Vendor, if applicable) may establish additional accounts as it may deem necessary for the proper administration of the Plan, including, but not limited to, an account for Forfeitures as required pursuant to Plan Section Four. Also, separate accounts will be established whenever specified in the Plan or required by regulations under Code section 403(b), including for Excess Annual Additions and for portions of a Participant's Individual Account that are not Vested.

7.03 POWERS AND DUTIES OF THE PLAN ADMINISTRATOR

A. The Plan Administrator will have the authority to control and manage the operation and administration of the Plan. The Plan Administrator shall administer the Plan for the exclusive benefit of the Participants and their Beneficiaries in accordance with the specific terms of the Plan.

B. The Plan Administrator may, by appointment, allocate the duties of the Plan Administrator among several individuals or entities, including Vendor(s), if appropriate. Such appointments will not be effective until the party designated accepts such appointment in writing.

C. The Plan Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

1. to determine all questions of interpretation or policy in a manner consistent with the Plan's documents. The Plan Administrator's construction or determination in good faith will be conclusive and binding on all persons except as otherwise provided herein or by law. Any interpretation or construction will be done in a nondiscriminatory manner and will be consistent with the intent that the Plan will continue to be deemed a plan under the terms of Code section 403(b), as amended from time to time;

2. to determine all questions relating to the eligibility of Employees to become or remain Participants hereunder;

3. to compute the amounts necessary or desirable to be contributed to the Plan;

4. to compute the amount and kind of benefits to which a Participant or Beneficiary will be entitled under the Plan and to direct the Vendor with respect to all disbursements under the Plan, and, when requested by the Vendor, to furnish the Vendor with instructions, in writing, on matters pertaining to the Plan and the Vendor may rely and act thereon;

5. to maintain all records necessary for the administration of the Plan; and

6. to periodically review the performance of each fiduciary and all other relevant parties to ensure such individuals' obligations under the Plan are performed in a manner that is acceptable under the Plan and applicable law.

D. The Plan Administrator will have all of the powers necessary or appropriate to accomplish their duties under the Plan, including, but not limited to, the following:

1. to appoint and retain such persons as may be necessary to carry out the functions of the Plan Administrator;

2. to appoint and retain counsel, specialists, or other persons as the Plan Administrator deems necessary or advisable in the administration of the Plan;

3. to resolve all questions of administration of the Plan;

4. to establish such uniform and nondiscriminatory rules which it deems necessary to carry out the terms of the Plan;

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5. to make any adjustments in a uniform and nondiscriminatory manner which it deems necessary to correct any arithmetical or accounting errors which may have been made for any Plan Year;

6. to correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as will be deemed necessary or advisable to carry out the purpose of the Plan; and

7. to change the Vendors and/or Funding Vehicles (and the investment options available under the Funding Vehicles) which are authorized by the Employer for use under the Plan for future allocations to the extent permitted by the Individual Agreements.

7.04 EXPENSES AND COMPENSATION

All reasonable expenses of administration, including, but not limited to, those involved in retaining necessary professional assistance, may be paid from the assets of the Funding Vehicles, subject to the Individual Agreements. Alternatively, the Employer may, in its discretion, pay any or all such expenses. Pursuant to uniform and nondiscriminatory rules that the Plan Administrator may establish from time to time, and subject to the Individual Agreements, administrative expenses and expenses unique to a particular Participant or group of Participants may be charged to the Individual Account of such Participant or may be assessed against terminated Participants even if not assessed against active Participants (subject to applicable rules promulgated by the IRS), or the Plan Administrator may allow Participants to pay such fees outside of the Plan. The Employer shall furnish the Plan Administrator with such clerical and other assistance as the Plan Administrator may need in the performance of its duties.

7.05 INFORMATION FROM EMPLOYER

To enable the Plan Administrator to perform its duties, the Employer shall supply complete, accurate, and timely information to the Plan Administrator (or its designated agents) on all matters relating to the Compensation of all Participants; their regular employment; retirement, death, Disability, or Severance from Employment; and such other pertinent facts as the Plan Administrator (or its agents) may require. The Plan Administrator shall advise the Vendor of the foregoing facts as may be pertinent to the Vendor's duties under the Plan. The Plan Administrator (or its agents) is entitled to rely on such information as is supplied by the Employer and will have no duty or responsibility to verify such information. Such information, including authorizations and directions, may be exchanged among the Employer, the Plan Administrator, the Vendor, or its agents through electronic, telephonic, or other means (including, for example, through the internet) pursuant to applicable servicing arrangements in effect for the Plan.

7.06 PLAN AMENDMENTS

A. Right of Pre-Approved Document Provider to Amend the Plan or Terminate Sponsorship

1. The Pre-approved Document Provider has the power to amend the Plan without any further action or consent of the Employer as the Pre-approved Document Provider deems either necessary for the purpose of adjusting the Plan to comply with all laws and regulations governing pre-approved plans or desirable to the extent consistent with such laws and regulations. Specifically, it is understood that the amendments may be made unilaterally by the Pre-approved Document Provider. However, it will be understood that the Pre-approved Document Provider will be under no obligation to amend the Plan documents, and the Employer expressly waives any rights or claims against the Pre-approved Document Provider for not exercising this power to amend. If the Employer does not adopt IRS model amendments provided by the Pre-approved Document Provider and that require adoption by the Employer, the Plan will no longer be identical to or a minor modifier of the Pre-approved Document Provider plan and will be considered an individually designed plan. Notwithstanding the foregoing, the adoption of good faith IRS amendments must be accomplished pursuant to the rules for each such amendment as prescribed by the IRS.

   However, for purposes of reliance on an opinion letter, the Pre-approved Document Provider will no longer have the authority to amend the Plan on behalf of the Employer as of the date the Employer amends the Plan to incorporate a type of plan that is not permitted under the Revenue Procedure 2021-37 Pre-approved program, or as of the date the IRS notifies the Employer that the Plan is an individually designed plan due to the nature and extent of the Employer's amendments to the Plan.

2. An amendment by the Pre-approved Document Provider will be accomplished by giving notice (either in writing or in any other form permitted under rules promulgated by the IRS) to the Adopting Employer of the amendment to be made. The notice will set forth the text of such amendment and the date such amendment is to be effective. Such amendment will take effect unless within the 30-day period after such notice is provided, or within such shorter period as the notice may specify, the Adopting Employer gives the Pre-approved Document Provider written notice of refusal to consent to the amendment. Such written notice of refusal will have the effect of withdrawing the Plan as a Pre-approved Plan and will cause the Plan to be considered an individually designed plan.

3. In addition to the amendment rights described above, the Pre-approved Document Provider will have the right to terminate its sponsorship of this Plan by providing notice (either in writing or in any other form permitted under rules promulgated by the IRS) to the Adopting Employer of such termination. Such termination of sponsorship will have the effect of withdrawing the Plan as a Pre-approved Plan and will cause the Plan to be considered an individually designed plan. The Pre-approved Document Provider will have the right to terminate its sponsorship of this Plan regardless of whether the Pre-approved Document Provider has terminated sponsorship with respect to other employers adopting its Pre-approved Plan.

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B. Right of Adopting Employer to Amend the Plan – The Adopting Employer may amend the Plan from time to time. An Adopting Employer who wishes to amend the Plan will document the amendment in writing, executed by a duly authorized officer of the Adopting Employer. If the amendment is in the form of a restated Adoption Agreement, the amendment will become effective on the date provided in the Adoption Agreement. Any other amendment will become effective as described therein upon execution by the Adopting Employer.

The Adopting Employer further reserves the right to replace the Plan in its entirety by adopting another retirement plan which the Adopting Employer designates as a replacement plan.

C. Limitation on Power to Amend – No amendment to the Plan will be effective to the extent that it has the effect of decreasing a Participant's accrued benefit. Notwithstanding the preceding sentence, a Participant's Individual Account may be reduced to the extent permitted under Code section 412(c)(8) or to the extent permitted under Treasury Regulation sections 1.411(d)-3 and 1.411(d)-4. For purposes of this paragraph, a Plan amendment that has the effect of decreasing a Participant's Individual Account with respect to benefits attributable to service before the amendment will be treated as reducing an accrued benefit. For purposes of this paragraph, a Participant will not accrue a right to an allocation of an Employer Nonelective Contribution for the current Plan Year until the last day of such Plan Year and after the application of all amendments required or permitted by the IRS.

No amendment to the Plan will be effective to eliminate or restrict an optional form of benefit. The preceding sentence will not apply to a Plan amendment that eliminates or restricts the ability of a Participant to receive payment of their Individual Account under a particular optional form of benefit if the amendment provides a single-sum distribution form. Where this Plan document is being adopted to amend another plan that contains a benefit not provided for in this document, the Employer must complete the attachment to the Adoption Agreement entitled, "Prior Plan Document Provisions Attachment," describing such protected benefit which, will become part of the Plan.

D. Amendment of Vesting Schedule – If the vesting schedule of the Plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or the date it becomes effective, the Vested percentage (determined as of such date) of such Employee's Individual Account derived from Employer Contributions will not be less than the percentage computed under the Plan as of that date without regard to such amendment. Furthermore, if the Plan's vesting schedule is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the Participant's Vested percentage, each Participant with at least three Years of Vesting Service (Periods of Service, if applicable) with the Employer may elect, within the time set forth below, to have the Vested percentage computed under the Plan without regard to such amendment.

The period during which the election may be made will commence with the date the amendment is adopted or deemed to be made and will end the later of:

1. 60 days after the amendment is adopted,

2. 60 days after the amendment becomes effective, or

3. 60 days after the Participant is issued a notice (either in writing or in any other form permitted under rules promulgated by the IRS) of the amendment by the Employer or Plan Administrator.

With respect to benefits accrued as of the later of the adoption or effective date of the amendment, the Vested percentage of each Participant will be the greater of the Vested percentage under the old vesting schedule or the Vested percentage under the new vesting schedule.

7.07 PLAN MERGER OR CONSOLIDATION

If provided for in the Adoption Agreement, and subject to the Individual Agreements, in the case of any merger or consolidation of the Plan with, or transfer of assets or liabilities of such Plan to, any other plan, each Participant will be entitled to receive benefits immediately after the merger, consolidation, or transfer (if the Plan had then terminated) which are equal to or greater than the benefits they would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated). If it is later determined that all or part of a transfer was ineligible to be transferred into the Plan, the Plan Administrator shall direct that any ineligible amounts, plus earnings or losses attributable thereto (determined in the manner described in Plan Section 7.02(B)), be returned to the transferor plan, to the extent permitted under the Individual Agreements, or correct the ineligible transfer using any other method permitted by the IRS under regulation or other guidance and in accordance with the terms of the Individual Agreements.

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7.08 METHOD AND PROCEDURE FOR TERMINATION

The Plan may be terminated by the Adopting Employer at any time by appropriate action of its managing body. Such termination will be effective on the date specified by the Adopting Employer. Written notice of the termination and effective date thereof will be given to the Vendors, Plan Administrator, Pre-approved Document Provider, and the Participants and Beneficiaries of deceased Participants. The Adopting Employer must keep the Plan in compliance with current laws and regulations by making appropriate amendments to the Plan and by taking such other measures as may be required until all of the assets (including annuity contracts, if applicable) have been distributed.

Upon termination of the Plan, the balance of the Individual Accounts of each Participant will be distributed in a lump sum or by delivery of a fully paid annuity contract, as permitted by Treasury Regulation section 1.403(b)-10(a). Distribution is permitted only if the Employer and the Related Employers do not make contributions to any Funding Vehicles that are not part of the Plan during the period beginning on the date of Plan termination and ending 12 months after distribution of all assets from the Plan. An exception to that requirement may apply as described in Treasury Regulation section 1.403(b)-10(a). Where a Participant or Beneficiary does not affirmatively elect to receive a distribution, the Plan Administrator of the Plan may effectuate the termination of the Plan by distributing an Individual Account in-kind to the Participant or Beneficiary, to the extent permitted by the Individual Agreements and pursuant to Plan Section 5.01(A)(4)(b), Treasury Regulation section 1.403(b)-10(a), IRS Revenue Ruling 2020-23, and related guidance.

7.09 CONTINUANCE OF PLAN BY SUCCESSOR EMPLOYER

Notwithstanding the preceding Plan Section 7.08, a successor of the Adopting Employer may continue the Plan and be substituted in the place of the present Adopting Employer. The successor and the present Adopting Employer must execute a written instrument authorizing such substitution, and the successor will amend the Plan in accordance with Plan Section 7.06.

7.10 CORRECTION

The Employer may correct operational errors or issues involving the Plan in accordance with correction programs established by or guidance issued from the IRS or such other correction methods allowed by statute, regulation, or regulatory authority.

If the Plan fails to retain its qualified status, the Plan will no longer be considered to be part of a pre-approved plan, and such Employer can no longer participate under this pre-approved plan document. In such event, the Plan will be considered an individually designed plan.

7.11 GOVERNING LAWS AND PROVISIONS

To the extent such laws are not preempted by federal law, the terms and conditions of this Plan will be governed by the laws of the state of the Adopting Employer, unless otherwise agreed to in writing by the Employer.

In the event of any conflict between the provisions of this Basic Plan Document and provisions of the Adoption Agreement, the summary plan description, or any related documents, the Basic Plan Document will control.

7.12 STATE COMMUNITY PROPERTY LAWS

The terms and conditions of this Plan will be applicable without regard to the community property laws of any state.

7.13 HEADINGS

The headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

7.14 GENDER AND NUMBER

Whenever any words are used herein in the masculine gender, they will be construed as though they were also used in the feminine gender in all cases where they would so apply, and whenever any words are used herein in the singular form, they will be construed as though they were also used in the plural form in all cases where they would so apply.

7.15 STANDARD OF FIDUCIARY CONDUCT

The Employer, Plan Administrator, and any other fiduciary under this Plan will discharge their duties with respect to this Plan solely in the interests of Participants and their Beneficiaries. No fiduciary will cause the Plan to engage in any transaction known as a "non-exempt prohibited transaction" under the Code.

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7.16 GENERAL UNDERTAKING OF ALL PARTIES

All parties to this Plan and all persons claiming any interest whatsoever hereunder agree to perform any and all acts and execute any and all documents and papers which may be necessary or desirable for the carrying out of this Plan and any of its provisions.

7.17 AGREEMENT BINDS HEIRS, ETC.

This Plan will be binding upon the heirs, executors, administrators, successors, and assigns as those terms will apply to any and all parties hereto, present and future.

7.18 INALIENABILITY OF BENEFITS

No benefit or interest available under the Plan will be subject to assignment or alienation, either voluntarily or involuntarily. The preceding sentence will apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a Domestic Relations Order, unless such order is determined to be a Qualified Domestic Relations Order as defined in the Definitions Section of the Plan.

Generally, a Domestic Relations Order cannot be a Qualified Domestic Relations Order until January 1, 1985. However, in the case of a Domestic Relations Order entered before January 1, 1985, the Plan Administrator:

1. shall treat such order as a Qualified Domestic Relations Order if the Plan Administrator is paying benefits pursuant to such order on January 1, 1985; and

2. may treat any other such order entered before January 1, 1985, as a Qualified Domestic Relations Order even if such order does not meet the requirements of Code section 414(p).

Notwithstanding any provision of the Plan to the contrary, a distribution to an Alternate Payee under a Qualified Domestic Relations Order will be permitted even if the Participant affected by such order is not otherwise entitled to a distribution, and even if such Participant has not attained the earliest retirement age as defined in Code section 414(p).

7.19 PROCEDURES AND OTHER MATTERS REGARDING DOMESTIC RELATIONS ORDERS

A. The Plan will not be treated as failing to meet the requirements of the Code, which generally prohibits payment of benefits before the Participant's Termination of Employment or Severance from Employment, as applicable, with the Employer, solely by reason of payments to an Alternate Payee pursuant to a Qualified Domestic Relations Order.

B. In the case of any Domestic Relations Order received by the Plan:

   1. the Plan Administrator shall promptly notify the Participant and any other Alternate Payee of the receipt of such order and the Plan's procedure for determining the qualified status of Domestic Relations Orders; and

   2. within a reasonable period after receipt of such order, the Plan Administrator shall determine whether such order is a Qualified Domestic Relations Order and notify the Participant and each Alternate Payee of such determination.

   The Plan Administrator shall establish reasonable procedures to determine the qualified status of Domestic Relations Orders and to administer distributions under such qualified orders.

C. During any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined by the Plan Administrator, by a court of competent jurisdiction, or otherwise, the Plan Administrator shall segregate in a separate account in the Plan or in an escrow account the amounts which would have been payable to the Alternate Payee during such period if the order had been determined to be a Qualified Domestic Relations Order. If within 18 months the order or modification thereof is determined to be a Qualified Domestic Relations Order, the Plan Administrator shall pay the segregated amounts (plus any interest thereon) to the person or persons entitled thereto. If within 18 months either 1) it is determined that the order is not a Qualified Domestic Relations Order, or 2) the issue as to whether such order is a Qualified Domestic Relations Order is not resolved, then the Plan Administrator shall pay the segregated amounts (plus any interest thereon) to the person or persons who would have been entitled to such amounts if there had been no order. Any determination that an order is a Qualified Domestic Relations Order that is made after the close of the 18-month period will be applied prospectively only.

7.20 INDEMNIFICATION OF PRE-APPROVED DOCUMENT PROVIDER

Notwithstanding any other provision herein, the Employer shall indemnify and hold harmless the Pre-approved Document Provider, its officers, directors, employees, agents, heirs, executors, successors, and assigns, from and against any and all liabilities, damages, judgments, settlements, losses, costs, charges, or expenses (including legal expenses) at any time arising out of or incurred in connection with any action taken by such parties in the

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performance of their duties with respect to this Plan, unless there has been a final adjudication of gross negligence or willful misconduct in the performance of such duties. Further, the Employer will indemnify the Pre-approved Document Provider from any liability, claim, or expense (including legal expense) that the Pre-approved Document Provider incurs by reason of, or which results in whole or in part from, the reliance of the Pre-approved Document Provider on the facts and other directions and elections the Employer or Plan Administrator communicates or fails to communicate.

7.21 MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code section 414(u), including, but not limited to, the following.

A. Benefit Accrual in the Case of Death or Disability Resulting from Active Military Service

1. Benefit Accrual – If elected in the Adoption Agreement, for benefit accrual purposes, an individual who dies or becomes disabled while performing qualified military service (as defined in Code section 414(u)) will be treated as if the individual resumed employment in accordance with the individual's reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), on the day preceding death or Disability (as applicable) and terminated employment on the actual date of death or Disability. If the Employer elects to treat an individual as having resumed employment as described above, subject to items (2) and (3) below, any full or partial compliance by the Plan with respect to the benefit accrual requirements will be treated for purposes of Code section 414(u)(1) as if such compliance were required under USERRA.

2. Nondiscrimination Requirement – Part A, item (1) above will only apply if all individuals performing qualified military service with respect to the Employer (as determined under Code sections 414(b), (c), (m), and (o)) who die or became disabled as a result of performing qualified military service (as defined in Code section 414(u)) before reemployment by the Employer are credited with service and benefits on reasonably equivalent terms.

3. Determination of Benefits – The amount of Nondeductible Employee Contributions and the amount of Elective Deferrals of an Employee treated as reemployed under Part A, item (1) for purposes of applying Code section 414(u)(8)(C) will be determined on the basis of the individual's average actual Nondeductible Employee Contributions or Elective Deferrals for the lesser of

   a. the 12-month period of service with the Employer immediately before qualified military service (as defined in Code section 414(u)), or

   b. if service with the Employer is less than such 12-month period, the actual length of continuous service with the Employer.

B. Vesting in the Case of Disability Resulting from Active Military Service

1. Years of Vesting Service (Periods of Service, if applicable) – If elected in the Adoption Agreement, for vesting purposes, an individual who becomes disabled while performing qualified military service (as defined in Code section 414(u)) will be treated as if the individual resumed employment in accordance with the individual's reemployment rights under USERRA, on the day preceding Disability (as applicable) and terminated employment on the actual date of Disability. If the Employer elects to treat an individual as having resumed employment as described above, subject to item (2) below, compliance by the Plan with respect to the vesting requirements will be treated for purposes of Code section 414(u)(1) as if such compliance were required under USERRA.

2. Nondiscrimination Requirements – Part B, item (1) above will apply to the extent permitted under other applicable rules, including the rules provided in Treasury Regulation section 1.401(a)(4)-11(d)(3), which provides nondiscrimination rules for crediting imputed service. Under Treasury Regulation section 1.401(a)(4)-11(d)(3), the provisions crediting vesting service to any Highly Compensated Employee must apply on the same terms to all similarly situated non-Highly Compensated Employees.

C. Death Benefits – In the case of an individual Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code section 414(u)), the Participant's survivors are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment with the Employer and then terminated employment on account of death.

7.22 MULTIPLE EMPLOYER PLAN

If allowed by the Adopting Employer, the Plan may also be adopted by employers that are not Related Employers of the Adopting Employer. Such employers will adopt the Plan by completing a Participating Employer Election Attachment. If the Adopting Employer allows the Plan to have Unrelated Participating Employers, the Plan will be considered a multiple employer plan and will be subject to the specific reporting requirements and rules of Code section 413(c) and the corresponding regulations.

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A. **Service** – For purposes of eligibility and vesting service under the Plan, the Adopting Employer and all Participating Employers will be considered a single employer. An Employee's service includes all service with the Adopting Employer and any Participating Employer(s) (and with any employer that is a Related Employer of the Adopting Employer or Participating Employer(s)). An Employee who discontinues service with the Adopting Employer or a Participating Employer will no longer be considered to have a Severance from Employment upon resuming service with the Adopting Employer or a Participating Employer.

B. **Testing** – If the Adopting Employer is a Church-Related Organization or NQCCO, for purposes of the limitations under the Plan relating to the requirements of Code sections 415, 402(g), and 414(v) the Adopting Employer and all Participating Employers will be considered a single employer. The requirements of Code sections 410(b), 401(a)(4), 401(m)(2)(A), and 414(q) will be applied separately to the Adopting Employer and to each Participating Employer, except as required under Code sections 414(b), (c), (m), or (o).

C. **Plan Document and Amendments** – The Participating Employer will be bound by the terms of the Plan, including amendments thereto and any elections made by the Adopting Employer. If a Participating Employer so elects on a Participating Employer Election Attachment, Employer Contributions will be determined by the Participating Employer and will be allocated only to Participants employed by the Participating Employer. If a Participating Employer so elects on a Participating Employer Election Attachment, Forfeitures related to the Participating Employer will be allocated only to Participants employed by the Participating Employer.

D. **Duties of the Participating Employer and Indemnification** – Each Participating Employer agrees to provide, in a timely manner, all information and contributions to the Plan Administrator that the Plan Administrator in its sole discretion deems necessary to keep the Plan operating in compliance with all Code and regulatory requirements.

Notwithstanding any provisions hereof, each Participating Employer agrees to indemnify, defend, and hold harmless the Plan Administrator, the Adopting Employer, the Plan, all Participants and Beneficiaries, all fiduciaries, and their respective directors, managers, officers, employees, agents, and other representatives harmless from any loss, costs, expenses, fees, liabilities, damages, claims, suits, or actions and appeals thereof resulting from their reliance upon any certificate, notice, confirmation, or instruction purporting to have been delivered by a representative of a Participating Employer that has been duly identified to the Plan Administrator or Adopting Employer in a manner required or accepted by such Plan Administrator or Adopting Employer ("Designated Representative"). Each Participating Employer waives any and all claims of any nature it now has or may have against the Plan Administrator or Adopting Employer and its affiliates, and their respective directors, managers, officers, employees, agents, and other representatives, which arise, directly or indirectly, from any action that it takes in good faith in accordance with any certificate, notice, confirmation, or instruction from a Designated Representative of a Participating Employer. Each Participating Employer also hereby agrees to indemnify, defend, and hold the Plan Administrator or Adopting Employer, and any parent, subsidiary, related corporation, or affiliates of the Plan Administrator or Adopting Employer, including their respective directors, managers, officers, employees, agents, and other representatives, harmless from and against any and all loss, costs, damages, liability, expenses, or claims of any nature whatsoever, including, but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly, out of any loss or diminution of the value of the assets in the Funding Vehicle resulting from changes in the market value; reliance, or action taken in reliance, on instructions from a Participating Employer or its Designated Representative; any exercise or failure to exercise investment direction authority by a Participating Employer or by its Designated Representative; Plan Administrator's or Adopting Employer's refusal on advice of counsel to act in accordance with any investment direction by a Participating Employer or its Designated Representative; any other act or failure to act by a Participating Employer or its Designated Representative; any prohibited transaction or plan disqualification of a qualified plan due to any actions taken or not taken by the Plan Administrator or Adopting Employer, in reliance on instructions from a Participating Employer or its Designated Representative; or any other act the Plan Administrator or Adopting Employer takes in good faith hereunder that arises under the Plan or the administration of the Funding Vehicle.

The Plan Administrator or Adopting Employer will not be liable to a Participating Employer for any act, omission, or determination made in connection with the Plan except for its gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Plan Administrator or Adopting Employer will not be liable for any losses arising from its compliance with instructions from a Participating Employer or its Designated Representative; for executing, failing to execute, failing to timely execute, or for any mistake in the execution of any instructions, unless such action or inaction is by reason of the gross negligence or willful misconduct of the Plan Administrator or Adopting Employer.

The provisions of this Plan Section 7.22(D) will survive the termination or amendment of the Plan.

E. **Termination** – A Participating Employer will have the right to cease participation in the Plan at any time by giving written notice to the Adopting Employer. The termination of participation will become effective thirty (30) days after receipt of such notice unless a different period is agreed upon by both the Adopting Employer and the Participating Employer. The Adopting Employer will have the power to terminate the participation in the Plan of any Participating Employer at any time by giving written notice to such Participating Employer. The termination will become effective thirty (30) days after receipt of such notice unless a different period is agreed upon by both the Adopting Employer and the Participating Employer. Upon termination of participation, Employees of the former Participating Employer will cease to accrue further benefits under the Plan pertaining to the former Participating Employer. Upon termination of participation of a Participating Employer, the Participating Employer must promptly contribute to the Plan such amounts as necessary to cover accrued but unfunded contributions related to its Participants under the Plan.

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A Participating Employer's termination of participation is not a termination of the Plan which allows distributions to be made to Participants. Upon termination of participation of a Participating Employer, the Adopting Employer has the right, but not the duty, to establish a new qualified retirement plan for the benefit of the Participants of such former Participating Employer and to initiate a non-elective transfer to the spin-off plan. The Adopting Employer may, in its sole discretion, appoint either itself or the former Participating Employer as the Adopting Employer and/or Plan Administrator of the spin-off plan. If a spin-off plan is not established, the former Participating Employer has the right, but not the duty, to initiate a non-elective transfer to another qualified retirement plan that the former Participating Employer either maintains or participates in. The former Participating Employer will bear all reasonable costs associated with ceasing participation in the Plan.

SECTION EIGHT: EMPLOYER SIGNATURE

Adoption Agreement Section Eight must contain the signature of an authorized representative of the Adopting Employer evidencing the Employer's agreement to be bound by the terms of the Basic Plan Document and Adoption Agreement.

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403(b) Retirement Plan

Nonstandardized Adoption Agreement

Basic Plan Document Appendix A

Non-ERISA 403(b) Plan for Governmental Entities

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Non-ERISA 403(b) Plan for Governmental Entities
Nonstandardized Adoption Agreement

EMPLOYER INFORMATION
Complete Parts A and B

Part A. Adopting Employer

Name of Adopting Employer _____

Address _____

City _____ State _____ Zip _____

Telephone _____ Adopting Employer's Federal Identification Number _____

Adopting Employer's Tax Year End *(specify month and day)* _____

Type of Employer *(select one)*: ☐ Public School.

☐ Other governmental entity that is exempt from tax under Code section 501(c)(3).

Name of Plan _____

Plan Sequence Number _____ Account Number _____

Part B. Participating Employers

If the Adopting Employer is or becomes aggregated with other employers in a manner consistent with IRS Notice 89-23, are all Related Employers of the Adopting Employer considered to be Related Participating Employers *(select one)*?

Option 1: ☐ Yes, all Related Employers of the Adopting Employer will participate in this Plan.

Option 2: ☐ No, Related Employers of the Adopting Employer will participate in this Plan only if listed on a Participating Employer Election Attachment.

NOTE: *If no option is selected, Option 2 will apply.*

SECTION ONE: EFFECTIVE DATES
Complete Parts A and, if applicable, Part B

Part A. Plan Effective Date *(Select and complete one.)*

☐ **New Plan Effective Date**

This is the initial adoption of a 403(b) plan by the Adopting Employer.

The Effective Date of this Plan is _____. *(Must be no earlier than the first day of the Plan Year in which the Plan is adopted.)*

☐ **Existing Plan Amendment or Restatement Effective Date**

This is an amendment or restatement of an existing 403(b) plan.

The Initial Plan Document was effective on _____. *(Specify a month, day, and year.)*

The Effective Date of this amendment or restatement is _____ *(Specify a month, day, and year.) (Must be no earlier than the first day of the Plan Year in which the Plan is restated.)*

NOTE: *Effective Dates for certain legislative and regulatory guidance are governed by the terms specified in the Basic Plan Document.*

☐ **Frozen Plan Effective Date**

The Initial Plan Document was effective on _____. *(Specify a month, day, and year.)*

This Plan is a frozen Plan effective on _____. *(Specify a month, day, and year.) (If this is an amendment to establish the frozen Plan effective date, the effective date may not be earlier than the date this Adoption Agreement is signed.)*

☐ This is an amendment or restatement of a previously frozen 403(b) Plan.

The Effective Date of this amendment or restatement is _____ *(Specify a month, day, and year). (Must be no earlier than the first day of the Plan Year in which the Plan is restated.)*

NOTE: *If this Plan is a frozen Plan, no Employer Contributions may be made to the Plan with respect to Compensation earned on or after the Effective Date that the Plan is frozen. In addition, no additional contributions (e.g., rollover, transfer) may be accepted by the Plan on or after the date that the Plan is frozen. Furthermore, once the Plan is frozen, no additional Employees shall become Participants. Depending on the facts and circumstances surrounding the freezing of the Plan, other Plan provisions may be affected (e.g., availability of loans).*

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Part B. Elective Deferral Provisions

If different from the Effective Date above, Elective Deferrals, if added by this amendment or restatement, can be made under this Plan effective:

1. Pre-Tax Elective Deferrals *(Select one.)*

Option 1: ☐ The next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or the Effective Date of this amendment or restatement.

Option 2: ☐ _____ *(specify a month, day, and year.) (Must be on or after the later of the date this Adoption Agreement is signed or the Effective Date of this adoption, amendment, or restatement.)*

NOTE: *If no option is selected, Option 1 will apply for Pre-Tax Elective Deferrals.*

2. Roth Elective Deferrals *(Select one.)*

Option 1: ☐ The next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or the Effective Date of this amendment or restatement.

Option 2: ☐ _____ *(specify a month, day, and year.) (Must be on or after the later of the date this Adoption Agreement is signed or the Effective Date of this adoption, amendment, or restatement.)*

NOTE: *If no option is selected, Option 1 will apply for Roth Elective Deferrals.*

NOTE: *If Elective Deferrals are being made available for the first time as a result of this amendment or restatement, the Elective Deferrals cannot be made available before the later of the date this Adoption Agreement is signed or the date specified above for Elective Deferrals. If different dates are selected for Pre-Tax and Roth Elective Deferrals, the date specified above for Pre-Tax Elective Deferrals must be either the same date or an earlier date than that selected for Roth Elective Deferrals.*

NOTE: *The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed and may not be earlier than such date. Elective Deferrals, however, cannot be made available before the later of the date this Adoption Agreement is signed or the date specified above for Elective Deferrals.*

SECTION TWO: ELIGIBILITY
Complete Parts A through E

NOTE: *The eligibility requirements specified in this Section Two, Parts A, C, D, and E, will only apply to Elective Deferrals if the Adopting Employer maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code section 403(b)(12) and the corresponding Treasury Regulations. Section Two, Part B, applies to Elective Deferrals regardless of whether the Adopting Employer maintains another plan providing for elective deferrals. Eligibility requirements selected for Pre-Tax Elective Deferrals will also apply to Nondeductible Employee Contributions, if such contributions are made to the Plan. Age and eligibility service requirements and Entry Dates for Pre-Tax Elective Deferrals must be either the same or more liberal than the age and eligibility service requirements for Roth Elective Deferrals.*

Part A. Age and Eligibility Service

1. Age Requirement

An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals and required to make Mandatory Employee Contributions), receiving Matching Contributions, or receiving an allocation of any Employer Nonelective Contributions, and Mandatory Employee Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement, after attaining the following age *(select and complete all that apply)*:

☐ No age requirement is applicable for the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ The following age requirement shall apply *(select and complete all that apply)*:

- ☐ Pre-Tax Elective Deferrals – Age _____ .
- ☐ Roth Elective Deferrals – Age _____ .
- ☐ Matching Contributions – Age _____ .
- ☐ Employer Nonelective Contributions – Age _____ .
- ☐ Mandatory Employee Contributions – Age _____ .

NOTE: *Generally, the required age can be no more than age 21. Certain educational institutions may require up to age 26, but only if the Plan requires one Year of Eligibility Service or less and provides for immediate 100 percent vesting. If no age is specified for a contribution source, there will be no age requirement for such source.*

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2. Eligibility Service Requirement

An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals and required to make Mandatory Employee Contributions), receiving Matching Contributions, or receiving an allocation of any Employer Nonelective Contributions, and Mandatory Employee Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement *(select and complete all that apply):*

☐ No eligibility service required.

If this option is selected, there will be no eligibility service requirement for the following contributions *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ If the Elapsed Time method of determining eligibility service applies, after completing _____ Months of Eligibility Service beginning on the Employee's date of hire.

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing the number of Months of Eligibility Service specified above *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ If the Hours of Service method of determining eligibility service applies, after completing _____ consecutive Months of Eligibility Service beginning on the Employee's date of hire, during which time the Employee completes at least _____ Hours of Service.

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing the number of consecutive Months of Eligibility Service and Hours of Service specified above *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ After completing 1 Year of Eligibility Service (Period of Service, if applicable).

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing 1 Year of Eligibility Service (Period of Service, if applicable) *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ After completing 2 Years of Eligibility Service (Periods of Service, if applicable).

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing 2 Years of Eligibility Service (Periods of Service, if applicable) *(select all that apply)*:

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

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☐ Other.

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing the following requirements *(select and complete all that apply)*:

☐ Pre-Tax Elective Deferrals.

_____

_____.

☐ Roth Elective Deferrals.

_____

_____.

☐ Matching Contributions.

_____

_____.

☐ Employer Nonelective Contributions.

_____

_____.

☐ Mandatory Employee Contributions.

_____

_____.

NOTE: *If no eligibility service requirement is selected for any contribution source, there will be no service requirement for such source.*

3. Age and Service Waivers

a. Employees Employed as of the Effective Date

An Employee who is employed as of the Effective Date listed in Section One, Part A, of the Adoption Agreement, is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements listed above will be considered to have met those requirements as of the Effective Date and be eligible to become a Participant in the Plan *(select one)*:

Option 1: ☐ Yes.

i. Employee Classification

This waiver applies to the following Employees *(select one and complete, if applicable)*:

Suboption (a): ☐ All Employees.

Suboption (b): ☐ Employees who are *(define classifications)*:

_____

_____

_____.

ii. Applicable Contributions

If Option 1 is selected, the waiver of the age and eligibility service requirements will apply to all contributions that are made pursuant to Section Three of the Adoption Agreement except the following *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

Option 2: ☐ Not applicable.

NOTE: *If no option is selected, Option 2 will apply. If Option 1 is selected but no contribution source(s) is specified, all contribution sources available in the Plan on the Effective Date will be subject to the waiver. If Option 1 is selected but no Employees are specified, all Employees employed on the Effective Date will be subject to the waiver. This waiver may only be used when this Plan is first adopted.*

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b. Employees Employed as of a Specified Date

An Employee who is employed as of the date specified below is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements will be considered to have met those requirements and be eligible to become a Participant in the Plan *(select one)*:

Option 1: ☐ Yes. An Employee employed on _____ *(specify a month, day, and year)*.

i. Employee Classification

This waiver applies to the following Employees:

Suboption (a): ☐ All Employees.

Suboption (b): ☐ Employees who are *(define classifications)*:

_____

_____

_____.

ii. Applicable Contributions

If Option 1 is selected, the waiver of the age and eligibility service requirements will apply to all contributions that are made pursuant to Section Three of the Adoption Agreement except the following *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

iii. Entry Date

The following date will be an Entry Date for an Employee who is subject to this waiver *(select one and complete, if applicable)*:

☐ The specified date above.

☐ _____ *(specify a month, day, and year)*.

Option 2: ☐ Not applicable.

NOTE: *If no option is selected, Option 2 will apply. If Option 1 is selected but no date is specified, no additional age and eligibility service waivers will apply. If Option 1 is selected but no contribution source(s) is specified, all contribution sources available in the Plan on the specified date will be subject to the waiver. If Option 1 is selected but no Employees are specified, all Employees employed on the specified date will be subject to the waiver. This age and eligibility service waiver may be used either when this Plan is adopted or when the Plan is subsequently amended (e.g., to add one or more types of contributions, to add a previously excluded group of Employees).*

Part B. Exclusion of Certain Classes of Employees

An Employee will be eligible to become a Participant in the Plan unless the Employee is *(select all that apply)*:

☐ No exclusions apply. All Employees will be eligible to become a Participant in the Plan for the following contributions *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ Eligible to participate in a Code section 401(k) plan maintained by the Employer in which Employees may make elective deferrals.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

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☐ Eligible to participate in another Code section 403(b) plan maintained by the Employer in which Employees may make elective deferrals.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Eligible to participate in a Code section 457(b) eligible governmental plan maintained by the Employer in which Employees may make elective deferrals.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Not wishing to make Elective Deferrals of at least $200 per year.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ A nonresident alien (within the meaning of Code section 7701(b)(1)(B)) who receives no earned income (within the meaning of Code section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code section 861(a)(3)).

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ A student performing services described in Code section 3121(b)(10) (generally, this refers to students who are enrolled and regularly attending classes offered by the Employer where the Employer is a school, college, or university).

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Normally working fewer than 20 hours per week.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

NOTE: *An Employee normally works fewer than 20 hours per week if, for the 12-month period beginning on the date the Employee's employment commenced, the Employer reasonably expects the Employee to work fewer than 1,000 Hours of Service in such period, and, for each Exclusion Year ending after the close of that 12-month period, the Employee has worked fewer than 1,000 Hours of Service in the preceding 12-month period. Under this provision, an Employee who works 1,000 or more Hours of Service in the 12-month period beginning on the date the Employee's employment commenced or in any Exclusion Year ending after the 12-month period beginning on the date the Employee's employment commenced*

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with the Employer shall then be eligible to participate in the Plan. Once an Employee becomes eligible to have Elective Deferrals made on their behalf under the Plan under this standard, the Employee cannot be excluded from eligibility to have Elective Deferrals made on their behalf in any later year under this standard.

☐ Employed on a daily or as-needed basis.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

NOTE: *Individuals within this classification are Employees who are hired at a daily rate and based upon the needs of the Employer. Notwithstanding this exclusion, an Employee who is a daily or as-needed employee and works 1,000 or more Hours of Service in the 12-month period beginning on the date the Employee's employment commenced or in any Exclusion Year ending after the 12-month period beginning on the date the Employee's employment commenced with the Employer shall then be eligible to participate in the Plan. Once an Employee becomes eligible to have Elective Deferrals made on their behalf under the Plan under this standard, the Employee cannot be excluded from eligibility to have Elective Deferrals made on their behalf in any later year under this standard.*

☐ Included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives, if retirement benefits were the subject of good faith bargaining and if two percent or less of the Employees who are covered pursuant to that agreement are professionals as defined in Treasury Regulation section 1.410(b)-9. For this purpose, the term "Employee representatives" does not include any organization in which more than half of the members are Employees who are owners, officers, or executives of the Employer.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ Other.

If this exclusion is selected, it will apply to the following contributions and groups of Employees *(select all that apply)*:

☐ Matching Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan.)*

_____

_____.

☐ Employer Nonelective Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan.)*

_____

_____.

☐ Mandatory Employee Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan.)*

_____

_____.

NOTE: *The described classification(s) must be definitely determinable. If elected by the Employer in Employer Information, Part B, a Related Employer of the Adopting Employer will be excluded from the Plan unless such employer signs a Participating Employer Election Attachment.*

Part C. Entry Dates

NOTE: *The immediate Entry Date option must be selected below for Elective Deferrals unless the Adopting Employer maintains another plan providing for elective deferrals that satisfies the universal availability requirements under Code section 403(b)(12) and the corresponding Treasury Regulations.*

The Entry Dates will be *(select all that apply)*:

☐ Immediately upon meeting age and eligibility service – The day the age and eligibility service requirements in Section Two, Part A, are satisfied.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

☐ Employer Nonelective Contributions.

☐ Mandatory Employee Contributions.

☐ Monthly – The first day of each month of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Matching Contributions.

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- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Quarterly – The first day of the Plan Year and the first day of the fourth, seventh, and tenth months of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Semi-Annually – The first day of the Plan Year and the first day of the seventh month of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Annually – The first day of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.
- ☐ Mandatory Employee Contributions.

☐ Other.

If this Entry Date option is selected, it will apply to the following contributions and dates *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals *(Define Entry Date(s).)*

  _____

  _____.

- ☐ Roth Elective Deferrals *(Define Entry Date(s).)*

  _____

  _____.

- ☐ Matching Contributions *(Define Entry Date(s).)*

  _____

  _____.

- ☐ Employer Nonelective Contributions *(Define Entry Date(s).)*

  _____

  _____.

- ☐ Mandatory Employee Contributions *(Define Entry Date(s).)*

  _____

  _____.

NOTE: *If no Entry Dates are specified for a contribution source, semi-annual Entry Dates will apply to such source. *

Part D. **Service Required for Eligibility Purposes** *(Select one.)*

Option 1: ☐ The Hours of Service method of determining service applies. *(Complete the following.)*

(a) _____ Hours of Service will be required to constitute a Year of Eligibility Service.

(b) _____ Hours of Service must be exceeded to avoid a Break in Eligibility Service.

Option 2: ☐ The Elapsed Time method of determining service applies.

Option 3: ☐ Not applicable. No eligibility service is required.

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NOTE: *If no option is selected and the Hours of Service method of determining service applies or if Option 1 is selected and no hours are specified, 1,000 and 500 will apply for (a) and (b), respectively.*

Part E. Eligibility Computation Period

An Employee's Eligibility Computation Periods after their initial Eligibility Computation Period will be *(select one)*:

Option 1: ☐ Each Plan Year commencing with the Plan Year beginning during their initial Eligibility Computation Period.

Option 2: ☐ The 12-consecutive month periods commencing on the anniversaries of their Employment Commencement Date.

Option 3: ☐ Not applicable. The Elapsed Time method of determining service applies or no eligibility service is required.

NOTE: *If no option is selected, Option 1 will apply if the Hours of Service method of determining service applies and Option 3 will apply if the Elapsed Time method of determining service applies.*

SECTION THREE: CONTRIBUTIONS
Complete Parts A through H

Part A. Elective Deferrals

1. Authorization of Elective Deferrals

Will Elective Deferrals be permitted under this Plan *(select one)*?

Option 1: ☐ Yes. *(Complete the following.)*

Will Roth Elective Deferrals be permitted under this Plan in addition to Pre-Tax Elective Deferrals?

Suboption (a): ☐ Yes.

Suboption (b): ☐ No.

NOTE: *If no suboption is selected, Suboption (a) will apply.*

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. Complete the relevant portions of the remainder of Part A only if Option 1 is selected.*

2. Limits on Elective Deferrals

If Elective Deferrals are permitted under the Plan, a Contributing Participant may elect under a salary reduction agreement to have their Compensation reduced by the amount described below. Such amount will be contributed to the Plan by the Employer on behalf of the Contributing Participant *(select one)*:

Option 1: ☐ An amount equal to a percentage of the Contributing Participant's Compensation from _____ percent to _____ percent in increments of _____ percent.

Option 2: ☐ An amount of the Contributing Participant's Compensation not less than $_____ and not more than $_____.

Option 3: ☐ An amount equal to a percentage of the Contributing Participant's Compensation from _____ percent to _____ percent in increments of _____ percent, or an amount of the Contributing Participant's Compensation not less than $_____ and not more than $_____.

Option 4: ☐ An amount equal to a dollar amount or percentage of the Contributing Participant's Compensation not to exceed the limits imposed by Code sections 402(g), 403(b), and 415.

NOTE: *If no option is selected, Option 4 will apply. A Contributing Participant's combined Pre-Tax and Roth Elective Deferrals during their taxable year will not exceed the limit contained in Code section 402(g) in effect at the beginning of such taxable year. Unless specified otherwise in the Adoption Agreement, bonuses will be included in Compensation and will, therefore, be subject to a Participant's salary reduction agreement. Any limits on Elective Deferrals may be determined either periodically throughout the Plan Year (e.g., each payroll period) or at the end of the Plan Year, provided that such determination is made in a uniform and nondiscriminatory manner.*

3. Separate Deferral Election for Bonuses

Can a Contributing Participant make a separate deferral election to defer part or all of a bonus that will apply instead of the Contributing Participant's salary reduction agreement *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected or if bonuses are excluded from Compensation for Elective Deferrals in Section Six, Part A, item 5 of this Adoption Agreement, Option 2 will apply. Option 1 may only be selected if the Plan included bonuses in Compensation for Elective Deferrals in Section Six, Part A, item 5 of this Adoption Agreement. If Option 1 is selected and a Contributing Participant does not make a separate deferral election for a bonus, the Participant's salary reduction agreement will apply to the bonus.*

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4. Catch-up Contributions

a. Age 50 Catch-up Contributions

Will eligible Contributing Participants be permitted to make Catch-up Contributions pursuant to Plan Section 3.01(E)(1) *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

b. Special Code Section 403(b) Catch-up Contributions

Will eligible Contributing Participants be permitted to make Special Code Section 403(b) Catch-up Contributions pursuant to Plan Section 3.01(E)(2) if they have 15 years of service (as defined in Plan Section 3.01(E)(2)) with a qualified organization described in Code section 402(g)(7) *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

5. Claiming Excess Elective Deferrals

A Participant who claims Excess Elective Deferrals for the preceding calendar year must submit their claim in writing to the Plan Administrator by *(select one)*:

Option 1: ☐ March 1.

Option 2: ☐ Other. *(Specify a date not later than April 15.)*

_____

NOTE: *If no option is selected, Option 1 will apply. If Excess Elective Deferrals are not removed by April 15, they will be included in income both when contributed and when distributed and may be subject to a 10 percent early distribution penalty under Code section 72(t).*

6. Authorization of Automatic Elective Deferrals

a. Will the automatic Elective Deferral enrollment provisions apply *(select one)*?

Option 1: ☐ Yes, the Automatic Contribution Arrangement (ACA) provisions in Plan Section 3.01(F)(1) will apply.

Option 2: ☐ Yes, the Eligible Automatic Contribution Arrangement (EACA) provisions in Plan Section 3.01(F)(2) will apply.

Option 3: ☐ No.

NOTE: *If no option is selected, Option 3 will apply. Complete the remainder of this item 6 and item 7 only if Option 1 or 2 is selected.*

b. Tax Character of Elective Deferrals – ACA/EACA

How will amounts withheld from Compensation and contributed to the Plan as automatic Elective Deferrals under either an ACA or EACA be designated for tax purposes *(select one)*?

Option 1: ☐ Pre-Tax Elective Deferrals.

Option 2: ☐ Roth Elective Deferrals.

NOTE: *If no option is selected, Option 1 will apply. Option 2 may only be selected if the Plan permits Roth Elective Deferrals under Part A of this Section.*

c. Expiration of Salary Reduction Agreements

i. Authorization of Expiration of Salary Reduction Agreements

Will a Participant's salary reduction agreement expire *(select one)*?

Option 1: ☐ Yes, for all Eligible Employees who are not Contributing Participants (e.g., are deferring zero-percent).

Option 2: ☐ Yes, for all Eligible Employees deferring less than the amount in item 7(c) or 8(a) below, as applicable (including zero-percent).

Option 3: ☐ Yes, for all Eligible Employees.

Option 4: ☐ Yes, for the following Eligible Employees *(define classification)*:

_____

_____

Option 5: ☐ No.

The Plan may provide that an Eligible Employee's affirmative salary reduction agreement election expires annually. If this item 6(c)(i) is applicable and an Eligible Employee fails to complete a new salary reduction agreement subsequent to their prior salary reduction agreement expiring at the time indicated in item 6(c)(ii), the Eligible Employee will become subject to the default deferral percentages or amounts set forth in the ACA or EACA provisions in the Plan, as applicable. Each year, the Eligible Employee may complete a new salary reduction agreement or modify an existing salary reduction agreement to increase or decrease the amount of their Compensation deferred

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into the Plan. Such modification may be made as of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

NOTE: *If no option is selected, Option 5 will apply. Complete the remainder of this item only if Option 1, 2, 3 or 4 is selected.*

ii. Timing of Expiration of Salary Reduction Agreements

Salary reduction agreements will expire on the following date *(select one)*:

Option 1: ☐ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Other *(specify the date that the salary reduction agreements will expire)*:

_____

_____

NOTE: *If no option is selected, Option 1 will apply.*

7. ACAs and EACAs

a. New Employees

For an Employee who has met the eligibility requirements set forth in Section Two of the Adoption Agreement and who fails to provide the Employer a salary reduction agreement, will a portion of such Employee's Compensation be automatically withheld and contributed to the Plan as an Elective Deferral *(select one)*?

Option 1: ☐ Yes, for Employees hired on or after the Effective Date.

Option 2: ☐ Yes, for Employees who meet the eligibility requirements in Section Two, Part A of the Adoption Agreement on or after the Effective Date.

Option 3: ☐ No.

NOTE: *If no option is selected, Option 1 will apply if an ACA or EACA provision is being added or changed. No portion of an Employee's Compensation will be withheld until the date the Employee enters the Plan after having satisfied the eligibility requirements listed in the Adoption Agreement.*

b. Current Employees

If an ACA or EACA provision is being added to the Plan or an existing ACA or EACA provision is being changed, will automatic enrollment for Elective Deferrals apply to all Employees who have met the eligibility requirements and who fail to return a salary reduction agreement on or after the Effective Date, including those who met the eligibility requirements in the Adoption Agreement before the Effective Date *(select one)*?

Option 1: ☐ Yes, but only to those Employees who are not Contributing Participants (i.e., are deferring zero-percent).

Option 2: ☐ Yes, but only to those Employees deferring less than the amount in item (c) below (including zero-percent).

Option 3: ☐ Yes, for all current Employees who have met the eligibility requirements (including Contributing Participants and current Employees who are not Contributing Participants).

Option 4: ☐ Yes, for the following current Employees who have met the eligibility requirements *(specify the classification of Employees who will be subject to automatic enrollment)*:

_____

_____.

Option 5: ☐ No.

NOTE: *This section should not be completed if the provisions of an existing ACA or EACA are being included on a restated document with no changes made. If no option is selected, Option 5 will apply. If "No" is selected, the extension to six months for making certain corrective distributions will not apply to a Plan with EACA.*

c. Initial Amount of Automatic Elective Deferral

The following percentage or amount of each Employee's Compensation will be automatically withheld each payroll and contributed to the Plan as an Elective Deferral if they have met the eligibility requirements and Option 1 or 2 was selected in item 6(a) above *(select and complete one)*:

Option 1: ☐ _____ percent.

Option 2: ☐ The greater of _____ percent or the Participant's Elective Deferral rate in effect before being automatically enrolled.

Option 3: ☐ $_____.

NOTE: If no option is selected, Option 1 will apply and three-percent of Compensation will be withheld. Option 3 may not be selected for an EACA.

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d. Authorization of Automatic Elective Deferral Increase

Will Elective Deferrals be increased automatically each year for Employees who are automatically enrolled under an ACA or EACA *(select one)*?

Option 1: ☐ Yes, by _____ percent per payroll once per year up to a maximum of _____ percent.

Option 2: ☐ Yes, by $_____ per payroll once per year up to a maximum amount of $_____.

Option 3: ☐ Yes, by *(specify the amount, frequency, and maximum amount of the automatic Elective Deferral increase)*:

_____

_____.

Option 4: ☐ No.

NOTE: *If no option is selected, Option 4 will apply. If the Plan intends to operate an EACA, the deferral increase amount above must be based on a percentage of Compensation.*

e. Timing of Automatic Elective Deferral Increases

If automatic increases are selected above, such increases will occur on the following dates *(select one)*:

Option 1: ☐ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Each anniversary of the Contributing Participant's initial deferral date.

Option 4: ☐ The Contributing Participant's annual review date.

Option 5: ☐ Other. *(Specify the dates that the automatic Elective Deferral increases will occur.)*

_____

_____.

NOTE: *If no option is selected, Option 1 will apply. For an EACA, Option 4 may only be selected if all Contributing Participants share a common annual review date, except as otherwise provided by the IRS. If Option 5 is selected, increases of automatic Elective Deferrals in an EACA must satisfy the uniformity rules in Treasury Regulation section 1.414(w)-1(b)(2).*

8. Automatic Increase for Employees who are Not Automatically Enrolled or for Plans Without Automatic Enrollment

a. Authorization to Increase Elective Deferrals Automatically

Will Elective Deferrals be increased automatically each year for Employees who are not automatically enrolled under item 7 above *(select one)*?

Option 1: ☐ Yes, for Contributing Participants whose salary deferral agreements are below _____ percent of Compensation. Increases will occur by _____ percent per payroll once per year up to a maximum of _____ percent.

Option 2: ☐ Yes, for Contributing Participants whose salary deferral agreements are below _____ percent of Compensation. Increases will occur by *(Specify the formula for automatically increasing Elective Deferrals)*:

_____

_____.

Option 3: ☐ No.

NOTE: *If no option is selected, Option 3 will apply.*

b. Timing of Increasing Elective Deferrals Automatically

If automatic increases are selected in item 8(a) above, such increases will occur on the following dates *(select one)*:

Option 1: ☐ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Each anniversary of the Contributing Participant's initial deferral date.

Option 4: ☐ The Contributing Participant's annual review date.

Option 5: ☐ Other. *(Specify the dates the automatic Elective Deferral increases will occur.)*

_____

_____.

NOTE: *If no option is selected, Option 1 will apply.*

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Part B. Mandatory Employee Contributions

Application of Mandatory Employee Contributions

Will Mandatory Employee Contributions described in Plan Section 3.02 be required under the Plan *(select one)*?

Option 1: ☐ Yes, as a condition of employment after meeting the eligibility requirements specified in Adoption Agreement Section Two. *(Complete the following:)*

The following percentage or amount of each Employee's Compensation will be automatically withheld and contributed to the Plan as a Mandatory Employee Contribution *(select and complete one)*:

Suboption (a): ☐ _____ percent.

Suboption (b): ☐ $_____.

NOTE: *If no suboption is selected, no Mandatory Employee Contributions will be required.*

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part C. Matching Contributions

1. Authorization of Matching Contributions

Will the Employer make Matching Contributions to the Plan on behalf of a Qualifying Contributing Participant *(select one)*?

Option 1: ☐ Yes, with respect to the following types of contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Nondeductible Employee Contributions.
- ☐ Mandatory Employee Contributions.
- ☐ Elective Deferrals made to another plan. *(Specify plan of the Employer)*:

_____

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply. Complete the remainder of this Part C only if Option 1 is selected.*

2. Matching Contributions and Catch-up Contributions

Will Matching Contributions be made in accordance with the Matching Contribution formula specified in items 3 and 4 below, with regard to Catch-up Contributions *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

3. Matching Contribution Formula

If the Employer selected to make Matching Contributions in Part C, item 1 above, then the amount of such Matching Contributions made on behalf of a Qualifying Contributing Participant each Plan Year will be equal to *(select one)*:

Option 1: ☐ Discretionary Match.

The Employer has the complete and sole discretion to determine the amount, if any, of the Matching Contributions made on behalf of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) each Plan Year.

If Option 1 is selected, the Discretionary Matching Contributions will be allocated to each Contributing Participant in accordance with the following Matching Contribution formula *(select one)*:

Suboption (a): ☐ A uniform percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable).

Suboption (b): ☐ A flat dollar amount on behalf of each Qualifying Contributing Participant.

NOTE: *If Option 1 is selected and no suboption is selected, Suboption (a) will apply. If Option 1 is selected, the Adopting Employer only has discretion as to the amount, if any, of the Matching Contribution that will be made for each Plan Year. Any percentage or dollar amount limit applicable to such Matching Contribution must be indicated in item 5 below.*

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Option 2: ☐ Percentage of Contribution Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) as specified in the matching schedule below.

Elective Deferral Percentage	Matching Percentage
Less than or equal to _____%	_____%

Option 3: ☐ Two-Tiered Percentage of Contribution Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contribution, or Mandatory Employee Contributions, if applicable) as specified in the matching schedule below.

	Elective Deferral Percentage	Matching Percentage
Base Rate	Less than or equal to _____%	_____%
Tier 2	Greater than _____, but less than or equal to _____%	_____%

Option 4: ☐ Multi-Tiered Percentage of Contribution Match.

An amount equal to a percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contribution, or Mandatory Employee Contributions, if applicable) as specified in the matching schedule below.

	Elective Deferral Percentage	Matching Percentage
Base Rate	Less than or equal to _____%	_____%
Tier 2	Greater than _____, but less than or equal to _____%	_____%
Tier 3	Greater than _____, but less than or equal to _____%	_____%
Tier 4	Greater than _____%	_____%

Option 5: ☐ Years of Service Match.

An amount equal to a percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) determined by the number of such Contributing Participant's Years of ☐ Eligibility ☐ Vesting Service (Periods of Service, if applicable) with the Employer as specified in the matching schedule below.

	Years (Periods) of Service	Matching Percentage
Base Rate	Less than or equal to _____ years (periods)	_____%
Tier 2	Greater than _____, but less than or equal to _____ years (periods)	_____%
Tier 3	Greater than _____, but less than or equal to _____ years (periods)	_____%
Tier 4	Greater than _____ years (periods)	_____%

Option 6: ☐ Discretionary Match by Location or Business Classification.

The Employer has the complete and sole discretion to determine the amount, if any, of the Matching Contributions made on behalf of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) for each separate location or business classification each Plan Year.
If Option 6 is selected, the Discretionary Matching Contributions will be allocated to each Contributing Participant in accordance with the following Matching Contribution formula *(select one)*:

Suboption (a): ☐ A uniform percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable).

Suboption (b): ☐ A flat dollar amount on behalf of each Qualifying Contributing Participant.

NOTE: *If Option 6 is selected and no suboption is selected, Suboption (a) will apply. If Option 6 is selected, the Adopting Employer only has discretion as to the amount, if any, of the Matching Contribution for each separate location or business classification that will be made for each Plan Year. Any percentage or dollar amount limit applicable to such Matching Contribution must be indicated in item 5 below.*

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Option 7: ☐ Other fixed percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions or Mandatory Employee Contributions, if applicable). *(Specify an amount equal to a fixed percentage of the Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) of each Qualifying Contributing Participant entitled thereto.)*

_____

_____.

NOTE: *If no option is selected, Option 1 will apply. If Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the Matching Contributions based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions or Mandatory Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period.*

4. Supplemental Match

Will the Employer be permitted to make supplemental Matching Contributions, in an amount to be determined at the Employer's discretion, in addition to the Matching Contributions described in Part C, items 2 and 3 above *(select one)*?

Option 1: ☐ Yes.

If Option 1 is selected the supplemental Matching Contributions will be allocated to each Contributing Participant in accordance with the following Matching Contribution formula *(select one)*:

Suboption (a): ☐ Discretionary Match. That percentage of each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) which the Employer, in its sole discretion, determines.

If Suboption (a) is selected, the Discretionary Matching Contributions will be allocated to each Contributing Participant in accordance with the following Matching Contribution formula *(select one)*:

Option 1: ☐ A uniform percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable).

Option 2: ☐ A flat dollar amount on behalf of each Qualifying Contributing Participant.

NOTE: *If Suboption (a) is selected and no option is selected, Option 1 will apply. If Suboption (a) is selected, the Adopting Employer only has discretion as to the amount, if any, of the Matching Contribution that will be made for each Plan Year. Any percentage or dollar amount limit applicable to such Matching Contribution must be indicated in item 5 below.*

Suboption (b): ☐ Other fixed percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions or Mandatory Employee Contributions, if applicable). *(Specify an amount equal to a fixed percentage of the Elective Deferrals (and/or Nondeductible Employee Contributions or Mandatory Employee Contributions, if applicable) of each Qualifying Contributing Participant entitled thereto.)*

_____

_____.

NOTE: *If no suboption is selected, Suboption (a) will apply.*

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

5. Matching Contribution Limit

Notwithstanding the Matching Contribution formula(s) specified above, no Matching Contributions in excess of $_____ or _____ percent of a Contributing Participant's Compensation will be made with respect to any Contributing Participant for any Plan Year. *(Complete the applicable blank(s), if any.)*

6. Additional Conditions for Receiving Matching Contributions

A Contributing Participant will be a Qualifying Contributing Participant, and thus entitled to share in Matching Contributions for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Section Two of this Adoption Agreement on at least one day of such Plan Year and satisfies the following additional condition(s) *(select one)*:

Option 1: ☐ The following additional condition(s) apply *(select all that apply)*:

☐ Service Requirement. The Contributing Participant completes at least *(complete one)*:

_____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service if the Elapsed Time method of determining service applies.

However, the condition will be waived for the following reason(s) *(select all that apply)*:

☐ The Contributing Participant's death.

☐ The Contributing Participant's Severance from Employment after having incurred a Disability.

☐ The Contributing Participant's Severance from Employment after having reached Normal Retirement Age.

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☐ The Contributing Participant's Severance from Employment after having reached Early Retirement Age.

☐ The Contributing Participant is employed on the last day of the Plan Year.

☐ Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reason(s) *(select all that apply)*:

☐ The Contributing Participant's death.

☐ The Contributing Participant's Severance from Employment after having incurred a Disability.

☐ The Contributing Participant's Severance from Employment after having reached Normal Retirement Age.

☐ The Contributing Participant's Severance from Employment after having reached Early Retirement Age.

☐ The Contributing Participant's Severance from Employment after having completed at least *(complete one)*:

_____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service if the Elapsed Time method of determining service applies.

Option 2: ☐ No additional conditions will apply.

NOTE: *If no option is selected, Option 2 will apply. If the option for a service requirement is selected and no hours or months of service are specified, zero hours or months of service will apply.*

Part D. Employer Nonelective Contributions

1. Authorization of Employer Nonelective Contributions

Will the Employer make Employer Nonelective Contributions to the Plan on behalf of Qualifying Participants *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. Complete the remainder of Part D only if Option 1 is selected.*

2. Contribution Formula *(Select one.)*

Option 1: ☐ Discretionary Formula. For each Plan Year the Employer may contribute an amount to be determined from year to year.

Option 2: ☐ Fixed Formula. _____ percent of the Compensation of all Qualifying Participants under the Plan for the Plan Year.

Option 3: ☐ Discretionary Formula by Location or Business Classification. For each Plan Year the Employer may contribute an amount to be determined from year to year and that amount may vary for each location or business classification on a separate and individual basis.

NOTE: *If no option is selected, Option 1 will apply.*

3. Allocation Formula

Employer Nonelective Contributions will be allocated to the Individual Accounts of Qualifying Participants as follows *(select one)*:

Option 1: ☐ Pro Rata Formula. In the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants for the Plan Year.

Option 2: ☐ Flat Dollar Formula. In the same dollar amount for each Qualifying Participant.

Option 3: ☐ Integrated Formula. Pursuant to the integrated allocation formula described in Plan Section 3.05(B)(2).

The integration level will be *(select one)*:

Suboption (a): ☐ The Taxable Wage Base.

Suboption (b): ☐ $_____ *(a dollar amount less than the Taxable Wage Base)*.

Suboption (c): ☐ _____ percent *(not more than 100)* of the Taxable Wage Base.

Suboption (d): ☐ 80 percent of the Taxable Wage Base plus $1.00.

NOTE: *If no suboption is selected, Suboption (a) will apply.*

Option 4: ☐ Age and/or service weighted formula *(select one and complete)*:

Suboption (a): ☐ Contributions will be allocated based on the following Years of Vesting Service:

Years of Vesting Service *(identify categories)*	Allocation Rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

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Suboption (b): ☐ Contributions will be based on the following age of the Participant:

Age *(Identify categories)*	Allocation Rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Suboption (c): ☐ Contributions will be based on the following sum of the age of the Participant and Years of Vesting Service:

Sum of Age and Years of Vesting Service *(Identify categories)*	Allocation Rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Option 5: ☐ Contribution that is required pursuant to a collective bargaining agreement or other agreement.

Option 6: ☐ Other. *(Describe the Allocation Formula.)*

_____

_____.

NOTE: *If Option 6 is selected, the Allocation Formula must be a formula that is available within Options 1 through 5 of this Part D, item 3 and/or a combination thereof.*

4. Additional Conditions for Receiving Employer Nonelective Contributions

A Participant will be a Qualifying Participant, and thus entitled to share in the Employer Nonelective Contribution for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Section Two of this Adoption Agreement on at least one day of such Plan Year and satisfies the following additional condition(s) *(select one)*:

Option 1: ☐ The following additional condition(s) apply *(select all that apply)*:

☐ Service Requirement. The Participant completes at least *(complete one)*:

_____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service if the Elapsed Time method of determining service applies.

However, the condition will be waived for the following reason(s) *(select all that apply)*:

☐ The Participant's death.

☐ The Participant's Severance from Employment after having incurred a Disability.

☐ The Participant's Severance from Employment after having reached Normal Retirement Age.

☐ The Participant's Severance from Employment after having reached Early Retirement Age.

☐ The Participant is employed on the last day of the Plan Year.

☐ Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reason(s) *(select all that apply)*:

☐ The Participant's death.

☐ The Participant's Severance from Employment after having incurred a Disability.

☐ The Participant's Severance from Employment after having reached Normal Retirement Age.

☐ The Participant's Severance from Employment after having reached Early Retirement Age.

☐ The Participant's Severance from Employment after having completed at least *(complete one)*:

_____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service if the Elapsed Time method of determining service applies.

Option 2: ☐ No additional conditions will apply.

NOTE: *If no option is selected, Option 2 will apply. If the option for a service requirement is selected and no hours or months of service are specified, zero hours or months of service will apply.*

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5. Contributions to Disabled Participants

Will a Participant who has incurred a Disability be entitled to an Employer Nonelective Contribution pursuant to Plan Section 3.05(B)(1) and Code section 415(c)(3)(C) *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part E. Other Contributions

1. Rollover Contributions

May an Employee make rollover contributions to the Plan pursuant to Plan Section 3.07 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ Yes, unless such Employee is part of any excluded class of Employees.

Option 3: ☐ Yes, but only after becoming a Participant.

Option 4: ☐ No.

NOTE: *If no option is selected, Option 2 will apply. If Option 4 is selected, skip the rest of this Part E, item 1.*

a. Direct Rollovers

i. Sources of Eligible Rollover Distributions

The Plan will accept Direct Rollovers of pre-tax Eligible Rollover Distributions from *(select "Yes" or "No" to each of the following items)*:

1. A qualified plan described in Code section 401(a) or 403(a). ☐ Yes ☐ No

NOTE: *If a box is not selected for this item, "Yes" will apply.*
If "Yes" is selected in item 1, above, complete the following:

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers *(select "Yes" or "No" to each of the following items)*?

Nondeductible Employee Contributions. ☐ Yes ☐ No

Roth Elective Deferrals. ☐ Yes ☐ No

NOTE: *"Yes" to Roth Elective Deferrals may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. If a box is not selected for an item, "No" will apply for such item.*

2. An annuity contract described in Code section 403(b). ☐ Yes ☐ No

NOTE: *If a box is not selected for this item, "Yes" will apply.*
If "Yes" is selected in item 2, above, complete the following:

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers *(select "Yes" or "No" to each of the following items)*?

Nondeductible Employee Contributions. ☐ Yes ☐ No

Roth Elective Deferrals. ☐ Yes ☐ No

NOTE: *"Yes" to Roth Elective Deferrals may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. If a box is not selected for an item, "No" will apply for such item.*

3. An eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. ☐ Yes ☐ No

NOTE: *If a box is not selected for this item, "Yes" will apply.*
If "Yes" is selected in item 3 above, complete the following:

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers *(select "Yes" or "No" to each of the following items)*?

Nondeductible Employee Contributions. ☐ Yes ☐ No

Roth Elective Deferrals. ☐ Yes ☐ No

NOTE: *"Yes" to Roth Elective Deferrals may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. If a box is not selected for an item, "No" will apply for such item.*

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b. Indirect Rollovers

i. Sources of Eligible Rollover Distributions

The Plan will accept Indirect Rollovers of pre-tax Eligible Rollover Distributions from *(select "Yes" or "No" to each of the following items)*:

1. A qualified plan described in Code section 401(a) or 403(a). ☐ Yes ☐ No
2. An annuity contract described in Code section 403(b). ☐ Yes ☐ No
3. An eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. ☐ Yes ☐ No

NOTE: *If a box is not selected for an item, "Yes" will apply for such item.*

ii. Indirect Rollover of Earnings on Roth Elective Deferrals

Will the Plan accept Indirect Rollover contributions of earnings on Roth Elective Deferrals *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *Option 1 may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. Indirect Rollover contributions may only consist of earnings attributable to Roth Elective Deferrals. If no option is selected, Option 2 will apply.*

c. Rollover Contributions from IRAs

Will the Plan accept rollover contributions of the pre-tax portion of a distribution from an individual retirement account or annuity described in Code section 408(a) or 408(b) that is eligible to be rolled over *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

d. Lifetime Income Investment Distributions

Will the Plan accept rollover contributions from an Eligible Retirement Plan that is attributable to a Lifetime Income Investment distribution *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

2. Repayments of Certain Distributions

If rollover contributions are allowed pursuant to Part E, item 1 of this section, will the Plan accept repayments of certain distributions that were taken from another plan *(select one)*?

Option 1: ☐ Yes. The Plan will accept repayments of the following types of distributions *(select all that apply)*:

☐ Qualified Birth or Adoption Distributions as described in Plan Section 5.01(D)(5).

☐ Federally declared disaster distributions as described in Plan Section 5.01(D)(3).

NOTE: *The distribution repayments will be permitted from the same sources that are elected for Direct Rollovers in Section Three, Part E, item 1(a) above.*

Option 2: ☐ No.

Option 3: ☐ Not applicable. Rollover contributions are not allowed pursuant to Section Three, Part E, item 1(a) above.

NOTE: *If no option is selected, Option 2 will apply.*

3. Plan-to-Plan Transfer Contributions

May an Employee make transfer contributions to the Plan pursuant to Plan Section 3.08 *(select one)*?

Option 1: ☐ Yes, for current Employees, unless such Employee is part of any excluded class of Employees.

Option 2: ☐ Yes, for current and former Employees, unless such Employees are part of any excluded class of Employees.

Option 3: ☐ Yes, but only if the Employee is part of a class of Employees whose assets are being transferred as a result of a merger or acquisition.

Option 4: ☐ No.

NOTE: *If no option is selected, Option 4 will apply.*

4. Nondeductible Employee Contributions

May a Contributing Participant make Nondeductible Employee Contributions pursuant to Plan Section 3.09 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

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Nondeductible Employee Contributions may commence on *(must be on or after the Effective Date)* _____.

Part F. Benefit Accrual in the Case of Death or Disability Resulting from Qualified Military Service

Will the benefit accrual provisions under Code section 414(u)(9) apply to individuals who are unable to be reemployed on account of death or Disability while performing qualified military service as defined in Code section 414(u) *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part G. Limitation on Allocations

If the Participant is covered under another Code section 403(b) plan of the Employer, other than a Code Section 403(b) Preapproved Plan *(select one)*:

Option 1: ☐ The provisions of Plan Sections 3.11(C)(2) and (3) will apply as if the other plan were a Code Section 403(b) Preapproved Plan.

Option 2: ☐ Other. *(Provide the method under which the Plan will limit total Annual Additions to the Maximum Permissible Amount in a manner that precludes Employer discretion.)*

_____

_____.

Part H. In-Plan Roth Rollover

1. Direct In-Plan Roth Rollover

Will a Recipient be entitled to request a Direct In-Plan Roth Rollover *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply. If Option 2 is selected, skip the rest of this Part H.*

a. Timing of Direct In-Plan Roth Rollover

A Recipient will be entitled to request a Direct In-Plan Roth Rollover *(select one)*:

Option 1: ☐ At any time.

Option 2: ☐ When the assets in their Individual Account become distributable under the Plan provisions applicable at the time of the request.

NOTE: *If no option is selected, Option 1 will apply.*

b. Sources Available for Direct In-Plan Roth Rollover

A Recipient may request a Direct In-Plan Roth Rollover from the following accounts *(select one)*:

Option 1: ☐ The entire Individual Account that is not designated Roth.

Option 2: ☐ Only the following accounts *(select all that apply)*:

- ☐ Elective Deferral account.
- ☐ Matching Contribution account.
- ☐ Employer Nonelective Contribution account.
- ☐ Rollover contribution account.
- ☐ Transfer contribution account.
- ☐ Nondeductible Employee Contribution account.
- ☐ Mandatory Employee Contributions account.

NOTE: *If no option is selected, Option 1 will apply.*

c. Vesting

Must a Recipient be 100% Vested in a contribution source to request a Direct In-Plan Roth Rollover from such source *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply. If "No" is selected above, Recipients may directly rollover the Vested amounts in a contribution source even if that contribution source is not fully Vested.*

d. Loans

May an outstanding loan amount be included in a Direct In-Plan Roth Rollover *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

2. Indirect In-Plan Roth Rollover

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Will the Plan accept Indirect In-Plan Roth Rollovers *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *Option 1 may only be selected if the Plan permits the contribution and rollover in of Roth Elective Deferrals. If no option is selected, Option 2 will apply.*

3. **Limitation**

The maximum number of In-Plan Roth Rollovers a Recipient may request is *(select one)*?

Option 1: ☐ Unlimited.

Option 2: ☐ Other. *(Specify the number of rollovers (e.g., one, one per year).)*

_____.

NOTE: *If no option is selected, Option 1 will apply.*

SECTION FOUR: VESTING AND FORFEITURES
Complete Parts A through K

Part A. Vesting Schedule for Matching Contributions

A Participant will become Vested in the portion of their Individual Account derived from Matching Contributions, if applicable, made pursuant to Section Three of the Adoption Agreement as follows.

YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE					
Matching	Option 1 ☐	Option 2 ☐	Option 3 ☐	Option 4 ☐ *(Complete if chosen)*	Option 5 ☐ *(Complete if chosen)*	Option 6 ☐ *(Complete if chosen)*
Less than One	100%	0%	0%	_____%	_____%	_____%
1	100%	0%	0%	_____%	_____%	_____%
2	100%	0%	20%	_____% *(not less than 20%)*	_____%	_____%
3	100%	100%	40%	_____% *(not less than 40%)*	100%	_____%
4	100%	100%	60%	_____% *(not less than 60%)*	100%	_____%
5	100%	100%	80%	_____% *(not less than 80%)*	100%	_____%
6	100%	100%	100%	100%	100%	100%

NOTE: *If no option is selected as of the first date on which such contributions may be made to the Plan, Option 1 will apply.*

Part B. Vesting Schedule for Employer Nonelective Contributions

A Participant will become Vested in the portion of their Individual Account derived from Employer Nonelective Contributions, if applicable, made pursuant to Section Three of the Adoption Agreement as follows.

YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE					
Nonelective	Option 1 ☐	Option 2 ☐	Option 3 ☐	Option 4 ☐ *(Complete if chosen)*	Option 5 ☐ *(Complete if chosen)*	Option 6 ☐ *(Complete if chosen)*
Less than One	100%	0%	0%	_____%	_____%	_____%
1	100%	0%	0%	_____%	_____%	_____%
2	100%	0%	20%	_____% *(not less than 20%)*	_____%	_____%
3	100%	100%	40%	_____% *(not less than 40%)*	100%	_____%
4	100%	100%	60%	_____% *(not less than 60%)*	100%	_____%
5	100%	100%	80%	_____% *(not less than 80%)*	100%	_____%
6	100%	100%	100%	100%	100%	100%

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YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE

NOTE: *If no option is selected as of the first date on which such contributions may be made to the Plan, Option 1 will apply.*

Part C. Measuring Period for Vesting

Years of Vesting Service will be measured over the following 12-consecutive month period *(select one)*:

Option 1: ☐ The Plan Year.

Option 2: ☐ The 12-consecutive month period commencing with the Employee's Employment Commencement Date and each successive 12-month period commencing on the anniversaries of the Employee's Employment Commencement Date.

Option 3: ☐ Other. *(Specify.)*

_____

_____.

Option 4: ☐ Not applicable. The Elapsed Time method of determining service applies.

NOTE: *If no option is selected, Option 1 will apply if the Hours of Service method of determining service applies and Option 4 will apply if the Elapsed Time method of determining service applies.*

Part D. Service Required for Vesting Purposes *(Select one.)*

Option 1: ☐ The Hours of Service method of determining service applies. *(Complete the following.)*

(a) _____ Hours of Service will be required to constitute a Year of Vesting Service.

(b) _____ Hours of Service must be exceeded to avoid a Break in Vesting Service.

Option 2: ☐ Not applicable. The Elapsed Time method of determining service applies.

NOTE: *If no option is selected and the Hours of Service method of determining service applies or if Option 1 is selected and no hours are specified, 1,000 and 500 will apply for items (a) and (b), respectively.*

Part E. Exclusion of Service for Vesting

All of an Employee's Years of Vesting Service (Periods of Service, if applicable) with the Employer are counted to determine the Vested percentage in the Participant's Individual Account except *(select all that apply)*:

☐ Years of Vesting Service (Periods of Service, if applicable) before the Employee reaches age 18.

☐ Years of Vesting Service (Periods of Service, if applicable) before the Employer maintained this Plan or a predecessor plan.

Part F. Vesting Following Breaks in Service

Will the rehire hold-out rule specified in Plan Section 4.01(C)(2) apply for purposes of determining the Vested portion of a Participant's Individual Account *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part G. Fully Vested Under Certain Circumstances

Will an Employee be fully Vested under the following circumstances *(select "Yes" or "No" to each of the following items)*?

1. The Employee dies.	☐ Yes	☐ No
2. The Employee incurs a Disability.	☐ Yes	☐ No
3. The Employee satisfies the conditions for Early Retirement Age *(if applicable)*.	☐ Yes	☐ No

NOTE: *If a box is not selected for an item, "Yes" will apply for such item.*

Part H. Vesting in the Case of Disability Resulting from Qualified Military Service

Will vesting service be credited to individuals who are unable to resume employment on account of Disability while performing qualified military service as defined in Code section 414(u) *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

Option 3: ☐ Not applicable. Individuals become 100 percent Vested upon Disability under Part G item 2 above.

NOTE: *If no option is selected, Option 2 will apply. Regardless of which option is selected, individuals who are unable to be reemployed on account of death while performing qualified military service must be credited with Years of Vesting Service (Periods of Service, if applicable).*

Part I. Allocation of Forfeitures of Matching Contributions

Forfeitures of Matching Contributions will be *(select one)*:

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Option 1: ☐ Allocated to the Individual Accounts of the Participants specified below in the ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

The Participants entitled to receive allocations of such Forfeitures will be *(select one)*:

Suboption (a): ☐ Qualifying Contributing Participants as defined for Matching Contributions in Section Three, Part C, item 6 of this Adoption Agreement.

Suboption (b): ☐ Qualifying Participants as defined for Employer Nonelective Contributions in Section Three, Part D, item 4 of this Adoption Agreement.

Suboption (c): ☐ All Participants.

NOTE: *If no suboption is selected, Suboption (a) will apply.*

Option 2: ☐ Applied to reduce Employer Contributions.

Option 3: ☐ Other. *(Specify the method that will be used to allocate Forfeitures.)*

_____

_____.

NOTE: *If no option is selected, Option 2 will apply. Pursuant to Plan Section 3.05(C) and notwithstanding the election made above, the Employer may first apply Forfeitures to the payment of the Plan's administrative expenses in accordance with Plan Section 7.04 and/or the restoration of Participant's Individual Accounts pursuant to Plan Section 4.01(B)(3).*

Part J. Allocation of Forfeitures of Employer Nonelective Contributions

Forfeitures of Employer Nonelective Contributions will be *(select one)*:

Option 1: ☐ Allocated to the Individual Accounts of the Participants specified below in the manner described in Plan Section 3.05(B) (for Employer Nonelective Contributions).

The Participants entitled to receive allocations of such Forfeitures will be *(select one)*:

Suboption (a): ☐ Qualifying Participants as defined for Employer Nonelective Contributions in Section Three, Part D, item 4 of this Adoption Agreement.

Suboption (b): ☐ All Participants.

NOTE: *If no suboption is selected, Suboption (a) will apply.*

Option 2: ☐ Applied to reduce Employer Contributions.

Option 3: ☐ Other. *(Specify the method that will be used to allocate Forfeitures.)*

_____

_____.

NOTE: *If no option is selected, Option 2 will apply. Pursuant to Plan Section 3.05(C) and notwithstanding the election made above, the Employer may first apply Forfeitures to the payment of the Plan's administrative expenses in accordance with Plan Section 7.04 and/or the restoration of Participant's Individual Accounts pursuant to Plan Section 4.01(B)(3).*

SECTION FIVE: DISTRIBUTIONS AND LOANS

Complete Parts A through E

NOTE: *Unless otherwise indicated, distribution options selected for Employer Nonelective contributions will apply to Mandatory Employee Contributions, if applicable.*

Part A. Eligibility for Distributions

1. Distributions Upon Severance from Employment

a. Individual Account Balances Less Than or Equal to the Cashout Level

i. Cashout Level for Participants with a Severance from Employment

For purposes of applying the cashout rules in Plan Section 4.01(B)(1), the cashout level will be *(select one)*:

Option 1: ☐ $5,000.

Option 2: ☐ $1,000.

Option 3: ☐ $200.

Option 4: ☐ $_____ *(specify an amount less than $1,000).*

Option 5: ☐ Not applicable. The cashout distribution provisions in Plan Section 4.01(B)(1) will not apply.

NOTE: *If no option is selected, Option 2 will apply. A cashout level exceeding $1,000 will subject the Plan to the automatic rollover requirements of Code section 401(a)(31)(B) as described in Plan Section 5.01(B). If Option 5 is selected you may skip item (ii) below because the value of the Vested portion of the Participant's Individual Account must remain in the Plan until the Participant is entitled to, and requests (if required), a distribution.*

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ii. Rollovers Included in Involuntary Cashouts

Will rollover contributions be included in determining the value of a Participant's Vested Individual Account for purposes of Plan Sections 5.01 and 5.04 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. If Option 2 is selected, the Plan may be subject to the automatic rollover rules pertaining to cashout amounts described in Plan Section 5.01 even if the cashout amount is $1,000 or less.*

b. Individual Account Balances Exceeding Cashout Level

Severance from Employment

Will a Participant be entitled to request a distribution of their Individual Account attributable to the following types of contributions upon incurring a Severance from Employment *(select one)*?

Option 1: ☐ Yes, with respect to the following contributions. *(Select all that apply.)*

- ☐ Elective Deferrals.
- ☐ Employer Nonelective Contributions held in Annuity Contracts.
- ☐ Matching Contributions held in Annuity Contracts.
- ☐ Employer Nonelective Contributions held in Custodial Accounts.
- ☐ Matching Contributions held in Custodial Accounts.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. If Option 1 applies and no suboptions are selected, all sources will be distributable upon incurring a Severance from Employment.*

2. Distributions During Employment

a. In-Service Withdrawals

i. In-Service Availability for Elective Deferrals

Will a Participant be entitled to request an in-service distribution of their Individual Account attributable to Elective Deferrals *(select one)*?

Option 1: ☐ Yes. *(Complete the table below.)*

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

	Elective Deferrals
Upon attainment of age 59½.	
Upon attainment of Normal Retirement Age.*	
Upon attainment of age.*	
At any time with respect to pre-1989 Elective Deferrals in an annuity contract.	
Deemed Severance from Employment.	

** This age must be at least age 59½ to be eligible for the distribution.*

NOTE: *Place an "x" or enter the specific criteria (e.g., age, years of participation) in each box, as applicable. A Participant need only satisfy one of the criteria to be eligible for a distribution. If no selections or entries are made in the table above, Plan Section 5.01 will apply in determining whether a Participant is entitled to an in-service distribution.*

ii. In-Service Availability for Employer Contributions

Will a Participant be entitled to request an in-service distribution of their Individual Account attributable to Matching Contributions and Employer Nonelective Contributions *(select one)*?

Option 1: ☐ Yes, with respect to the following contributions *(select all that apply and complete the table below)*:

- ☐ Matching Contributions.
- ☐ Employer Nonelective Contributions.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply with respect to all Matching Contributions and Employer Nonelective Contributions.*

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	Matching Contributions Annuity Contracts	Employer Nonelective Contributions Annuity Contracts	Matching Contributions Custodial Accounts	Employer Nonelective Contributions Custodial Accounts
Upon attainment of age 59½.				
Upon attainment of Normal Retirement Age.*				
Upon attainment of age* *(specify an age other than age 59½)*:				
After contributions have been allocated to the Plan for a period of years equal to *(must be at least two)*:			N/A	N/A
After participating in the Plan for a period of years equal to *(must be at least five unless the applicable contributions have been allocated to the Plan for at least two years as specified in the box above)*:			N/A	N/A
After participating in the Plan for a period of years equal to (a) and attainment of age* (b):	(a) (b)	(a) (b)	(a) (b)	(a) (b)
After becoming 100 percent Vested, after participating in the Plan for a period of years equal to (a) and attainment of age* (b):	(a) (b)	(a) (b)	(a) (b)	(a) (b)
At any time with respect to pre-2009 Contributions.			N/A	N/A

** This age must be at least age 59½ to be eligible for distributions of assets held in custodial accounts.*

NOTE: *Place an "x" or enter the specific criteria (e.g., age, years of participation) in each box, as applicable. A Participant need only satisfy one of the criteria to be eligible for a distribution. If no selections or entries are made in the table above, Plan Section 5.01 will apply in determining whether a Participant is entitled to an in-service distribution.*

b. Hardship Withdrawals

i. Will an Employee be entitled to request a hardship distribution of their Individual Account *(select one)*?

Option 1: ☐ Yes, with respect to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Employer Nonelective Contributions held in Annuity Contracts.
- ☐ Matching Contributions held in Annuity Contracts.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. If Option 1 applies and no suboptions are selected, those sources allowed to be removed under the Code will be eligible for hardship distributions. If Option 2 is selected, skip the rest of this item b.*

ii. Hardship Availability Due to Beneficiary Hardship

If the Plan permits hardship distributions, will hardship distributions also be permitted because of a hardship incurred by the Primary Beneficiary of an Employee *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

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iii. Additional Conditions for Hardship Withdrawals

If the Plan permits hardship distributions, will an Employee be required to satisfy any conditions, in addition to the ones described in Plan Sections 5.01(C)(2)(a)(i) through (iii), before becoming eligible for a hardship distribution *(select and complete one)*?

Option 1: ☐ Yes, the following conditions must be satisfied *(select all that apply)*:

☐ Loans Prior to Hardship Distributions. An Employee will be required to obtain all nontaxable loans under all plans maintained by the Employer.

☐ Other Conditions. *(Specify one or more additional condition(s) (e.g., a minimum distribution amount, an annual limit on the number of hardship withdrawals in a Plan Year). Such condition(s) must be applied in a uniform and nondiscriminatory manner.)*

_____

_____

_____

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

3. Miscellaneous Distribution Issues

a. Disability

Will a Participant who has incurred a Disability be entitled to request a distribution of their Individual Account attributable to the following contribution sources *(select one)*?

Option 1: ☐ Yes, with respect to the following contributions *(select all that apply)*:

☐ Elective Deferrals.

☐ Employer Nonelective Contributions held in Annuity Contracts.

☐ Matching Contributions held in Annuity Contracts.

☐ Employer Nonelective Contributions held in Custodial Accounts.

☐ Matching Contributions held in Custodial Accounts.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. If Option 1 applies and no contribution source is selected, distributions will be permitted from all contribution sources.*

b. Qualified Reservist Distributions

Will a Participant be entitled to request a qualified reservist distribution (as described in Plan Section 5.01(C)(4)) of their Individual Account attributable to Elective Deferrals *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

c. Permissible Withdrawals of EACA Elective Deferrals

i. Authorization of Permissible Withdrawals

Will a Participant be entitled to request a distribution of their Individual Account attributable to Elective Deferrals and the earnings attributable to such Elective Deferrals during the period described in item (ii) below *(select one)*?

Option 1: ☐ Yes, for all automatically enrolled Participants.

Option 2: ☐ Yes, but only for automatically enrolled Participants who have no other Elective Deferrals in the Plan.

Option 3: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. Complete the remainder of this item (c) only if Option 1 or 2 is selected.*

ii. Permissible Withdrawal Period

A Participant's election to make a permissible withdrawal must be made within *(select one)*:

Option 1: ☐ 30 days following the date the first automatic contribution was made.

Option 2: ☐ 45 days following the date the first automatic contribution was made.

Option 3: ☐ 90 days following the date the first automatic contribution was made.

Option 4: ☐ _____ *(specify a number between 30 and 90)* days following the date the first automatic contribution was made.

NOTE: *If no option is selected, Option 1 will apply. If Option 4 is selected and no number is specified, 30 days will apply.*

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d. Federally Declared Disaster Distribution

Will the Plan allow Participants to obtain a federally declared disaster distribution pursuant to Plan Section 5.01(D)(3) *(select one and complete)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part B. Form of Distribution

1. Involuntary Cashout Distributions Upon Severance from Employment

Involuntary cashout distributions of $1,000 or less that are Eligible Rollover Distributions and are made to terminated Participants that do not elect a form of distribution will, pursuant to Plan Section 5.01(B)(1), be *(select one)*:

Option 1: ☐ Paid in a lump sum distribution to the extent permitted under the terms of the Individual Agreement.

Option 2: ☐ Paid in a Direct Rollover to an individual retirement account *(as defined in Code sections 408(a) and 408(b)).*

NOTE: *If no option is selected, Option 1 will apply.*

2. Voluntary Distributions

a. Lump Sum

Will a Participant be entitled to request a payment of the Vested portion of their Individual Account in a lump sum, subject to Plan Section 5.02 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

b. Partial Payments

Will a Participant be entitled to request a non-recurring partial payment from the Vested portion of their Individual Account, subject to Plan Section 5.02 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. Partial payments may be made from the Plan either prior to Severance from Employment or to satisfy the requirements of Code section 401(a)(9) even if Option 2 applies.*

c. Installment Payments

Will a Participant be entitled to request a series of regularly scheduled recurring payments from the Vested portion of their Individual Account, subject to Plan Section 5.02 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

d. Annuity Contracts

Will a Participant be entitled to apply the Vested portion of their Individual Account toward the purchase of an annuity contract, subject to Plan Section 5.02 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply.*

NOTE: *Option 1 must be selected for at least one of items (a) through (d) in Part B, item 2 above. If this Plan is restating a Prior Plan Document, the forms of distribution under this Plan must generally be at least as favorable as under the Prior Plan Document.*

Part C. Timing of Distributions

1. Death, Disability or Attainment of Normal Retirement Age

If a Participant dies, incurs a Disability, or attains Normal Retirement Age, and a distributable event has occurred, distributions will commence as soon as administratively feasible following *(select one)*:

Option 1: ☐ The date the Participant (or Beneficiary of a deceased Participant) requests a distribution.

Option 2: ☐ The next Valuation Date after the Participant (or Beneficiary of a deceased Participant) requests a distribution.

Option 3: ☐ The last day of the Plan Year within which the Participant (or Beneficiary of a deceased Participant) requests a distribution.

Option 4: ☐ The last day of the Plan Year within which the Participant (or Beneficiary of a deceased Participant) requests a distribution or the Participant requests a distribution and incurs _____ *(not more than five)* consecutive one-year Breaks in Vesting Service, whichever is later.

NOTE: *If no option is selected, Option 1 will apply.*

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2. Severance from Employment

If a Participant has a Severance from Employment, and a distributable event has occurred, distributions will commence as soon as administratively feasible following *(select one)*:

Option 1: ☐ The date the Participant requests a distribution.

Option 2: ☐ The next Valuation Date after the Participant requests a distribution.

Option 3: ☐ The last day of the Plan Year within which the Participant requests a distribution.

Option 4: ☐ The last day of the Plan Year within which the Participant requests a distribution or the Participant requests a distribution and incurs _____ *(not more than five)* consecutive one-year Breaks in Vesting Service, whichever is later.

NOTE: *If no option is selected, Option 1 will apply.*

Part D. Loans

Will a Participant be entitled to request a loan pursuant to Plan Section 5.11 *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part E. Qualified Birth or Adoption Distributions

Will a Participant be entitled to request a Qualified Birth or Adoption Distribution of their Individual Account pursuant to Plan Section 5.01(D), Code section 72(t)(2)(H), and Treasury Regulations and other associated guidance *(select one)*?

Option 1: ☐ Yes with respect to the following contributions *(select all that apply)*:

- ☐ Elective Deferrals.
- ☐ Employer Nonelective Contributions held in Annuity Contracts.
- ☐ Matching Contributions held in Annuity Contracts.
- ☐ Employer Nonelective Contributions held in Custodial Accounts.
- ☐ Matching Contributions held in Custodial Accounts.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

SECTION SIX: DEFINITIONS
Complete Parts A through G

Part A. Compensation for Allocation and Other General Purposes

1. Base Definition

Compensation will mean all of each Participant's *(Select one for each contribution source. If a contribution source listed below is not available in the Plan, select "Not applicable" for such source.)*:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
Not applicable.				
W-2 Wages.				
3401(a) Wages.				
415 Safe-Harbor Compensation.				

NOTE: *If no box is selected for a contribution source, W-2 wages will apply to such source.*

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2. Determination Period

Compensation will be determined over the following applicable period *(Select one for each contribution source. If a contribution source listed below is not available in the Plan, select "Not applicable" for such source.)*:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
Not applicable.				
Plan Year.				
Calendar year ending with or within the Plan Year.				
Consecutive 12-month period, beginning on *(specify month and day)* _____.				

NOTE: *If no box is selected for a contribution source, Plan Year will apply to such source.*

3. Pre-Entry Date Compensation

Unless a different definition of Compensation is required by the Code, for the Plan Year in which an Employee enters the Plan, the Employee's Compensation that will be taken into account for purposes of the Plan will be *(Select one for each contribution source. If a contribution source listed below is not available in the Plan, select "Not applicable" for such source.)*:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
Not applicable.				
Compensation from Entry Date.				
Compensation for the full Determination Period.				

NOTE: *If no box is selected for a contribution source, Compensation from Entry Date will apply to such source.*

4. Inclusion in Compensation

a. Elective Deferrals

Will Compensation include Employer Contributions made pursuant to a salary reduction agreement that are not includible in the gross income of the Employee under Code sections 125 (cafeteria plans), 132(f)(4) (transportation fringe benefits), 402(e)(3) (401(k) plans), 408(k) (salary deferral SEP plans), 403(b) (tax sheltered annuity plans), 414(h) (governmental pick-up plans), and 457 (deferred compensation plans of state and local governments and tax-exempt organizations) *(select "Yes" or "No" for each of the following contribution sources)*?

Elective Deferrals. ☐ Yes ☐ No

Matching Contributions. ☐ Yes ☐ No

Employer Nonelective Contributions. ☐ Yes ☐ No

Mandatory Employee Contributions. ☐ Yes ☐ No

NOTE: *If a box is not selected for a contribution source, "Yes" will apply for such contribution source, if applicable.*

b. Post-Severance Compensation

Will Compensation include the following *(select "Yes" or "No" for each of the following compensation sources)*?

Leave cashouts paid after Severance from Employment. ☐ Yes ☐ No

Deferred compensation paid after Severance from Employment. ☐ Yes ☐ No

NOTE: *If a box is not selected for a compensation source, "No" will apply for the source, if applicable.*

c. Deemed 125 Compensation

Will Compensation include deemed Code section 125 compensation *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

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5. Exclusion from Compensation

General Exclusions

Compensation will exclude the following *(select all that apply, if a contribution source is not available under the Plan, select "Not applicable" for such source)*:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
a. Not applicable.				
b. Bonuses.				
c. Overtime.				
d. Commissions.				
e. Differential Wage Payments.				
f. Reimbursements or other expense allowances, fringe benefits (cash & noncash), moving expenses, deferred compensation and welfare benefits.				
g. Other. *(Specify.)*				

NOTE: *If a box is not selected for a contribution source, such item will be included in Compensation for such contribution source, if applicable.*

Part B. Exclusion Year Means *(Select one.)*

Option 1: ☐ The Plan Year.

Option 2: ☐ The 12-consecutive month period beginning on each anniversary of the date the Employee's employment with the Employer commenced.

Option 3: ☐ Not Applicable. The Plan does not exclude Employees who normally work fewer than 20 hours per week from becoming a Participant in the Plan.

NOTE: *If no option is selected, Option 1 will apply.*

Part C. Matching Contribution Computation Period

The Matching Contribution Computation Period applicable to Matching Contributions will be *(Select one. If Matching Contributions are not available under the Plan, select "Not applicable."):*

Option 1: ☐ The Employer's payroll period.

Option 2: ☐ Monthly.

Option 3: ☐ Quarterly.

Option 4: ☐ Semi-Annually.

Option 5: ☐ Annually.

Option 6: ☐ Not applicable.

NOTE: *If no option is selected, Option 5 will apply. If Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the Matching Contribution based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period. If Matching Contributions are not permitted under the Plan, Option 6 will apply.*

Part D. Method of Determining Service

1. Service for purposes of determining eligibility to participate in the Plan will be determined on the basis of *(select one)*:

Option 1: ☐ Elapsed Time. An Employee will generally be credited for the aggregate of all time periods commencing with the Employee's first day of employment and ending on the date a Break in Service begins.

Option 2: ☐ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of *(select one)*:

Suboption (a): ☐ Actual hours for which an Employee is paid or entitled to payment.

Suboption (b): ☐ Equivalency – days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.

Suboption (c): ☐ Equivalency – weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.

Suboption (d): ☐ Equivalency – semi-monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.

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Suboption (e): ☐ Equivalency – months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: *If no option is selected, Option 2 will apply. If Option 2 applies and no suboption is selected, Suboption (a) will apply.*

2. Service for purposes of determining if a Participant is a Qualifying Participant or Qualifying Contributing Participant (and therefore eligible to receive an Employer Contribution) will be determined on the basis of *(select one)*:

Option 1: ☐ Elapsed Time. Each Qualifying Participant will share in Employer Contributions for the period beginning on the date the Employee commences participation under the Plan and ending on the date a Break in Service begins.

Option 2: ☐ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of *(select one)*:

Suboption (a): ☐ Actual hours for which an Employee is paid or entitled to payment.

Suboption (b): ☐ Equivalency – days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.

Suboption (c): ☐ Equivalency – weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.

Suboption (d): ☐ Equivalency – semi-monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.

Suboption (e): ☐ Equivalency – months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: *If no option is selected, Option 2 will apply. If Option 2 applies and no suboption is selected, Suboption (a) will apply.*

3. Service for purposes of determining a Participant's Vested percentage will be determined on the basis of *(select one)*:

Option 1: ☐ Elapsed Time. An Employee will generally be credited for the aggregate of all time periods commencing with the Employee's first day of employment and ending on the date a Break in Service begins.

Option 2: ☐ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of *(select one)*:

Suboption (a): ☐ Actual hours for which an Employee is paid or entitled to payment.

Suboption (b): ☐ Equivalency – days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.

Suboption (c): ☐ Equivalency – weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.

Suboption (d): ☐ Equivalency – semi-monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.

Suboption (e): ☐ Equivalency – months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: *If no option is selected, Option 2 will apply. If Option 2 applies and no suboption is selected, Suboption (a) will apply.*

Part E. Plan Year Means *(Select one.)*

Option 1: ☐ The 12-consecutive month period which coincides with the Adopting Employer's tax year.

Option 2: ☐ The calendar year.

Option 3: ☐ The 52/53 week period ending on the last _____ *(specify day of the week)* nearest _____ *(specify month and day)* of each year.

Option 4: ☐ Other 12-consecutive month period *(Specify a 12-consecutive month period selected in a uniform and nondiscriminatory manner.)*

_____

_____.

NOTE: *If no option is selected, Option 1 will apply.*

If the initial Plan Year or any subsequent Plan Year is less than 12 months (a short Plan Year), specify such Plan Year's beginning and ending dates.

_____

_____.

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Part F. Predecessor Employer Service

In addition to the service credited when an Employer maintains the plan of a predecessor employer, service with a predecessor employer will be credited for the following purposes where the Employer does not maintain the plan of a predecessor employer *(select all that apply)*:

☐ Eligibility.

☐ Vesting.

☐ Allocation of Contributions.

Name of Predecessor Employer(s):

_____

_____.

If service with a predecessor is taken into account for one or more of the items listed above, specify any additional limitations on crediting service that apply *(e.g., limitations by business classification, length of service)*:

_____

_____.

Part G. Retirement Age

1. Early Retirement Age

The Early Retirement Age under the Plan will be *(select one)*:

Option 1: ☐ An Early Retirement Age is not applicable under the Plan.

Option 2: ☐ A Participant satisfies the Plan's Early Retirement Age conditions by attaining age _____ and completing _____ Years of Vesting Service (Periods of Service, if applicable).

NOTE: *If no option is selected, Option 1 will apply.*

2. Normal Retirement Age

The Normal Retirement Age under the Plan will be *(select and complete one)*:

Option 1: ☐ Age _____.

Option 2: ☐ The later of age _____ or the _____ anniversary of the first day of the first Plan Year in which the Participant commenced participation in the Plan.

NOTE: *If no option is selected, Option 1 and age 59½ will apply.*

SECTION SEVEN: MISCELLANEOUS

Complete Part A

Part A. Participant Direction

1. Authorization

Will a Participant be responsible for directing any or all of the investment of their Plan assets pursuant to Plan Section 7.01(C) *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 1 will apply. Complete the remainder of Part A only if Option 1 is selected.*

2. Available Investments

If Option 1 was selected above, what investments will be available for Participant Individual Accounts *(select one)*?

Option 1: ☐ Only approved investment options of Vendors eligible to accept Employer Contributions under the Plan.

Option 2: ☐ Approved investment options of Vendors who are eligible to accept Employer Contributions under the Plan and investment options of other Vendors who are not eligible to accept new Employer Contributions under the Plan, but only if the requirements of Plan Sections 7.01(D) and (E) are satisfied.

NOTE: *If no Option is selected, Option 1 will apply.*

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3. Accounts Subject to Participant Direction

A Participant will be responsible for directing the following portions of their Individual Account *(select one)*:

Option 1: ☐ The entire Individual Account.

Option 2: ☐ Those accounts that the Plan Administrator may designate from time to time in a uniform and nondiscriminatory manner.

Option 3: ☐ The following accounts *(select all that apply)*:

- ☐ Elective Deferral account.
- ☐ Matching Contribution account.
- ☐ Employer Nonelective Contribution account.
- ☐ Rollover contribution account.
- ☐ Transfer contribution account.
- ☐ Other. *(Specify one or more of the accounts that may, in part, comprise a Participant's Individual Account under this Plan.)*

_____

_____.

NOTE: *If no option is selected, Option 1 will apply.*

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SECTION EIGHT: EMPLOYER SIGNATURE

Pre-Approved Document Provider

Name of Pre-Approved Document Provider _____

Address _____

Telephone _____

Plan Administrator

☐ Check here and provide the applicable information below if someone other than the Adopting Employer will be the Plan Administrator.

Name of Plan Administrator _____

Address _____

City _____ State _____ Zip _____

Telephone _____

Name *(type or print)* _____

Signature of Plan Administrator _____ Date Signed _____

Check the applicable box if there is an attachment(s) that applies to this Plan other than a separate custodial agreement.

☐ Prior Plan Document Provisions Attachment.

☐ Other Plan Information Attachment. *(If this box is checked, please describe the attachment(s).)*

_____

_____.

☐ Special Effective Date(s) Attachment.

☐ Vendor Attachment.

☐ Participating Employer Election Attachment - Short Form.

☐ Participating Employer Election Attachment - Long Form.

Authorized Employer Signature

I am an authorized representative of the Adopting Employer named above and I state the following:

1. **I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal tax implications of adopting this Plan;**
2. **I understand that my failure to properly complete this Adoption Agreement may result in failure of the form of the Plan to meet the Code section 403(b) requirements;**
3. **I understand that the Pre-approved Document Provider will inform me of any amendments made to the Plan and will notify me should it discontinue or abandon the Plan;**
4. **I understand that a new Adoption Agreement must be completed and signed upon the initial adoption of the Plan and, in addition, if I modify the terms of the Plan, either a new Adoption Agreement or an amendment to the Plan must be completed and signed;**
5. **I have received a copy of this Adoption Agreement as well as the Adoption Agreement included in Appendix A to the Basic Plan Document which provides all available elections and the corresponding Basic Plan Document 09; and**
6. **I certify that the Adopting Employer is a Public School or a governmental entity that is exempt from tax under Code section 501(c)(3).**

Type Name _____ Title _____

Signature of Adopting Employer _____ Date Signed _____

NOTE: *The Adopting Employer may rely on the opinion letter issued to the Plan by the IRS as evidence that the Plan is qualified under Code section 403(b) only if 1) the Adopting Employer's Plan is identical to the Pre-approved Provider's plan, and 2) the Employer has not amended the Plan other than by choosing options provided in the Adoption Agreement or making limited amendments that are described in section 9.03 of Rev. Proc. 2021-37 (relating to employer amendments that will not affect reliance).*

The Employer may not rely on the opinion letter in certain other circumstances which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2021-37.

This Adoption Agreement may only be used in conjunction with Basic Plan Document #09.

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Employers selecting the age-weighted formula in the Adoption Agreement for purposes of allocating Employer Nonelective Contributions will use the following tables in determining the allocation factor.

Age Related Allocation Factors*

Participant's Current Age	Interest Rate 7.5%	8.0%	8.5%
1	0.991	0.714	0.515
2	1.066	0.771	0.559
3	1.146	0.833	0.606
4	1.232	0.899	0.658
5	1.324	0.971	0.714
6	1.423	1.049	0.775
7	1.530	1.133	0.840
8	1.645	1.223	0.912
9	1.768	1.321	0.989
10	1.901	1.427	1.074
11	2.043	1.541	1.165
12	2.197	1.665	1.264
13	2.361	1.798	1.371
14	2.539	1.942	1.488
15	2.729	2.097	1.614
16	2.934	2.265	1.751
17	3.154	2.446	1.900
18	3.390	2.641	2.062
19	3.644	2.853	2.237
20	3.918	3.081	2.427
21	4.212	3.327	2.634
22	4.527	3.594	2.857
23	4.867	3.881	3.100
24	5.232	4.192	3.364
25	5.624	4.527	3.650
26	6.046	4.889	3.960
27	6.500	5.280	4.297
28	6.987	5.703	4.662
29	7.511	6.159	5.058
30	8.075	6.652	5.488
31	8.680	7.184	5.954
32	9.331	7.758	6.461
33	10.031	8.379	7.010
34	10.783	9.049	7.606
35	11.592	9.773	8.252
36	12.462	10.555	8.953
37	13.396	11.400	9.714
38	14.401	12.311	10.540
39	15.481	13.296	11.436
40	16.642	14.360	12.408
41	17.890	15.509	13.463
42	19.232	16.750	14.607
43	20.674	18.090	15.849
44	22.225	19.537	17.196
45	23.892	21.100	18.658
46	25.684	22.788	20.244
47	27.610	24.611	21.964
48	29.681	26.580	23.831
49	31.907	28.706	25.857
50	34.300	31.002	28.055
51	36.872	33.483	30.439
52	39.638	36.161	33.027
53	42.611	39.054	35.834
54	45.806	42.178	38.880
55	49.242	45.553	42.185
56	52.935	49.197	45.770
57	56.905	53.133	49.661
58	61.173	57.383	53.882
59	65.761	61.974	58.462
60	70.693	66.932	63.431
61	75.995	72.286	68.823
62	81.695	78.069	74.673
63	87.822	84.315	81.020
64	94.408	91.060	87.907
65	101.489	98.345	95.379

*Based on the UP 1984 Mortality Table Testing Age 65

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PRIOR PLAN DOCUMENT PROVISIONS ATTACHMENT

This attachment may be used by an Adopting Employer to document other Prior Plan Document provisions that apply to some or all of the assets of the Adopting Employer's Plan. The other Prior Plan Document provisions set forth in this Attachment are limited to those which have been the subject of a prior opinion letter or advisory letter and which do not address an issue which is not permitted in a Pre-approved Plan, as described in section 6.03 of Revenue Procedure 2021-37.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Plan Sequence Number _____ Account Number _____

PRIOR PLAN DOCUMENT PROVISIONS

Provision 1:

_____

_____

_____

_____

_____

_____

Source of Provision *(e.g., plan name and sequence number, good faith amendment):*

_____

_____

_____.

Provision 2:

_____

_____

_____

_____

_____

_____

Source of Provision *(e.g., plan name and sequence number, good faith amendment):*

_____

_____

_____.

Provision 3:

_____

_____

_____

_____

_____

_____

Source of Provision *(e.g., plan name and sequence number, good faith amendment):*

_____

_____

_____.

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OTHER PLAN INFORMATION ATTACHMENT

This attachment may be used by an Adopting Employer to specify additional information to be included in the Plan's Adoption Agreement. All notes and parameters related to the "Other" selection lines in the Adoption Agreement will be applied to the provisions specified below.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Plan Sequence Number _____ Account Number _____

OTHER PLAN INFORMATION

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SPECIAL EFFECTIVE DATE(S) ATTACHMENT

This attachment is used only when a restated plan document is prepared and special effective dates apply for certain Plan provisions.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Plan Sequence Number _____ Account Number _____

SPECIAL EFFECTIVE DATES

The following special effective dates will apply to the Plan: *(Select one or more as applicable.)*

NOTE: *All parameters or limitations stated in the Adoption Agreement apply.*

☐ **Special Effective Date 1:**

Provision Reference *(e.g., Section Three, Part D, item 1- Authorization of Employer Nonelective Contributions):*

_____

_____.

Provision Description *(e.g., The Employer Nonelective Contribution provisions including the applicable contribution formula):*

_____

_____

_____

_____

Effective Date:

_____.

\ ☐ **Special Effective Date 2:**

Provision Reference *(e.g., Section Three, Part D, item 1- Authorization of Employer Nonelective Contributions):*

_____

_____.

Provision Description *(e.g., The Employer Nonelective Contribution provisions including the applicable contribution formula):*

_____

_____

_____

_____

Effective Date:

_____.

\ ☐ **Special Effective Date 3:**

Provision Reference *(e.g., Section Three, Part Part D, item 1- Authorization of Employer Nonelective Contributions):*

_____

_____.

Provision Description *(e.g., The Employer Nonelective Contribution provisions including the applicable contribution formula):*

_____

_____

_____

_____

Effective Date:

_____.

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VENDOR ATTACHMENT

This attachment is used by an Adopting Employer to specify all of the Plan's annuity contract and custodial accounts vendors. The Employer may add or remove Vendors from this Vendor Attachment or complete a new Vendor Attachment without the need for a Plan amendment.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Plan Sequence Number _____ Adopting Employer's Federal Identification Number _____ Account Number _____

EFFECTIVE DATE

The Effective Date of this Attachment is _____

SECTION ONE: VENDORS AUTHORIZED TO RECEIVE PLAN CONTRIBUTIONS

The Vendors listed in this Section One are approved to receive Plan Contributions:

AUTHORIZED VENDORS

Vendor Name	Website	Contact Information (Representative's Name, Phone Number, and/or Email)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
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17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		

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SECTION TWO: VENDORS NOT ELIGIBLE TO RECEIVE PLAN CONTRIBUTIONS

The Vendors listed in this Section Two are currently not authorized to receive Plan Contributions. Notwithstanding the foregoing, the following Vendors have signed information sharing agreements with the Employer and are authorized to receive exchanges from Participant Individual Accounts:

EXCHANGE VENDORS

Vendor Name	Website	Contact Information (Representative's Name, Phone Number, and/or Email)
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		

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PARTICIPATING EMPLOYER ELECTION ATTACHMENT - SHORT FORM

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Adopting Employer's Federal Identification Number _____

Plan Sequence Number _____ Account Number _____

PARTICIPATING EMPLOYER INFORMATION

The following Participating Employer will participate in the Plan of the Adopting Employer as described in the Effective Date section.

Name of Participating Employer _____

Address _____

City _____ State _____ Zip _____

Telephone _____ Participating Employer's Federal Tax Identification Number _____

Participating Employer's Tax Year End *(Specify month and day.)* _____

Type of Business *(select one)*: ☐ Public School.

☐ Other governmental entity that is exempt from tax under Code section 501(c)(3).

EFFECTIVE DATE

☐ **New Plan** – This is the initial adoption of this Plan by the Participating Employer. The Effective Date of the Plan is _____. *(Specify a month, day, and year.) (Must be no earlier than the first day of the Plan Year in which the Plan is adopted.)*

☐ **Existing Plan Restatement** – This is a restatement of this Plan by the Participating Employer. The Effective Date of this restatement is _____. *(Specify a month, day, and year.) (Must be no earlier than the first day of the Plan Year in which the Plan is adopted.)*

☐ **Cessation** – This is the cessation of participation in the Plan by the Participating Employer. The effective date of the cessation is _____.

PARTICIPATING EMPLOYER ELECTIONS

Complete Parts A and B, if applicable

Part A. Contributions

Will the amount of Employer Contributions (other than Elective Deferrals) made to the Plan on behalf of the Participating Employer named above be determined by such Participating Employer and allocated, pursuant to the formula selected in Plan Section Three, only to Participants who are employed by the Participating Employer named above and satisfy the Plan's allocation conditions *(select one.)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

Part B. Forfeitures

Will Forfeitures related to the Participating Employer named above be allocated only to Participants employed by the Participating Employer named above *(select one)*?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: *If no option is selected, Option 2 will apply.*

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SIGNATURES

Adopting Employer

I am an authorized representative of the Adopting Employer named above and I acknowledge that the Participating Employer listed on this Participating Employer Election Attachment will participate in the Plan as described above. I agree to provide the Participating Employer identified above with any amendments that have been made to the Plan and, if applicable, I agree to notify the Participating Employer of a decision to discontinue or abandon the Plan. I acknowledge that I have relied upon my own advisors regarding such employer participating or ceasing to participate in the Plan.

Type Name _____ Title _____

Signature of Adopting Employer _____ Date Signed _____

Participating Employer

I am an authorized representative of the Participating Employer named above. I acknowledge that I have received a copy of the Basic Plan Document, the Adoption Agreement, IRS opinion letter, and any separate trust or custodial agreement used for the Plan. I acknowledge that I have also received a copy of the Adoption Agreement included in Appendix A to the Basic Plan Document which provides all available elections. In addition, I authorize the Adopting Employer to make amendments to the Plan on my behalf. I understand that the Adopting Employer, not the Pre-approved Document Provider, will provide me with any amendments made to the Plan, including a notification if the Adopting Employer has discontinued or abandoned the Plan. I acknowledge that I have relied upon my own advisors regarding the legal and tax implications of participating or ceasing to participate in the Plan.

Type Name _____ Title _____

Signature of Participating Employer _____ Date Signed _____

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Department of the Treasury
Internal Revenue Service
Tax Exempt and Government Entities
1111 Constitution Ave., NW
Washington, DC 20224

Date:
11/29/2024
Employer ID number:
11-3665754
Case number:
202300116
File folder number:
FFN: 31799270009-005
Letter Serial number:
Q705833a
Plan number:
09-005
Plan description:
Non-Standardized Pre-Approved 403(b) Plan
Date of submission:
05/01/2023
Person to contact:
Name· Janell Hayes
ID number. 1000203103
Telephone· 513-975-6319
Hours 10.00 a.m. to 5·00 p.m. EST Mon-Fri

ASCENSUS LLC
200 DRYDEN ROAD, 4TH FLOOR
DRESHER, PA 19025

Dear Applicant·

Why you're receiving this letter

In our opinion, we found the form of the plan shown above is acceptable for use by eligible employers for the benefit of their employees under Internal Revenue Code (IRC) Section 403(b).

What you need to do

You must provide to each eligible employer who adopts this plan.
A copy of this letter
A copy of the approved plan.
Copies of later amendments including their dates of adoption.
. The plan provider's contact information including their address and telephone number

What you should know

Our opinion relates only to the satisfaction of the plan's form with the requirements of IRC Section 403(b) contained in the 2022 Cumulative List of Notice 2022-8, 2022-7 Internal Revenue Bulletin (IRB) 491, and certain other requirements of IRC Section 403(b) as detailed in Section 13 of Revenue Procedure (Rev. Proc.) 2021-37, 2021-38 IRB 385 We didn't consider the effect of other federal or local statutes

Our opinion on the acceptability of the form of the plan isn't a determination of an eligible employer's plan satisfying the requirements of IRC Section 403(b). An eligible employer that adopts this plan can generally rely on this letter as described and outlined below

An eligible employer that adopts an IRC Section 403(b) nonstandardized plan may rely on this letter that the form of the plan satisfies the requirements of IRC Section 403(b) if the employer has not amended the plan other than to choose options provided under the plan or to make amendments that are described in Section 9.03 of Rev. Proc. 2021-37 relating to employer amendments that will not affect reliance.

The IRS doesn't issue a determination letter to an eligible employer who adopts this plan, except as noted in Section 25 of Rev Proc 2023-37, 2023-51 IRB 1491 For example, an adopting employer of a nonstandardized plan that makes amendments to the plan that are not extensive may obtain reliance that the form of the plan, as amended, satisfies the requirements of IRC Section 403(b) by requesting a determination letter using Form 5307, Application for Determination for Adopters of Modified Nonstandardized Pre-Approved Plans.

Additionally, see Section 8 02(1) - (3) of Rev Proc 2021-37 for exceptions with respect to IRC Sections 401(a)(4), 410(b), 414(s), and 415

For other rules and procedures related to an IRC Section 403(b) pre-approved plan submitted for the second remedial amendment cycle, generally see Rev Proc. 2021-37

As stated in the plan, the provisions of this plan override any conflicting provision contained in any investment arrangements under the plan or any other documents that may be incorporated by reference into an adopting eligible employer's plan This opinion letter doesn't cover any provisions contained in the investment arrangements or any other documents incorporated by reference outside the plan or adoption agreement, such as a collective bargaining agreement

An eligible employer who adopts this plan may not rely on this letter when the employer·

Uses the plan to amend or restate a plan which didn't previously meet the requirements of IRC Section 403(b)

. Adopts the plan before the opinion letter is issued

. Doesn't correctly complete the adoption agreement or other elective provisions in the plan

Has any investment arrangement under the plan or any other document that may be incorporated by reference that provides that they govern if there's a conflict between their terms and the terms of the plan.

Amends the plan other than by choosing options provided under the plan or by making amendments other than those that are described in Section 9.03 of Rev. Proc 2021- 37 (relating to employer amendments that will not affect reliance)

Our opinion doesn't·

Consider issues which the Department of Labor administers under Title I of the Employee Retirement Income Security Act (ERISA)

. Constitute a determination that the plan is an IRC Section 414(d) governmental plan.

. Constitute a determination that the adopting employer is a church within the meaning of IRC Section 3121(w)(3)(A) or a qualified church-controlled organization within the meaning of IRC Section 3121(w)(3)(B) (QCCO).

If this plan is not a Retirement Income Account plan described under IRC Section 403(b)(9), the adopting employer must be an eligible employer within the meaning of Treasury Regulations Section 1.403(b)-2(b)(8)

If this plan is a Retirement Income Account plan described under IRC Section 403(b)(9), the plan must either be established or maintained by a church, or a convention or association of churches, including an organization described in IRC Section 414(e)(3)(A). For a Retirement Income Account plan, the adopting employer may be a church, QCCO, non-QCCO, or minister, however, if the plan is not established by a church, or a convention or association of churches, including an organization described in IRC Section 414(e)(3)(A), the plan must be maintained by a church, or a convention or association of churches, including an organization described in IRC Section 414(e)(3)(A)

This is not a determination regarding language in the plan that reflects Section 3 of the Defense of Marriage Act, Pub L 104199, 110 Stat 2419 (DOMA) or U S. v. Windsor, 570 U S 12 (2013), which invalidated Section 3 of DOMA, except to the extent that the definition of spouse is relevant for purposes of required minimum distributions under IRC Section 401(a)(9) and spousal rollover rights under IRC Section 402(c)(9).

This letter doesn't rule on whether this plan meets any requirements that apply due to a plan's coverage of multiple employers that are not in a single controlled group

A pre-approved plan restatement that generally is effective as of a certain date should not be treated as superseding a

previously adopted interim plan amendment that is effective before or after the restatement's effective date and that has not been incorporated or reflected in the restatement, provided that the pre-approved plan is operated in a manner consistent with the interim plan amendment A plan is presumed to be operating in compliance with an interim plan amendment in any case in which the operation of the plan cannot be determined

Who can you contact

If you, the pre-approved plan provider, have questions, you can call the telephone number at the top of the first page of this letter. This number is only for the provider's use. Individual participants or adopting eligible employers with questions about the plan should contact you

If you prefer, you can write to the address at the top of the first page of this letter. When you write, include a copy of this letter, your telephone number and the hours we can reach you

Let us know if you change or stop sponsorship of this plan.

Keep this letter for your records

Sincerely,

Daniel Dragoo
Director, EP Rulings & Agreements

403(b) Retirement Plan

Nonstandardized Adoption Agreement

Non-ERISA 403(b) Plan for Governmental Entities

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Non-ERISA 403(b) Plan for Governmental Entities
Nonstandardized Adoption Agreement

EMPLOYER INFORMATION

Part A. Adopting Employer

Name of Adopting Employer Maine Veterans' Home

Address 35 Heroes Way

City Augusta State ME Zip 04330

Telephone (207) 512-3116 Adopting Employer's Federal Identification Number 01-0376832

Adopting Employer's Tax Year End 12/31

Type of Employer: ☑ Other governmental entity that is exempt from tax under Code section 501(c)(3).

Name of Plan Maine Veterans' Home Tax Sheltered Annuity Plan

Plan Sequence Number _____ Account Number 402623

Part B. Participating Employers

If the Adopting Employer is or becomes aggregated with other employers in a manner consistent with IRS Notice 89-23, are all Related Employers of the Adopting Employer considered to be Related Participating Employers?

Option 2: ☑ No, Related Employers of the Adopting Employer will participate in this Plan only if listed on a Participating Employer Election Attachment.

SECTION ONE: EFFECTIVE DATES

Part A. Plan Effective Date

☑ **Existing Plan Amendment or Restatement Effective Date**

This is an amendment or restatement of an existing 403(b) plan.

The Initial Plan Document was effective on 07/01/1995.

The Effective Date of this amendment or restatement is 07/01/2026.

SECTION TWO: ELIGIBILITY

Part A. Age and Eligibility Service

1. Age Requirement

An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals and required to make Mandatory Employee Contributions), receiving Matching Contributions, or receiving an allocation of any Employer Nonelective Contributions, and Mandatory Employee Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement, after attaining the following age:

☑ No age requirement is applicable for the following contributions:

- ☑ Pre-Tax Elective Deferrals.
- ☑ Roth Elective Deferrals.
- ☑ Matching Contributions.

2. Eligibility Service Requirement

An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals and required to make Mandatory Employee Contributions), receiving Matching Contributions, or receiving an allocation of any Employer Nonelective Contributions, and Mandatory Employee Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement:

☑ No eligibility service required.

If this option is selected, there will be no eligibility service requirement for the following contributions:

- ☑ Pre-Tax Elective Deferrals.
- ☑ Roth Elective Deferrals.
- ☑ Matching Contributions.

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3. Age and Service Waivers

a. Employees Employed as of the Effective Date

An Employee who is employed as of the Effective Date listed in Section One, Part A, of the Adoption Agreement, is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements listed above will be considered to have met those requirements as of the Effective Date and be eligible to become a Participant in the Plan:

Option 2: ☑ Not applicable.

b. Employees Employed as of a Specified Date

An Employee who is employed as of the date specified below is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements will be considered to have met those requirements and be eligible to become a Participant in the Plan:

Option 2: ☑ Not applicable.

Part B. Exclusion of Certain Classes of Employees

An Employee will be eligible to become a Participant in the Plan unless the Employee is:

☑ Not wishing to make Elective Deferrals of at least $200 per year.

If this exclusion is selected, it will apply to the following contributions:

☑ Pre-Tax Elective Deferrals.

☑ Roth Elective Deferrals.

☑ Matching Contributions.

☑ A nonresident alien (within the meaning of Code section 7701(b)(1)(B)) who receives no earned income (within the meaning of Code section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code section 861(a)(3)).

If this exclusion is selected, it will apply to the following contributions:

☑ Pre-Tax Elective Deferrals.

☑ Roth Elective Deferrals.

☑ Matching Contributions.

☑ Normally working fewer than 20 hours per week.

If this exclusion is selected, it will apply to the following contributions:

☑ Pre-Tax Elective Deferrals.

☑ Roth Elective Deferrals.

☑ Matching Contributions.

Part C. Entry Dates

The Entry Dates will be:

☑ Immediately upon meeting age and eligibility service – The day the age and eligibility service requirements in Section Two, Part A, are satisfied.

If this Entry Date option is selected, it will apply to the following contributions:

☑ Pre-Tax Elective Deferrals.

☑ Roth Elective Deferrals.

☑ Matching Contributions.

Part D. Service Required for Eligibility Purposes

Option 3: ☑ Not applicable. No eligibility service is required.

Part E. Eligibility Computation Period

An Employee's Eligibility Computation Periods after their initial Eligibility Computation Period will be:

Option 3: ☑ Not applicable. The Elapsed Time method of determining service applies or no eligibility service is required.

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SECTION THREE: CONTRIBUTIONS

Part A. Elective Deferrals

1. Authorization of Elective Deferrals

Will Elective Deferrals be permitted under this Plan?

Option 1: ☑ Yes.

Will Roth Elective Deferrals be permitted under this Plan in addition to Pre-Tax Elective Deferrals?

Suboption (a): ☑ Yes.

2. Limits on Elective Deferrals

If Elective Deferrals are permitted under the Plan, a Contributing Participant may elect under a salary reduction agreement to have their Compensation reduced by the amount described below. Such amount will be contributed to the Plan by the Employer on behalf of the Contributing Participant:

Option 4: ☑ An amount equal to a dollar amount or percentage of the Contributing Participant's Compensation not to exceed the limits imposed by Code sections 402(g), 403(b), and 415.

3. Separate Deferral Election for Bonuses

Can a Contributing Participant make a separate deferral election to defer part or all of a bonus that will apply instead of the Contributing Participant's salary reduction agreement?

Option 1: ☑ Yes.

4. Catch-up Contributions

a. Age 50 Catch-up Contributions

Will eligible Contributing Participants be permitted to make Catch-up Contributions pursuant to Plan Section 3.01(E)(1)?

Option 1: ☑ Yes.

b. Special Code Section 403(b) Catch-up Contributions

Will eligible Contributing Participants be permitted to make Special Code Section 403(b) Catch-up Contributions pursuant to Plan Section 3.01(E)(2) if they have 15 years of service (as defined in Plan Section 3.01(E)(2)) with a qualified organization described in Code section 402(g)(7)?

Option 1: ☑ Yes.

5. Claiming Excess Elective Deferrals

A Participant who claims Excess Elective Deferrals for the preceding calendar year must submit their claim in writing to the Plan Administrator by :

Option 1: ☑ March 1.

6. Authorization of Automatic Elective Deferrals

a. Will the automatic Elective Deferral enrollment provisions apply?

Option 3: ☑ No.

8. Automatic Increase for Employees who are Not Automatically Enrolled or for Plans Without Automatic Enrollment

a. Authorization to Increase Elective Deferrals Automatically

Will Elective Deferrals be increased automatically each year for Employees who are not automatically enrolled under item 7 above?

Option 3: ☑ No.

Part B. Mandatory Employee Contributions

Application of Mandatory Employee Contributions

Will Mandatory Employee Contributions described in Plan Section 3.02 be required under the Plan?

Option 2: ☑ No.

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Part C. Matching Contributions

1. Authorization of Matching Contributions

Will the Employer make Matching Contributions to the Plan on behalf of a Qualifying Contributing Participant?

Option 1: ☑ Yes, with respect to the following types of contributions:

☑ Pre-Tax Elective Deferrals.

☑ Roth Elective Deferrals.

2. Matching Contributions and Catch-up Contributions

Will Matching Contributions be made in accordance with the Matching Contribution formula specified in items 3 and 4 below, with regard to Catch-up Contributions?

Option 1: ☑ Yes.

3. Matching Contribution Formula

If the Employer selected to make Matching Contributions in Part C, item 1 above, then the amount of such Matching Contributions made on behalf of a Qualifying Contributing Participant each Plan Year will be equal to:

Option 1: ☑ Discretionary Match.

The Employer has the complete and sole discretion to determine the amount, if any, of the Matching Contributions made on behalf of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable) each Plan Year.
If Option 1 is selected, the Discretionary Matching Contributions will be allocated to each Contributing Participant in accordance with the following Matching Contribution formula:

Suboption (a): ☑ A uniform percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, or Mandatory Employee Contributions, if applicable).

4. Supplemental Match

Will the Employer be permitted to make supplemental Matching Contributions, in an amount to be determined at the Employer's discretion, in addition to the Matching Contributions described in Part C, items 2 and 3 above?

Option 2: ☑ No.

6. Additional Conditions for Receiving Matching Contributions

A Contributing Participant will be a Qualifying Contributing Participant, and thus entitled to share in Matching Contributions for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Section Two of this Adoption Agreement on at least one day of such Plan Year and satisfies the following additional condition(s):

Option 1: ☑ The following additional condition(s) apply:

☑ Service Requirement. The Contributing Participant completes at least :

1,000 Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service if the Elapsed Time method of determining service applies.

Part D. Employer Nonelective Contributions

1. Authorization of Employer Nonelective Contributions

Will the Employer make Employer Nonelective Contributions to the Plan on behalf of Qualifying Participants?

Option 2: ☑ No.

Part E. Other Contributions

1. Rollover Contributions

May an Employee make rollover contributions to the Plan pursuant to Plan Section 3.07?

Option 3: ☑ Yes, but only after becoming a Participant.

a. Direct Rollovers

i. Sources of Eligible Rollover Distributions

The Plan will accept Direct Rollovers of pre-tax Eligible Rollover Distributions from:

1. A qualified plan described in Code section 401(a) or 403(a). ☑ Yes

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers?

Nondeductible Employee Contributions. ☑ No

Roth Elective Deferrals. ☑ Yes

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2. An annuity contract described in Code section 403(b). ☑ Yes

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers?

Nondeductible Employee Contributions. ☑ No

Roth Elective Deferrals. ☑ Yes

3. An eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. ☑ Yes

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers?

Nondeductible Employee Contributions. ☑ No

Roth Elective Deferrals. ☑ Yes

b. Indirect Rollovers

i. Sources of Eligible Rollover Distributions

The Plan will accept Indirect Rollovers of pre-tax Eligible Rollover Distributions from:

1. A qualified plan described in Code section 401(a) or 403(a). ☑ Yes
2. An annuity contract described in Code section 403(b). ☑ Yes
3. An eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. ☑ Yes

ii. Indirect Rollover of Earnings on Roth Elective Deferrals

Will the Plan accept Indirect Rollover contributions of earnings on Roth Elective Deferrals?

Option 1: ☑ Yes.

c. Rollover Contributions from IRAs

Will the Plan accept rollover contributions of the pre-tax portion of a distribution from an individual retirement account or annuity described in Code section 408(a) or 408(b) that is eligible to be rolled over?

Option 1: ☑ Yes.

d. Lifetime Income Investment Distributions

DistributionsWill the Plan accept rollover contributions from an Eligible Retirement Plan that is attributable to a Lifetime Income Investment distribution?

Option 1: ☑ Yes.

2. Repayments of Certain Distributions

If rollover contributions are allowed pursuant to Part E, item 1 of this section, will the Plan accept repayments of certain distributions that were taken from another plan?

Option 2: ☑ No.

3. Plan-to-Plan Transfer Contributions

a. In General

May an Employee make transfer contributions to the Plan pursuant to Plan Section 3.08?

Option 4: ☑ No.

4. Nondeductible Employee Contributions

May a Contributing Participant make Nondeductible Employee Contributions pursuant to Plan Section 3.09?

Option 2: ☑ No.

Part F. Benefit Accrual in the Case of Death or Disability Resulting from Qualified Military Service

Will the benefit accrual provisions under Code section 414(u)(9) apply to individuals who are unable to be reemployed on account of death or Disability while performing qualified military service as defined in Code section 414(u)?

Option 2: ☑ No.

Part G. Limitation on Allocations

If the Participant is covered under another Code section 403(b) plan of the Employer, other than a Code Section 403(b) Preapproved Plan:

Option 1: ☑ The provisions of Plan Sections 3.11(C)(2) and (3) will apply as if the other plan were a Code Section 403(b) Preapproved Plan.

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Part H. In-Plan Roth Rollover

1. Direct In-Plan Roth Rollover

Will a Recipient be entitled to request a Direct In-Plan Roth Rollover?

Option 2: ☑ No.

2. Indirect In-Plan Roth Rollover

Will the Plan accept Indirect In-Plan Roth Rollovers?

Option 2: ☑ No.

SECTION FOUR: VESTING AND FORFEITURES

Part A. Vesting Schedule for Matching Contributions

A Participant will become Vested in the portion of their Individual Account derived from Matching Contributions, if applicable, made pursuant to Section Three of the Adoption Agreement as follows.

YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE
Matching	Option 1 ☑
Less than One	100%
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%

Part C. Measuring Period for Vesting

Years of Vesting Service will be measured over the following 12-consecutive month period:

Option 1: ☑ The Plan Year.

Part D. Service Required for Vesting Purposes

Option 1: ☑ The Hours of Service method of determining service applies.

(a) 1,000 Hours of Service will be required to constitute a Year of Vesting Service.

(b) 500 Hours of Service must be exceeded to avoid a Break in Vesting Service.

Part F. Vesting Following Breaks in Service

Will the rehire hold-out rule specified in Plan Section 4.01(C)(2) apply for purposes of determining the Vested portion of a Participant's Individual Account?

Option 2: ☑ No.

SECTION FIVE: DISTRIBUTIONS AND LOANS

Part A. Eligibility for Distributions

1. Distributions Upon Severance from Employment

a. Individual Account Balances Less Than or Equal to the Cashout Level

i. Cashout Level for Participants with a Severance from Employment

For purposes of applying the cashout rules in Plan Section 4.01(B)(1), the cashout level will be:

Option 1: ☑ $5,000.

ii. Rollovers Included in Involuntary Cashouts

Will rollover contributions be included in determining the value of a Participant's Vested Individual Account for purposes of Plan Sections 5.01 and 5.04?

Option 2: ☑ No.

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b. Individual Account Balances Exceeding Cashout Level

Severance from Employment

Will a Participant be entitled to request a distribution of their Individual Account attributable to the following types of contributions upon incurring a Severance from Employment?

Option 1: ☑ Yes, with respect to the following contributions.

☑ Elective Deferrals.

☑ Matching Contributions held in Custodial Accounts.

2. Distributions During Employment

a. In-Service Withdrawals

i. In-Service Availability for Elective Deferrals

Will a Participant be entitled to request an in-service distribution of their Individual Account attributable to Elective Deferrals?

Option 1: ☑ Yes.

	Elective Deferrals
Upon attainment of age 59½.	☑
Deemed Severance from Employment.	☑

ii. In-Service Availability for Employer Contributions

Will a Participant be entitled to request an in-service distribution of their Individual Account attributable to Matching Contributions and Employer Nonelective Contributions?

Option 1: ☑ Yes, with respect to the following contributions*:

☑ Matching Contributions.

	Match Contributions Annuity Contracts	Employer Nonelective Contributions Annuity Contracts	Matching Contributions Custodial Accounts	Employer Nonelective Contributions Custodial Accounts
Upon attainment of age 59 1/2.			☑	

b. Hardship Withdrawals

i. Will an Employee be entitled to request a hardship distribution of their Individual Account?

Option 1: ☑ Yes, with respect to the following contributions:

☑ Pre-Tax Elective Deferrals.

☑ Roth Elective Deferrals.

ii. Hardship Availability Due to Beneficiary Hardship

If the Plan permits hardship distributions, will hardship distributions also be permitted because of a hardship incurred by the Primary Beneficiary of an Employee?

Option 2: ☑ No.

iii. Additional Conditions for Hardship Withdrawals

If the Plan permits hardship distributions, will an Employee be required to satisfy any conditions, in addition to the ones described in Plan Sections 5.01(C)(2)(a)(i) through (iii), before becoming eligible for a hardship distribution?

Option 2: ☑ No.

3. Miscellaneous Distribution Issues

a. Disability

Will a Participant who has incurred a Disability be entitled to request a distribution of their Individual Account attributable to the following contribution sources?

Option 2: ☑ No.

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b. **Qualified Reservist Distributions**

Will a Participant be entitled to request a qualified reservist distribution (as described in Plan Section 5.01(C)(4)) of their Individual Account attributable to Elective Deferrals?

Option 1: ☑ Yes.

d. **Federally Declared Disaster Distribution**

Will the Plan allow Participants to obtain a federally declared disaster distribution pursuant to Plan Section 5.01(D)(3)?

Option 2: ☑ No.

Part B. Form of Distribution

1. **Involuntary Cashout Distributions Upon Severance from Employment**

Involuntary cashout distributions of $1,000 or less that are Eligible Rollover Distributions and are made to terminated Participants that do not elect a form of distribution will, pursuant to Plan Section 5.01(B)(1), be:

Option 1: ☑ Paid in a lump sum distribution to the extent permitted under the terms of the Individual Agreement.

2. **Voluntary Distributions**

a. **Lump Sum**

Will a Participant be entitled to request a payment of the Vested portion of their Individual Account in a lump sum, subject to Plan Section 5.02?

Option 1: ☑ Yes.

b. **Partial Payments**

Will a Participant be entitled to request a non-recurring partial payment from the Vested portion of their Individual Account, subject to Plan Section 5.02?

Option 1: ☑ Yes.

c. **Installment Payments**

Will a Participant be entitled to request a series of regularly scheduled recurring payments from the Vested portion of their Individual Account, subject to Plan Section 5.02?

Option 1: ☑ Yes.

d. **Annuity Contracts**

Will a Participant be entitled to apply the Vested portion of their Individual Account toward the purchase of an annuity contract, subject to Plan Section 5.02?

Option 1: ☑ Yes.

Part C. Timing of Distributions

1. **Death, Disability or Attainment of Normal Retirement Age**

If a Participant dies, incurs a Disability, or attains Normal Retirement Age, and a distributable event has occurred, distributions will commence as soon as administratively feasible following:

Option 1: ☑ The date the Participant (or Beneficiary of a deceased Participant) requests a distribution.

2. **Severance from Employment**

If a Participant has a Severance from Employment, and a distributable event has occurred, distributions will commence as soon as administratively feasible following:

Option 1: ☑ The date the Participant requests a distribution.

Part D. Loans

Will a Participant be entitled to request a loan pursuant to Plan Section 5.13?

Option 2: ☑ No.

Part E. Qualified Birth or Adoption Distributions

Will a Participant be entitled to request a Qualified Birth or Adoption Distribution of their Individual Account pursuant to Plan Section 5.01(D), Code section 72(t)(2)(H), and Treasury Regulations and other associated guidance?

Option 1: ☑ Yes, with respect to the following contributions:

☑ Elective Deferrals.

☑ Matching Contributions held in Custodial Accounts.

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Part A. Compensation for Allocation and Other General Purposes

1. Base Definition

Compensation will mean all of each Participant's:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
Not applicable.			☑	☑
3401(a) Wages.	☑	☑		

2. Determination Period

Compensation will be determined over the following applicable period:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
Not applicable.			☑	☑
Plan Year.	☑	☑		

3. Pre-Entry Date Compensation

Unless a different definition of Compensation is required by the Code, for the Plan Year in which an Employee enters the Plan, the Employee's Compensation that will be taken into account for purposes of the Plan will be:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
Not applicable.			☑	☑
Compensation from Entry Date.	☑	☑		

4. Inclusion in Compensation

a. Elective Deferrals

Will Compensation include Employer Contributions made pursuant to a salary reduction agreement that are not includible in the gross income of the Employee under Code sections 125 (cafeteria plans), 132(f)(4) (transportation fringe benefits), 402(e)(3) (401(k) plans), 408(k) (salary deferral SEP plans), 403(b) (tax sheltered annuity plans), 414(h) (governmental pick-up plans), and 457 (deferred compensation plans of state and local governments and tax-exempt organizations)?

Elective Deferrals. ☑ Yes

Matching Contributions. ☑ Yes

b. Post-Severance Compensation

Will Compensation include the following?

Leave cashouts paid after Severance from Employment. ☑ Yes

Deferred compensation paid after Severance from Employment. ☑ Yes

c. Deemed 125 Compensation

Will Compensation include deemed Code section 125 compensation?

Option 2: ☑ No.

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5. Exclusion from Compensation

General Exclusions

Compensation will exclude the following:

	Elective Deferrals	Matching Contributions	Employer Nonelective Contributions	Mandatory Employee Contributions
a. Not applicable.			☑	☑
g. Other. compensation other than base pay		☑		

Part B. Exclusion Year Means

Option 1: ☑ The Plan Year.

Part C. Matching Contribution Computation Period

The Matching Contribution Computation Period applicable to Matching Contributions will be:

Option 5: ☑ Annually.

Part D. Method of Determining Service

1. Service for purposes of determining eligibility to participate in the Plan will be determined on the basis of:

   Option 2: ☑ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of:

   Suboption (a): ☑ Actual hours for which an Employee is paid or entitled to payment.

2. Service for purposes of determining if a Participant is a Qualifying Participant or Qualifying Contributing Participant (and therefore eligible to receive an Employer Contribution) will be determined on the basis of:

   Option 2: ☑ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of:

   Suboption (a): ☑ Actual hours for which an Employee is paid or entitled to payment.

3. Service for purposes of determining a Participant's Vested percentage will be determined on the basis of:

   Option 2: ☑ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of:

   Suboption (a): ☑ Actual hours for which an Employee is paid or entitled to payment.

Part E. Plan Year Means

Option 1: ☑ The 12-consecutive month period which coincides with the Adopting Employer's tax year.

Option 2: ☑ The calendar year.

If the initial Plan Year or any subsequent Plan Year is less than 12 months (a short Plan Year), specify such Plan Year's beginning and ending dates. 7/1/2015 - 12/31/2015 .

Part G. Retirement Age

1. Early Retirement Age

   The Early Retirement Age under the Plan will be:

   Option 1: ☑ An Early Retirement Age is not applicable under the Plan.

2. Normal Retirement Age

   The Normal Retirement Age under the Plan will be:

   Option 1: ☑ Age 65 .

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SECTION SEVEN: MISCELLANEOUS

Part A. Participant Direction

1. Authorization

Will a Participant be responsible for directing any or all of the investment of their Plan assets pursuant to Plan Section 7.01(C)?

Option 1: ☑ Yes.

2. Available Investments

If Option 1 was selected above, what investments will be available for Participant Individual Accounts?

Option 1: ☑ Only approved investment options of Vendors eligible to accept Employer Contributions under the Plan.

3. Accounts Subject to Participant Direction

A Participant will be responsible for directing the following portions of their Individual Account:

Option 1: ☑ The entire Individual Account.

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SECTION EIGHT: EMPLOYER SIGNATURE

Pre-Approved Document Provider

Name of Pre-Approved Document Provider Ascensus, LLC

Address 200 Dryden Road, Dresher, PA 19025

Telephone (215) 648-8000

Check the applicable box if there is an attachment(s) that applies to this Plan other than a separate custodial agreement.

☑ Prior Plan Document Provisions Attachment.

☑ Vendor Attachment.

Authorized Employer Signature

I am an authorized representative of the Adopting Employer named above and I state the following:

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal tax implications of adopting this Plan;
2. I understand that my failure to properly complete this Adoption Agreement may result in failure of the form of the Plan to meet the Code section 403(b) requirements;
3. I understand that the Pre-approved Document Provider will inform me of any amendments made to the Plan and will notify me should it discontinue or abandon the Plan;
4. I understand that a new Adoption Agreement must be completed and signed upon the initial adoption of the Plan and, in addition, if I modify the terms of the Plan, either a new Adoption Agreement or an amendment to the Plan must be completed and signed;
5. I have received a copy of this Adoption Agreement as well as the Adoption Agreement included in Appendix A to the Basic Plan Document which provides all available elections and the corresponding Basic Plan Document 09; and
6. I certify that the Adopting Employer is a Public School or a governmental entity that is exempt from tax under Code section 501(c)(3).

Signature of Adopting Employer _____ Date Signed _____

Type Name _____ Title _____

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Fax Cover Page

Instructions

1. Print the entire document.
2. Sign where required in the document.
3. **Fax the entire document including this cover page as the first page** to the toll-free number.

Attention

- This FAX Cover Page includes a unique bar code that is linked to this specific document.
- Do not re-use this cover page for other faxes.
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Fax To: 1 (866) 836-8142

To: restate.delivery@ascensus.com

From: dcadmin@mainepers.org

Filename: 402623

Document: Ascensus Custodial Agreement

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Custodial Agreement with Ascensus Trust Company

ascensus | trust

THIS CUSTODIAL AGREEMENT ("Agreement") is made and entered into by and between Ascensus Trust Company, (the "Custodian"), a trust company organized under the laws of the State of North Dakota, and

Maine Veterans' Home *(the "Employer")*

for the Maine Veterans' Home Tax Sheltered Annuity Plan *(the "Plan")*

established for the benefit of the employees of the Employer and related companies (Participating Affiliates).

This Agreement is effective as of 07/01/2026

The Custodian and the Employer have agreed to the establishment, pursuant to §403(b)(7) of the Internal Revenue Code of 1986, as amended (the "Code"), of this custodial account ("Fund") intended to satisfy the requirements of Code §401(f)(2). The "Plan Administrator" shall be either the Employer or an individual designated to serve in such capacity by the Employer.

The Plan Administrator has retained a recordkeeper (the "Recordkeeper") to assist with the recordkeeping requirements of the Plan. The Employer represents that (i) the Recordkeeper has been authorized to instruct the Custodian as to actions to be taken under the Plan, and (ii) its Plan satisfies all of the applicable legal requirements of Code §403(b).

The Custodian agrees to hold all cash amounts or other assets transferred to it pursuant to this Agreement, together with any gains and losses thereon, in the Fund. The Custodian agrees to hold and administer the Fund for the uses and purposes and on the terms and conditions set forth in this Agreement. The Custodian expects to retain one or more agents to handle funds, effect investments, and carry out certain other of its responsibilities under this Agreement. Any and all references in this Agreement to the Custodian shall be deemed to include any such agents.

ARTICLE I – RELATIONSHIP OF CUSTODIAL AGREEMENT TO PLAN

§1.01 The Plan and This Agreement

The Plan and this Agreement shall be read and construed together. The terms of the Plan will control over the terms of this Agreement in the event of conflict, except that the Agreement will control in matters relating to the rights and duties of the Custodian. Nothing contained in the Plan shall be deemed to impose any additional powers, duties, or responsibilities on the Custodian. The Custodian shall have no responsibility or authority to interpret the provisions of the Plan. The Custodian will take direction from the Plan Administrator on any matter of Plan provision interpretation.

§1.02 Directed Custodian

The Custodian will serve solely as a directed custodian. The Custodian shall have no responsibility, discretion, or authority with regard to the administration or interpretation of the Plan, including any determination of rights or benefits of any person having or claiming an interest under the Plan or this Agreement. The Custodian shall not act as an investment advisor or investment fiduciary for the Plan and shall not have any responsibility, discretion, or authority for investments in the Plan.

ARTICLE II – CONTRIBUTIONS

§2.01 Elective Deferrals and Catch-Up Contributions

(a) **Elective Deferrals –** The Custodian may accept a contribution of elective deferrals, as defined in Treasury Regulation section 1.402(g)-1 ("Elective Deferrals"), to the Fund on behalf of a participant in the Plan ("Participant"). Elective Deferrals may be made either as pre-tax Elective Deferrals or Roth Elective Deferrals, as permitted under the Plan and at the election of the Participant, in lieu of cash compensation, and made pursuant to a salary reduction agreement within the meaning of Code section 3121(a)(5)(D). Elective Deferrals shall also include catch-up contributions described in §2.01(b) of this Agreement. The Participant shall designate the amount or percentage of their compensation that is to be deferred as an Elective Deferral. If Roth Elective Deferrals are permitted under the Plan, the Participant shall also designate whether the Elective Deferral will be characterized as a pre-tax Elective Deferral or a Roth Elective Deferral. Such designations shall be effective until otherwise modified by the Participant in writing or through any other means established by the Employer and permitted by applicable law or regulations. The Participant may amend or terminate their salary reduction agreement at such times as may be permitted by the Plan.

The Elective Deferrals made for the Participant shall be fully vested at all times and the Participant may take a distribution of the Elective Deferrals and earnings thereon at times specified in Article VII of this Agreement, subject to additional limitations under the Plan.

(b) **Catch-up Contributions**

(i) **Age 50 Catch-up Contributions –** Age 50 catch-up contributions, if permitted by the Plan, may be contributed to the Fund by the Employer for any Participant who is eligible to make Elective Deferrals, has attained or will attain age 50 before the end of that calendar year, and has

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contributions in excess of a statutory or Employer-provided limit. Such age 50 catch-up contributions must comply with Code section 414(v) and the guidance thereunder.

(ii) **Special Catch-up Contributions for Employees with 15 Years of Service –** Special Code section 403(b) catch-up contributions described in Treasury Regulation section 1.403(b)-4(c)(3), if permitted by the Plan, may also be contributed to the Fund by the Employer for any Participant who satisfies the eligibility requirements for such contributions.

Notwithstanding the foregoing, the Employer may require a Participant who is eligible to make catch-up contributions to designate the amount or percentage of their compensation that is to be deferred as a catch-up contribution. Such catch-up contributions will not be taken into account for purposes of the required limitations of Code sections 402(g) and 415, and the Plan shall not be treated as failing to satisfy the requirements of Code sections 403(b) by reason of making such catch-up contributions. Any Elective Deferrals that exceed an otherwise applicable Plan limit will first be applied to special Code section 403(b) catch-up contributions for Employees with 15 years of service, with any additional Elective Deferrals being treated as age 50 catch-up contributions, if applicable.

§2.02 Rollover Contributions

Unless prohibited by the Plan, the Custodian may accept a contribution of eligible rollover distributions to the Fund from a qualified plan described in Code section 401(a) or 403(a) (other than after-tax employee contributions unless the rollover is a direct rollover), a custodial account described in Code section 403(b) (other than after-tax employee contributions unless the rollover is a direct rollover), or an eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. The Custodian may accept a contribution of an eligible rollover distribution from an individual retirement account or annuity described in Code section 408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income.

The Custodian may also accept contributions of eligible rollover distributions made to the Participant who is a surviving spouse, or a spouse or former spouse who is the alternate payee under a qualified domestic relations order as defined in Code section 414(p).

No amount that is distributed on account of hardship will be an eligible rollover distribution, and the Participant may not elect to have any portion of such a distribution paid directly to the Fund.

The Participant shall certify, in a manner acceptable to the Recordkeeper, that such amounts are eligible rollover distributions. The Custodian shall not be responsible for determining whether any rollover is proper and reserves the right not to accept any rollovers.

If permitted under the Plan, rollover contributions and a required minimum distribution 1) that would have been distributed to a Participant or a Participant's beneficiary under the Plan ("Beneficiary") for 2020, or 2) that would have been distributed to a Participant or Beneficiary in 2020 for 2019 but for the enactment of Code section 401(a)(9)(I) will be considered eligible rollover distributions and such amounts may be repaid to the Plan in accordance with the Plan's existing rollover contribution elections. In addition, a series of substantially equal distributions (that include the 2020 RMD) made at least annually and expected to last for i) the life (or life expectancy) of the Participant, ii) the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or iii) a period of at least 10 years will also be considered eligible rollover distributions and such amounts may be repaid to the Plan in accordance with the Plan's existing rollover contribution elections.

§2.03 Plan-to-Plan Transfers

Unless prohibited by the Plan, the Custodian may accept a transfer (or arrange for the transfer of) assets from another custodial account described in Code section 403(b) to this Fund. The Recordkeeper shall certify, in a manner acceptable to the Custodian, that the transfer satisfies all current requirements for such a transaction. The Custodian shall not be responsible for determining whether any such transfer is proper and reserves the right not to accept any transfer. The transfer must meet the requirements of Treasury Regulation section 1.403(b)-10(b)(3).

§2.04 Employer Contributions

If the Plan provides for Employer contributions to the Fund, the Participant's Employer may make Employer contributions on behalf of the Participant. The amount of the contributions, their vested status, and other provisions applicable to those Employer contributions shall be set forth in the Plan. To the extent that any amounts are not vested, those amounts shall be accounted for separately. The Employer contributions shall not exceed any applicable federal or state limitations on such Employer contributions and shall be made in a nondiscriminatory manner as determined by applicable law or regulation.

§2.05 Contribution Limits

In no event shall the contributions to the Fund for a tax year on behalf of the Participant exceed the maximum amount permitted under current law or regulation.

(a) The contributions made during a tax year on behalf of the Participant, when aggregated with other contributions made through the Participant's Employer (or controlled group of Employers under Code sections 414(b), (c), (m) or (o)), shall not exceed the limitations set forth in Code section 403(b)(1) for that year (including the limits under Code section 415). If the limits under Code section 415 are exceeded, the Custodian shall distribute the excess at the direction of the Recordkeeper. If the excess is not distributed timely, then, for the year of the excess and each year thereafter, the Custodian shall separately account for the excess.

(b) With respect to Elective Deferrals, the Fund must satisfy Code section 401(a)(30). That means that the maximum of all applicable elective deferrals (including Elective Deferrals made to the Fund or any other elective deferrals made under the Plan or any other plan of the Participant's Employer or other entities that are required to be treated as one employer with the Employer under Treasury Regulations or other guidance) made on the Participant's behalf during the Participant's tax year shall not exceed the limitations set forth in Code section 402(g)(1). The Fund must also satisfy any other limitations described in Treasury Regulation section 1.403(b)-4, including the limitations applicable to age 50 catch-up provisions and to special Code section 403(b) catch-up provisions.

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(c) Notwithstanding any provision of this Agreement to the contrary, effective December 12, 1994, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).

(d) The Custodian may accept contributions for the Participant from a former Employer, if Treasury Regulation section 1.403(b)-4(d) is satisfied.

(e) The Participant is solely responsible for determining their maximum annual Elective Deferrals when contributing to plans sponsored by unrelated employers.

(f) Each type of contribution described in this §2.05 and earnings or losses attributable to the type of contributions shall be separately accounted for.

(g) If the Participant elects to receive a distribution for a financial hardship described in §7.03 of this Agreement, he or she will be required to cease making Elective Deferrals (and nondeductible employee contributions, if applicable) as described in the Plan. For distributions that are made on or after January 1, 2020, a Participant's Elective Deferrals (and nondeductible employee contributions, if applicable) will not be suspended for any period of time due to the receipt of a hardship distribution.

(h) Participant contributions allocable to difficulty of care payments shall be treated as nondeductible employee contributions, except as otherwise provided under the Plan or by law or regulation. Such contributions shall not, however, be treated as failing to meet the requirements of any provision described in Code chapter 1, Normal Taxes and Surtaxes, by reason of any contribution that is based on difficulty of care payments.

§2.06 Contract Exchanges

Unless prohibited by the Plan, the Custodian may accept a contract exchange (or arrange for the exchange) of assets from another custodial account described in Code section 403(b) to this Fund provided that (i) the Plan provides for the exchange, (ii) the Participant or Beneficiary has an accumulated benefit immediately after the exchange that is at least equal to the accumulated benefit immediately before the exchange (taking into account the accumulated benefit of that Participant or Beneficiary under both Code section 403(b) contracts or custodial accounts immediately before the exchange, (iii) the assets being exchanged will remain subject to distribution restrictions that are not less stringent than those imposed on such assets prior to the exchange, and (iv) the Employer enters into an agreement with the issuer of the other contract as described in Treasury Regulation section 1.403(b)-10(b)(2)(i)(C). Notwithstanding anything to the contrary in this paragraph, the Custodian shall process an exchange only upon the direction of the Recordkeeper. The Recordkeeper shall certify, in a manner acceptable to the Custodian, that the exchange satisfies all current requirements for such a transaction. The Custodian shall not be responsible for determining whether any such exchange is proper and reserves the right not to accept any exchange. The contract exchange must meet the requirements of Treasury Regulation section 1.403(b)-10(b)(2).

§2.07 In-Plan Roth Rollover

The Custodian may accept in-Plan Roth rollovers of any non-Roth assets as allowed under the Plan.

§2.08 Repayments

(a) **Qualified Birth or Adoption Distribution Repayments –** A Participant who receives a qualified birth or adoption distribution, as defined in Code section 72(t)(2)(H), from the Plan may, in accordance with the Plan's existing rollover contribution elections and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution. In addition, a Participant who receives a qualified birth or adoption distribution that is taken from a source other than the Plan may, as allowed under the Plan and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution.

(b) **Coronavirus-Related Distribution Repayments –** A Participant who receives a coronavirus-related distribution from the Plan may, in accordance with the Plan's existing rollover contribution elections and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution. In addition, a Participant who receives a coronavirus-related distribution that is taken from a source other than the Plan may, as allowed under the Plan and pursuant to rules promulgated by the IRS, make one or more repayments to the Plan in an aggregate amount not to exceed the amount of such distribution.

§2.09 Difficulty of Care Payments

The Custodian may accept contributions, or receive allocations, that are based on the Participant receiving difficulty of care payments, even if the Participant has no other compensation, as allowed under the Plan.

ARTICLE III – INVESTMENT RESPONSIBILITIES

§3.01 Investment Responsibility of Custodian

The Custodian shall take investment directions from the Recordkeeper and shall have no investment management responsibility with respect to the assets of the Fund or any other assets held under the Plan, other than certain short term investment responsibility as described in §4.01(a).

Payments made by the Employer to the Custodian shall be allocated in accordance with instructions received from the Recordkeeper.

It is understood that certain of the investments of the Fund may be commingled in a group trust offered by the Custodian for the collective investment of the assets of eligible employee benefit plans, as described in §4.01(a), and such commingling of assets is hereby expressly authorized. Such group trusts shall be used to hold un-invested cash which may result from un-cashed disbursement checks or unsettled trades within the Plan.

To the extent of the Fund's participation in a group trust as described above, the declaration of trust of such composite trust shall be deemed to be a part of the Plan, and any investment in such composite trust shall be subject to all the provisions of such declaration of trust, as the same may be amended or supplemented.

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Except as specified in §4.01(a), the Custodian shall be subject to the directions of the Plan Administrator as the named fiduciary responsible for the management and control of the assets of the Fund, and to the investment directions of the Participants and Beneficiaries, as such directions are communicated to the Custodian by the Recordkeeper.

Contributions or payments made to the Custodian on behalf of the Employer, Participating Affiliates, and Participants shall be applied or invested in accordance with instructions received from the Plan Administrator through the Recordkeeper. The Custodian will not exercise any discretion or authority either with regard to investments or the administration of the Plan.

§3.02 Contributions, Allocations, and Distributions Hereunder

The Custodian shall have no duty to collect contributions, make allocations or investments, or process distributions from the Plan. Instead, such contributions, allocations, investments, and distributions shall be directed or made by the Employer or any Participant, as the case may be, in accordance with the terms of the Plan, the annuity contract (the "Contract") and the custodial accounts (the "Accounts"). A contribution to, allocation or investment under, or withdrawal from the Contract or the Accounts shall be deemed to be a certification by the Employer or the Plan Administrator, that the contribution, allocation, investment or withdrawal is in accordance with the terms of this Agreement, the Plan, the Contract and the Accounts.

§3.03 Rights of Custodian in Contract and Accounts

The Custodian shall exercise whatever rights and privileges may be granted under the Contract and the Accounts, as directed by the Plan Administrator or Employer. The Custodian shall have no discretion in the exercise of such rights and privileges and, consequently, shall have no responsibility for any action taken by it under the Contract or the Accounts or for its failure to take such action.

Any decisions concerning the purchase, retention, or termination of Plan participation under the Contract shall be made only by the Plan Administrator or Employer, and any decisions concerning the establishment or termination of an Account shall be made only by the Participant to the extent provided under the Plan. The Custodian shall have no responsibility for such decisions. The Plan Administrator or Employer is hereby authorized to serve as signatory to execute any application for Plan participation under the Contract, loan requests and loan notes, requests for disbursement, and requests for withdrawals of excess amounts. Any notice of termination of Plan participation under the Contract shall require the signature of the Custodian.

The foregoing authority of the Plan Administrator or Employer to act and to direct the Custodian to act under the Contract and in connection with the Accounts, shall neither preclude nor interfere with the exercise by the Custodian of its rights and responsibilities under this Agreement. Accordingly, the Custodian shall be entitled at all times, without limitation, to deduct from the assets of the Trust any amount which becomes payable pursuant to §7.10, §7.11, §7.12, or §8.02, as specified in such sections.

§3.04 Status as Contract Holder and Account Holder

The Custodian shall serve as the owner of the Contract and the Accounts; in its capacity as such, the Custodian shall act solely in accordance with the directions of the Plan Administrator, the Employer, or the Participant, as set forth in §4.01.

§3.05 Other Assets

The Custodian shall be the titleholder of any loans to Participants made under the terms of the Plan. The Plan Administrator or Employer shall be responsible for the maintenance and custody of any documentation evidencing such loans and the Custodian shall act with respect to any loan only as directed by the Plan Administrator.

§3.06 Investment and Reinvestment of the Fund

All cash received by the Custodian shall be invested in shares of stock issued by any regulated investment company ("Investment Company Shares") as that term is defined in Code section 403(b)(7).

All dividends and other distributions received by the Custodian with respect to Investment Company Shares shall be reinvested in like Investment Company Shares.

The Recordkeeper may, by written instructions, direct the Custodian to exchange all or any portion of Investment Company Shares held in the Fund for other Investment Company Shares, provided that such exchange is permitted by the prospectuses relating to such investment Company Shares.

§3.07 Investment Direction

The Custodian shall invest contributions to the Fund in various types of Investment Company Shares based solely on the investment instructions received from the Recordkeeper. If the Custodian finds any investment instructions of the Recordkeeper to be incomplete or otherwise unacceptable, it may return such contributions to the Employer, who shall hold such contributions in trust in accordance with applicable law. The Custodian shall be entitled to rely exclusively upon the latest acceptable instructions of the Recordkeeper. Any contribution, distribution, investment, or other direction referred to in this Agreement received by the Custodian through the Recordkeeper shall be deemed to be a direction from the Plan Administrator.

§3.08 Ownership of Investment Company Shares

The title to all Investment Company Shares held in the Fund shall be registered in the name of the Custodian as custodian for the Plan. The Custodian shall forward all proxy and other materials that relate to such Investment Company Shares to the Plan Administrator who shall take whatever action is required by the Plan.

§3.09 Investment Responsibilities

The Custodian shall be under no duty to question the directions it receives from the Recordkeeper, or to otherwise advise the Employer or Recordkeeper with regard to the investment and control of assets in the Fund, and the Custodian shall not be liable for any loss that results from the exercise or non-exercise of control over such assets.

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ARTICLE IV – RESPONSIBILITIES AND POWERS OF THE CUSTODIAN

§4.01 General Administrative Powers

The Custodian is authorized and empowered to take any action set forth below with respect to any asset of the Fund:

(a) to invest funds as instructed by the Recordkeeper in (i) any group trust offered by the Custodian or, (ii) pending the communication by the Recordkeeper of other investment instruction from the Plan Administrator, Participants, or Beneficiaries, in the group trust offered and selected by the Custodian as a medium for the collective investment of eligible employee benefit plans;

(b) to serve as Custodian with respect to Fund assets;

(c) to cause any property of the Fund to be issued, held, or registered in the individual name of the Custodian, in the name of its nominee, in a securities depository, or in such other form as may be required or permitted under applicable law (however, the records of the Custodian shall indicate the true ownership of such property);

(d) to employ such agents and counsel, including legal counsel, as the Custodian determines to be reasonably necessary to manage and protect the assets of the Fund, to handle controversies under §6.02, §7.01(b), or any other section of this Agreement, or to defend itself against allegations of breach of this Agreement, and to pay them reasonable compensation from the Fund unless otherwise paid by the Employer; and

(e) to do all other acts necessary or desirable for the proper administration of the Fund assets.

§4.02 Accounts and Reports of the Custodian

(a) Records. The Custodian shall maintain accurate records of all Fund assets, including all contributions, distributions, or other transactions of the Fund, and those records shall be available at all reasonable times for inspection by the Recordkeeper, the Employer, or the Plan Administrator.

(b) Reports. The Custodian shall cause to be submitted to the Recordkeeper such reports as agreed upon between the Custodian and the Recordkeeper. The Custodian shall not maintain records regarding the allocation of assets and liabilities (including loans to Participants and Beneficiaries under Article VII) to Participants and Beneficiaries or perform any balancing or reconciliation of the Plan assets. The Recordkeeper shall maintain appropriate balancing and reconciliation procedures for the Plan and is responsible for maintaining accurate records of the Plan assets. This would include balancing, reconciliation and allocation of all assets and liabilities of the Plan. Nothing contained in this Agreement shall deprive the Custodian of the right to have a judicial settlement of its accounts.

(c) The Custodian shall prepare and file with appropriate government agencies only such returns and other information as may be required by law to be filed by the Custodian.

§4.03 Representations and Warranties of the Custodian

(a) The Custodian has full power and authority to execute, deliver, and perform this Agreement and has taken all necessary and proper action to authorize the execution and delivery of this Agreement;

(b) the Custodian will perform its obligations hereunder in accordance with the terms of this Agreement;

(c) the Custodian acknowledges that, to the extent any Plan assets are invested in a collective fund or trust offered by the Custodian, it is a fiduciary with respect to Trust assets invested in any fund maintained under the declarations;

(d) the Custodian acting under this Agreement shall comply with all applicable laws, including any federal, state and local government law, statute, rule, requirement, code, regulation, permit, ordinance, authorization or other such similar governmental requirement and interpretation of the same by a governmental authority within the United States with jurisdiction over same, as well as any and all requirements of any governing body in any jurisdiction outside the United States, including by obtaining and maintaining any and all required permits, licenses and other documentation necessary to perform its services hereunder;

(e) no officer, employee, contractor or agent of the Employer or any affiliate of the Employer has been or will be employed, retained, paid a fee, or otherwise has received or shall receive any personal compensation or consideration by or from Custodian or any of the Custodian's officers, employees, contractors or agents in connection with the obtaining, arranging or negotiation of this Agreement or other documents entered into or executed in connection herewith; and

(f) the Custodian will not cause the Trust to engage in a transaction with respect to the Plan that it knows would constitute a prohibited transaction under Code section 4975.

§4.04 Information Sharing

The Employer understands and agrees that the Custodian, the Recordkeeper, and any of their respective agents may share information about the Fund (including, but not limited to, data related to contribution amounts, distributions, and withdrawals) with the Employer or with other entities at the direction of the Employer or as otherwise required by law. The Employer further understands and agrees that the Custodian, the Recordkeeper, and any agents thereof, may share information about the Fund with each other as well as with the following: (a) their officers, employees and directors who have a business need to know such information and (b) their attorneys, accountants, consultants, agents, affiliates, independent contractors, or professional advisors who (i) have a business need to know such information and (ii) are subject to fiduciary, professional or written obligations of confidentiality.

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ARTICLE V – FIDUCIARY RESPONSIBILITIES AND LIABILITIES

§5.01 General

(a) The Plan Administrator, the Employer, and all other fiduciaries under the Plan and this Agreement intend that each fiduciary shall be solely responsible for its own acts or omissions. The Custodian shall not be responsible for the breach of responsibility by any other Plan fiduciary except as required under federal or state law or unless due to the Custodian's negligence or bad faith. A fiduciary shall be liable for its acts or omissions or the acts or omissions of the other persons only to the extent required by federal law. Any person may serve in more than one fiduciary capacity under the Plan, and a fiduciary may be a Participant under the Plan provided such individual otherwise satisfies the requirements for participation under the Plan. The fiduciaries under the Plan will discharge their duties with respect to the Plan solely in the interest of the Participants and Beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

(b) The Plan Administrator and the Employer (if the Plan Administrator is not the Employer) each shall be a "named fiduciary" with respect to the administration and management of the Plan and this Agreement. A named fiduciary, by written instrument filed by the Plan Administrator with the records of the Plan, may designate a person who is not a named fiduciary to carry out its responsibilities under the Plan, other than a responsibility which is delegated under the terms of this Agreement to the Custodian.

§5.02 Custodian Responsibilities with Respect to Assets Subject to Investment by Other Persons

(a) Except with regard to the group trust as described in §3.01 and §4.01(a), (i) neither the Plan Administrator nor the Custodian shall have any obligations or duties with respect to the acquisition, retention, or disposition of property of the Fund, and (ii) the Custodian shall have no obligation or duty to respond to communications from entities not party to this Agreement, other than to forward such communication to the Plan Administrator, which relate to property held in the Fund. The Plan Administrator shall take whatever action is required by the Plan.

(b) Except as otherwise provided by federal or state law, the Custodian shall not be liable, in any manner or for any reason, for the making or retention of any investment pursuant to investment directions received from a person authorized to make such directions. The Custodian shall not be liable for the Custodian's failure to invest any or all of the assets of the Fund in the absence of such directions.

§5.03 Other Limitations on the Custodian's Responsibility

(a) The Custodian shall have no powers, duties, or responsibilities with regard to the administration of the Plan nor shall it have any power, duty, or responsibility to determine the rights or benefits of any person having or claiming an interest under the Plan or this Agreement.

(b) The Custodian shall have no liability for the adequacy of contributions to the Plan and no responsibility to enforce the payment of such contributions. Such responsibility shall be the responsibility of the Plan Administrator or other party as appointed by the Plan Administrator.

(c) The Custodian shall not act as an investment fiduciary for the Plan and shall not have any power, duty, or responsibility for investments in the Plan except as it is directed by an authorized individual as described in §4.01(a).

§5.04 Reliance on Counsel and Indemnification

The Custodian may from time to time consult with counsel (who may be counsel for the Employer or Plan Administrator) and shall be fully protected in acting upon the advice of counsel in such instance. The Employer agrees to indemnify and hold the Custodian harmless from and against any liability or expense that it may incur in the administration of the Fund, unless arising from the Custodian's own negligence or willful misconduct. The Custodian shall not be required to give any bond or other security for the faithful performance of its duties under this Agreement except to the extent required by applicable law. The Custodian agrees to indemnify and hold the Employer harmless from and against any liability or expense to the extent caused by the Custodian's negligence or willful misconduct.

ARTICLE VI – DIRECTIONS

§6.01 Form of Direction

Any action to be taken by the Custodian hereunder that is to be taken upon instruction from the Recordkeeper shall be taken by the Custodian only if, when, and as instructed by the Recordkeeper (i) in a written instrument, signed by the person or persons authorized by the Recordkeeper to sign on its behalf, and delivered to the Custodian or (ii) electronically using secured communication methods acceptable to the Custodian and the Recordkeeper. The Custodian shall comply with such instructions and shall have no obligation to comply with the instructions of any other person, including the Plan Administrator and the Employer, except as provided in §6.02. The Custodian shall be under no liability for any loss or breach of trust of any kind that may result from any action or failure of action due to compliance with instructions of the Recordkeeper or a failure on the part of the Recordkeeper to give instructions properly or within a required period of time.

§6.02 Reliance on Direction

The Custodian may assume that the Recordkeeper is acting in accordance with authority granted to it by the Plan Administrator or Employer unless and until it is notified to the contrary in writing by the Plan Administrator or Employer. In the event the Custodian receives such written notice, the Custodian shall be subject to the written instruction of the Plan Administrator pending the appointment of a successor Recordkeeper. In the event that a successor Recordkeeper is not appointed and the Custodian is unable to obtain any instructions from the Plan Administrator, the Custodian may, but is not required to, exercise its own discretion and may, if it so desires, apply to a court of competent jurisdiction for guidance with respect to any matter regarding the Fund.

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ARTICLE VII – PAYMENTS, TRANSFERS AND EXPENSES

§7.01 Payments by the Custodian

(a) All payments from the Fund shall be made by the Custodian to such persons, in such manner, at such time, and in such amounts as directed by the Plan Administrator and communicated to the Custodian by the Recordkeeper. The Custodian shall be under no duty to make inquiry as to whether any distribution instruction by the Recordkeeper is made pursuant to the provisions of the Plan and shall have no liability for any distribution made by it pursuant to instructions received from the Recordkeeper. The Custodian may make any payment required to be made by it hereunder by mailing its check for the amount thereof to the Plan Administrator, unless otherwise instructed by the Recordkeeper.

(b) In the event any controversy arises between the Employer and the Custodian regarding any matter arising in the administration of the Plan, the Custodian shall be subject to the direction of the Plan Administrator as communicated to the Custodian by the Recordkeeper. The Custodian may retain the amount in controversy pending resolution of the controversy. The Custodian shall not be obliged to invest any amount so retained, nor shall it be liable for the payment of any interest or income on any such amount, except to the extent of gains, if any, attributable to the investment of such amount.

(c) The form of distribution shall be determined under the terms of this Agreement and the Plan. If the Plan provides for a mandatory lump sum distribution, then the requirements of Code section 401(a)(31) (as expressed in the Plan) shall apply to distributions (including automatic rollover requirements for certain mandatory distributions).

§7.02 Timing of Payment of Distributions

(a) Subject to any applicable limitations described in this Agreement or the provisions of the Plan, the Participant (or a Beneficiary) may request a distribution from the Fund of amounts attributable to Elective Deferrals upon the occurrence of one of the following events:

(1) the Participant's severance from employment with the Employer maintaining the Plan (as defined in Treasury Regulation section 1.403(b)-2(b)(19));

(2) the Participant's death;

(3) the Participant's financial hardship, as described in §7.03 of the Agreement;

(4) the Participant's disability within the meaning of Code section 72(m)(7);

(5) the Participant's attainment of age 59½; or

(6) the date that is 90 days prior to the date the Participant may no longer hold amounts invested in a lifetime income investment, as defined in Code section 401(a)(38)(B)(ii), as provided in Code section 403(b)(7)(A) and related guidance.

(b) Subject to any applicable limitations described in this Agreement or the provisions of the Plan, the Participant (or a Beneficiary) may request a distribution from the Fund of amounts attributable to amounts other than Elective Deferrals upon the occurrence of one of the following events:

(1) the Participant's severance from employment with the Employer maintaining the Plan (as defined in Treasury Regulation section 1.403(b)-2(b)(19)).

(2) the Participant's death;

(3) the Participant's disability within the meaning of Code section 72(m)(7);

(4) the Participant's attainment of age 59½; or

(5) the date that is 90 days prior to the date the Participant may no longer hold amounts invested in a lifetime income investment, as provided in Code section 403(b)(7)(A) and related guidance.

Amounts transferred out of the Fund to an annuity contract or retirement income account, including earnings thereon, shall continue to be subject to this Article 7.02(b).

(c) Distribution of amounts held under this Agreement may occur prior to one of the events described above if the distribution falls into one of the following categories and if permitted under the terms of the Plan:

(1) Excess deferrals distributed under Treasury Regulation section 1.403(b)-4(f);

(2) Amounts distributed in connection with a Plan termination as set forth in Treasury Regulation section 1.403(b)-10;

(3) Elective Deferrals held as of the close of the taxable year beginning before January 1, 1989 (but not earnings thereon) as provided in Treasury Regulation section 1.403(b)-6(d)(1)(ii);

(4) After-tax employee contributions or earnings thereon as of earlier dates than specified above.

(d) Eligible rollover distributions separately accounted for may be distributed at any time, if permitted by the Plan, in accordance with Treasury Regulation section 1.403(b)-6(d)(1)(i).

(e) Unless prohibited by the Plan, the following distributions will be allowed:

(1) a qualified reservist distribution under Code section 72(t)(2)(G);

(2) payment of qualified health insurance premiums for eligible public safety officers under Code section 402(l);

(3) permissible withdrawals under Code section 414(w)(2);

(4) a deemed severance from employment distribution under Code section 414(u)(12)(B);

(5) disaster relief distributions under Code section 1400Q;

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(6) a qualified birth or adoption distribution under Code section 72(t)(2)(H); and

(7) a coronavirus-related distribution.

All requests for withdrawal shall be in writing or submitted in another manner acceptable to the Custodian and must specify the method of distribution. The tax identification number of the Participant (or Beneficiary, if applicable) must be provided to the Custodian before it is obligated to make a distribution. Withdrawals shall be subject to all applicable tax and other laws and regulations, redemption, and other investment related fees and withholding requirements.

All distributions shall be made in cash. In making any distributions from the Fund, the Custodian shall be fully entitled to rely on the directions, data or authorization properly furnished to it in accordance with this §7.02. The Custodian shall not make any discretionary determinations as to whether a Participant qualifies for a distribution under this Agreement.

§7.03 Financial Hardship

For purposes of §7.02(a)(3) of this Agreement, financial hardship is as an immediate and heavy financial need of the Employee, as described in Treasury Regulation section 1.401(k)-1(d)(3), where such Employee lacks other available resources. Financial needs considered immediate and heavy include, but are not limited to, 1) expenses incurred or necessary for medical care, described in Code section 213(d), of the Employee, the Employee's primary Beneficiary, the Employee's spouse or dependents; 2) the purchase (excluding mortgage payments) of a principal residence for the Employee; 3) payment of tuition and related educational fees for the next 12 months of post-secondary education for the Employee, the Employee's primary Beneficiary, the Employee's spouse, children or dependents; 4) payment to prevent the eviction of the Employee from, or a foreclosure on the mortgage of, the Employee's principal residence; 5) funeral or burial expenses for the Employee's deceased parent, spouse, primary Beneficiary, child or dependent; 6) payment to repair damage to the Employee's principal residence that would qualify for a casualty loss deduction under Code section 165 (determined without regard to Code section 165(h)(5) and whether the loss exceeds ten-percent of adjusted gross income); and 7) effective for distributions on or after January 1, 2018, expenses and losses (including loss of income) incurred by the Employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA), provided that the Employee'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.

No distributions on account of financial hardship shall exceed the amount determined to be necessary to meet the immediate financial need created by the hardship as described in those same regulations and the Plan. In addition, the amount of the distribution cannot be otherwise reasonably accommodated from other resources of the Participant, such as through other distributions currently available under the Plan or by cash or other liquid assets that are reasonably available to the Participant. Any distribution made on account of the Participant's financial hardship shall be made to the Participant in a single sum payment in cash pursuant to instructions provided in writing or in another form acceptable to the Custodian and delivered to the Custodian.

Hardship distributions described in this §7.03 may consist only of the amounts contributed pursuant to the Participant's salary reduction agreement, including any earnings on such contributions.

The determination of whether a financial hardship exists shall be made pursuant to the terms of the Plan or by the Participant if the Plan does not contain such terms and not by the Custodian. A Participant who requests a distribution on account of financial hardship shall certify, in a manner acceptable to the Custodian, that a financial hardship exists.

If the Participant receives a hardship distribution before January 1, 2020, he or she will be prohibited from making any Elective Deferrals (and nondeductible employee contributions, if applicable) for a period of six months from the date of such distribution as described in the Plan. For hardship distributions that are made on or after January 1, 2020, the Participant's Elective Deferrals (and nondeductible employee contributions, if applicable) will not be suspended for any period of time due to the receipt of a hardship distribution.

§7.04 Required Minimum Distributions

(a) Notwithstanding any provision of this Agreement to the contrary, the distribution of the Participant's interest in the Fund ("Participant's Account") shall be made in accordance with the requirements of Treasury Regulation section 1.403(b)-6(e) and the Plan. The minimum distribution requirements of Code section 401(a)(9) must be met for the Participant's Account. For purposes of applying the distributions rules of Code section 401(a)(9) to this Participant's Account, the minimum distribution rules applicable to individual retirement accounts described in Code section 408(a) apply with several exceptions. Those rules are described in Treasury Regulation section 1.408-8 and the exceptions are described in Treasury Regulation section 1.403(b)-6(e). Those rules and exceptions are incorporated herein by reference.

(b) Notwithstanding §7.04(a) of this Agreement, the undistributed portion of a Participant's Account valued as of December 31, 1986, exclusive of subsequent earnings, is not subject to the required minimum distribution rules under Code section 401(a)(9) but must be distributed in accordance with the incidental benefit requirements of Treasury Regulation section 1.401-1(b)(1)(i) (which generally requires that distributions begin at the later of age 75 or separation from service), if such amounts are accounted for separately.

(c) For the balance of the Participant's Account subject to the minimum distribution requirements referenced in §7.04(a) of this Agreement, the Participant must begin taking distributions from the Participant's Account no later than the Participant's required beginning date. The required beginning date for a Participant is the first day of April of the calendar year following the calendar year in which the Participant either attains age 73 (age 72 for if the Participant was born on or after July 1, 1949 and before January 1, 1951, or age 70½ if the Participant was born before July 1, 1949) (the "Applicable Age") or retires, whichever is later. Further, the entire interest of the Participant for whose benefit the Fund is maintained must be distributed over the Participant's life or the lives of such Participant and their designated Beneficiary(ies), or a period certain not extending beyond the Participant's life expectancy or the joint and last survivor expectancy of such Participant and their designated Beneficiary(ies).

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(d) The minimum amount that must be distributed to the Participant for each distribution calendar year of the Participant is determined under Treasury Regulation section 1.401(a)(9)-5 and is referred to as the "required minimum distribution." Except as otherwise provided herein, the required minimum distribution is generally calculated as follows:

(1) the required minimum distribution for any distribution calendar year is the Participant's Account value at the close of business on December 31 of the preceding year divided by the distribution period in the uniform lifetime table in Treasury Regulation section1.401(a)(9)-9. However, if the Participant's designated Beneficiary is their surviving spouse, the required minimum distribution for a distribution calendar year shall not be more than the Participant's Account value at the close of business on December 31 of the preceding year divided by the number in the joint and last survivor table in Treasury Regulation section 1.401(a)(9)-9. The required minimum distribution for a year under this paragraph (1) is determined using the Participant's (or, if applicable, the Participant's and spouse's) attained age (or ages) in the year;

(2) the required minimum distribution for a year, beginning with the year following the year of the Participant's death (or the year the Participant would have reached the Applicable Age, if applicable under §4.04(e)(2)(B) of this Agreement) is the Participant's Account value at the close of business on December 31 of the preceding year divided by the life expectancy of the Participant (in the single life table in Treasury Regulation section 1.401(a)(9)-9) as specified in §4.04(e) below; and

(3) the required minimum distribution for the year before the required beginning date of the Participant can be made as late as that required beginning date. The required minimum distribution for any other year must be made by the end of such year.

(e) Required Minimum Distributions After Participant's Death

(1) Death Prior to January 1, 2020, On or After Date Distributions Begin

(A) Participant Survived by Designated Beneficiary – If the Participant dies prior to January 1, 2020, and 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 benefit by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, as determined in (i) through (iii) below.

(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 remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

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

(B) No Designated Beneficiary – If there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's benefit 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 On or After January 1, 2020, On or After Date Distributions Begin

(A) Participant Survived by Designated Beneficiary – If the Participant dies on or after January 1, 2020, and 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 benefit by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, as determined in (i) through (vi) below.

(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 remaining surviving spouse's life expectancy is calculated 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 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 eligible designated Beneficiary is the Participant's minor child, life expectancy payments must begin by December 31 of the year following the year of the Participant's death and continue until the child reaches age 21. Unless the remaining interest is payable to the Participant's surviving spouse once age 21 is reached, the Beneficiary shall cease to be an eligible designated Beneficiary as of the date the child reaches age 21 and, except as otherwise provided by the IRS under regulation or other guidance, the remaining interest must be distributed by December 31 of the year the child attains age 31. However, distributions are not

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required for calendar years 2021, 2022, 2023, or 2024, if the year is during the 10 year period following the child's attainment of age 21 per IRS Notice 2022-53, Notice 2023-54, and Notice 2024-35.

(v) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary and there is no eligible designated Beneficiary, the Participant's entire remaining interest must be distributed by December 31 of the year containing the 10th anniversary of the Participant's death. However, distributions are not required for calendar years 2021, 2022, 2023, or 2024 per IRS Notice 2022-53, Notice 2023-54, and Notice 2024-35.

(vi) If there is a designated Beneficiary but not an eligible designated Beneficiary, distributions must begin by December 31 of the calendar year immediately following the calendar year of the Participant's death. The remaining Life Expectancy will be calculated based upon the longer of the life expectancy of the designated Beneficiary or the deceased Participant. However, distributions are not required for calendar years 2021, 2022, 2023, or 2024 per IRS Notice 2022-53, Notice 2023-54, and Notice 2024-35.

(B) No Designated Beneficiary - If there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Benefit 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.

(3) Death Prior to January 1, 2020, Before Date Distributions Begin

(A) Participant Survived by Designated Beneficiary – Except as provided in the Plan document (or in a separate IRS model amendment, if applicable) or as elected by a designated Beneficiary pursuant to § 7.04(f)(7), if the Participant dies prior to January 1, 2020, and before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Benefit by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in §7.04(e)(1).

(i) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as provided in the Plan document (or in a separate IRS model amendment, if applicable), 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 by December 31 of the calendar year in which the Participant would have attained the Applicable Age, if later.

(ii) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin under §7.04(e)(3)(A)(i), this §7.04(e)(3) will apply as if the surviving spouse were the Participant.

(iii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as provided in the Plan document (or in a separate IRS model amendment, if applicable), distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year of the Participant's death.

(B) No Designated Beneficiary – If the Participant dies prior to January 1, 2020, and 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.

(4) Death On or After January 1, 2020, Before Date Distributions Begin

(A) Participant Survived by Designated Beneficiary

(i) If the Participant's surviving spouse is the sole designated Beneficiary, distributions to the surviving spouse must begin by December 31 of the 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.

(ii) If the Participant's surviving spouse dies before distributions are required to begin to the surviving spouse under §7.04(e)(4)(A)(i), this § 7.04(e)(4) will apply as if the surviving spouse were the Participant.

(iii) If the designated Beneficiary 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 designated Beneficiary's age as of his 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. If the surviving eligible designated Beneficiary dies before distributions are required to begin to the eligible designated Beneficiary under this paragraph, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(iv) If the Participant's eligible designated Beneficiary is the Participant's minor child, life expectancy payments must begin by December 31 of the year following the year of the Participant's death and continue until the child reaches age 21. The designated Beneficiary shall cease to be an eligible designated Beneficiary as of the date the child reaches age 21 and, except as otherwise provided by the IRS under regulation or other guidance, distribution of the Participant's entire interest must be completed by December 31 of the calendar year the child attains age 31.

(v) Unless otherwise elected in the Plan document, if the Participant dies before the date distributions begin and there is a designated Beneficiary, but not an eligible designated Beneficiary, the Participant's entire remaining interest must be distributed by December 31 of the year containing the 10th anniversary of the Participant's death.

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(B) No Designated Beneficiary - If the Participant dies on or before the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) The provisions of this § 7.04(e)(4) will not apply to a qualified annuity (as defined in Section 401 of the SECURE Act and related guidance) that is a binding annuity contract in effect as of December 20, 2019, and at all times thereafter.

(5) Election to Allow Designated Beneficiary Receiving Distributions Under Five-Year Rule to Elect Life Expectancy Distributions – Unless specified otherwise in a separate IRS model amendment, a designated Beneficiary who is receiving payments under the five-year rule may have made a new election to receive payments under the life expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the life expectancy rule for all distribution calendar years before 2004 are distributed by the earlier of December 31, 2003 or the end of the five-year period.

(6) Qualifying Longevity Annuity Contract – After the death of the Participant, payments from a Qualifying Longevity Annuity Contract must start or continue to be made to the Designated Beneficiary according to the terms of the Qualifying Longevity Annuity Contract.

(f) Additional Requirements

(1) If the Participant participates in two or more 403(b) arrangements, they may satisfy the minimum distribution requirements described above by taking from one 403(b) arrangement the amount required to satisfy the requirement for another 403(b) arrangement in accordance with Treasury Regulation section 1.403(b)-6(e)(7).

(2) Amounts distributed during a calendar year from the Participant's Account are part of the minimum required distribution until the total required minimum distribution has been satisfied for that year under Code section 401(a)(9).

(3) The Participant acknowledges that it is their sole responsibility to satisfy the required minimum distribution rules. The Participant agrees that the Custodian shall not be liable for any tax or penalty imposed upon the Participant if the Participant fails to receive any required minimum distribution from the Participant's Account.

(4) If the Participant fails to elect a method of distribution by their required beginning date, the Custodian shall have complete and sole discretion to do any one of the following:

- make no distribution until the Participant provides a proper withdrawal request;
- distribute the Participant's entire interest in a single sum payment; or
- distribute the Participant's entire interest over a period certain not extending beyond the Participant's life expectancy or the life expectancy of the Participant and their Beneficiary.

The Custodian will not be liable for any penalties or taxes related to the Participant's failure to take a required minimum distribution.

(5) The value of the Participant's Account for purposes of this §7.04 is the prior December 31 balance adjusted to include the amount of any outstanding rollovers and transfers under Q&As-7 and 8 of Treasury Regulation section 1.408-8.

(6) The special rule in Treasury Regulation section 1.408-8, A-5 relating to spousal beneficiaries does not apply to the Participant's Account, which means that the surviving spouse is not permitted to treat the Account as the spouse's own 403(b) contract.

(7) Except as provide in the Plan document, Participants or Beneficiaries may elect on an individual basis whether the ten-year rule or the life expectancy rule in §7.04(e) applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under this 7.04(e), or by September 30 of the calendar year that contains the tenth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions will be made in accordance with §7.04(e).

(8) If the Beneficiary payment election described in §7.04(e) of this Agreement is not made by December 31 of the year following the year the Participant dies, the Custodian reserves the right to elect, in its complete and sole discretion, to do any one of the following:

- make no distribution until the Beneficiary(ies) provides a proper withdrawal request;
- distribute the entire account to the Beneficiary(ies) in a single sum payment;
- distribute the entire remaining interest to the Beneficiary(ies) pursuant to the applicable option in §7.04(e) of this Agreement.

The Custodian will not be liable for any penalties or taxes related to the Beneficiary's failure to take a required minimum distribution.

§7.05 **Designation of Beneficiary –** The Participant may designate one or more persons or entities as Beneficiary of their Account under the Fund. This designation can only be made on a form provided by or acceptable to the Custodian, and it will only be effective when it is filed with the Custodian during the Participant's lifetime. Unless otherwise specified, each Beneficiary designation the Participant files with the Custodian will cancel all previous ones. The consent of a Beneficiary(ies) shall not be required for the Participant to revoke a Beneficiary designation. If the Participant has designated both primary and contingent Beneficiaries and no primary Beneficiary survives the Participant, the contingent Beneficiary(ies) shall acquire the designated share of the Participant's Account. If the Participant does not designate a Beneficiary, or if all of the Participant's primary and contingent Beneficiaries predecease the Participant, the Participant's estate will be the Beneficiary.

Subject to the terms of the Plan, if the Participant designates a spousal Beneficiary and the individual later ceases to be the Participant's spouse, such designation of the individual who becomes an ex-spouse (other than by death) will be deemed void and the ex-spouse shall have no rights as a Beneficiary unless redesignated as a Beneficiary by the Participant subsequent to becoming an ex-spouse.

The Custodian may allow, if permitted by state law, an original Beneficiary (the Beneficiary who is entitled to receive distribution(s) from an inherited account at the time of the Participant's death) to name a successor Beneficiary(ies) for the inherited account. This designation can only be made on a form

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provided by or acceptable to the Custodian, and it will only be effective when it is filed with the Custodian during the Beneficiary's lifetime. Unless otherwise specified, each Beneficiary designation form that the original account Beneficiary(ies) files with the Custodian will cancel all previous ones. The consent of a successor Beneficiary(ies) shall not be required for the original account Beneficiary(ies) to revoke a successor Beneficiary(ies) designation. If the original Account Beneficiary(ies) does not designate a successor Beneficiary(ies), their estate will be the successor Beneficiary. In no event shall the successor Beneficiary(ies) be able to extend the distribution period beyond that required for the original account Beneficiary.

§7.06 **Distribution of Excess Amounts** – If required or permitted by law or regulations, upon the request of the Recordkeeper or Plan Administrator, the Custodian may distribute any excess amount to the Participant, as permitted by Treasury Regulations section 1.403(b)-4(f)(3) and (4). Generally, an excess amount is the amount of any contribution made on behalf of the Participant for the Participant's tax year that exceeds the maximum amount allowable as a contribution for such tax year, as described in §2.05 of this Agreement.

§7.07 **Eligible Rollover Distributions** – In accordance with Treasury Regulation section 1.403(b)-3(a)(7), including further requirements described in Treasury Regulation section 1.403(b)-7(b)(2) and if permitted under the terms of the Plan, if directed by the Recordkeeper, the Custodian shall pay any eligible rollover distribution to an eligible retirement plan described in Code section 402(c)(8)(B) (including an individual retirement plan described in Code section 408, qualified retirement plan under Code section 401(a) or 403(a), another annuity contract or account described in Code section 403(b), or an eligible plan under Code section 457(b) maintained by a government employer) in a direct rollover for the Participant (or Beneficiary). The definition of eligible retirement plan will also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p). Further, a Beneficiary (including a non-spouse Beneficiary) may directly roll over their portion of any eligible rollover distribution to an inherited individual retirement arrangement (under Code section 408 or 408A). No amount that is distributed on account of hardship will be an eligible rollover distribution, and the distributee may not elect to have any portion of such a distribution paid directly to an eligible retirement plan.

The Participant (or surviving spouse, former spouse, or non-spouse Beneficiary) who desires such a direct rollover must specify the individual retirement plan, qualified plan, 403(b) plan, or eligible plan under Code section 457(b) to which the eligible rollover distribution is to be paid, and satisfy such other reasonable requirements as the Custodian may impose.

Special rollover rules apply to Roth Elective Deferrals as specified in Treasury Regulation section 1.403(b)-7(b)(2).

§7.08 **Loans**

(a) The following rules shall apply with respect to loans to the Participant from their Account under the Fund.

(1) Loans shall be authorized by the Participant in a written form acceptable to the Custodian.

(2) Loans must be adequately secured. Although it is the intention that loans to Participants shall be repaid, the collateral for each loan shall be the assignment of the Participant's right, title and interest in and up to 50 percent of the Participant's Account, and such other security as the Custodian may require.

(3) Each loan must bear interest at a reasonable rate. The interest rate shall be the prime rate plus one percent. For purposes of this paragraph (c), the prime rate shall be the prime rate published in the Wall Street Journal on the last business day immediately preceding the day the loan is made to the Participant.

(4) No Participant loan shall exceed the present value of the vested interest of the Participant's Account.

(5) No Participant loan will be made through credit cards or other similar arrangements.

(6) In the event of a default, foreclosure on the note and attachment of security will not occur until a distributable event occurs under the Agreement.

(7) The Custodian shall not have any duty to determine whether a loan meets the requirements of this §7.08 or any other requirements of the Code or related rules or regulations and shall not be liable to the Participant or any Employer for any failure of the loan to meet such requirements. The Custodian shall have no duty to determine whether any loan is in default.

(b) Participant Loan Limit – No loan to any Participant can be made to the extent that such loan, when added to the outstanding balance of all other loans to the Participant, would exceed the lesser of (a) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one-year period ending on the day before the loan is made, over the outstanding balance of loans on the date the loan is made, or (b) one-half of the present value of the vested interest of the Participant's Account. This limit shall apply in the aggregate to all Participant Accounts and Contracts established under Code section 403(b) by the Participant's Employer on behalf of the Participant.

Notwithstanding the foregoing, as allowed under the Plan documents and pursuant to rules promulgated by the IRS, a Participant who is permitted to receive a loan from their Account under the Fund and is a Qualified Individual (as defined in Section 2202 of the CARES Act and related guidance) will be entitled to request a loan during the period beginning on March 27, 2020, and ending on September 22, 2020. With respect to a loan that is made to a Qualified Individual, the maximum loan percentage in this §7.08 shall be applied by substituting "100 percent of the present value of the vested interest of the Participant in their Account" for "one-half of the present value of the vested interest of the Participant in their Account" and the maximum loan amount shall be determined by substituting "$100,000" for "$50,000."

(c) Repayment Term – Any loan shall, by its terms, require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit that within a reasonable time will be used as the principal residence of the Participant.

In the case of a Participant who is a Qualified Individual with an outstanding loan on or after March 27, 2020, 1) if the due date to repay the loan, which otherwise meets the terms of repayment, occurs during the period beginning on March 27, 2020, and ending on December 31, 2020, such due date shall be delayed for one year, 2) any subsequent repayments with respect to the loan shall be appropriately adjusted to reflect the delay in

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the due date and any interest accruing during such delay, and 3) in determining compliance with the repayment terms of the loan, the one-year period described above shall be disregarded.

§7.09 Transfers from the Fund

Upon the written request of the Recordkeeper, the Custodian shall transfer all or a portion of the Fund, less the amount of any taxes or expenses attributable thereto, to:

(a) the custodian of another custodial account maintained for the Participants of the Employer in accordance with Code §403(b)(7); or

(b) the issuer of an annuity contract maintained for Participants of the Employer in accordance with Code §403(b)(1), provided that, under the annuity contract, the restrictions on early distribution set forth in Code §403(b)(7)(A)(ii) continue to apply to amounts transferred from this Fund and any earnings thereon.

§7.10 Custodian Compensation and Expenses

(a) The Custodian shall be paid reasonable compensation in such amounts as the Employer and the Custodian will agree upon from time to time in writing. Such amounts shall be deducted from the assets of the Fund in accordance with procedures established by the Custodian unless paid by the Employer. The Custodian's compensation will be disclosed in the Recordkeeping Service Agreement entered into with the Recordkeeper or in a separate agreement or fee schedule entered into with or provided by the Custodian. Transactional charges made by the Custodian may be deducted from distributions to Participants or Beneficiaries to the extent the Custodian is instructed to do so by the Recordkeeper. Moneys to be used to fund disbursements that have not yet been presented for payment and moneys to be invested in any investment where the appropriate data or investment direction has not been timely provided to the Custodian or the Recordkeeper (i.e. the Custodian has received the funds to be invested but has not received the corresponding investment data) may be retained by the Custodian in cash or invested temporarily. Moneys to be invested will generally be invested within one business day of receipt of funds and the correct corresponding investment data.

(b) As additional compensation for its services hereunder, the Custodian shall retain any interest earned on amounts to be invested pending receipt of investment instructions and the amounts in its disbursement account until disbursements are presented for payment, and interest earned in its contribution account until the amounts are invested. This interest is commonly known as "float" and is paid by the financial institutions at which the Custodian maintains such accounts and/or the investments in which the Custodian invests in such accounts. The Employer agrees that while assets are held in these accounts, the assets shall not be considered plan assets. Generally, funds are distributed the same day as the distribution request is received or when the distribution data is in good order. The assets on which float is earned are invested in a privately managed account that may include stable value funds and various overnight deposits with next day availability. The upcoming month's expected rate of return and historical actual rates of return for the assets on which float is earned are disclosed at www.ascensus.com/trust/trust-disclosures.

§7.11 Taxes

The Custodian is authorized to pay from the Fund assets all real and personal property taxes, income taxes, and other taxes of any kind levied or assessed under existing or future laws against the Fund, unless paid by the Employer. The Custodian shall not be personally liable for any such taxes.

§7.12 Other Expenses

Any expenses, charges, or fees incurred by the Custodian or Recordkeeper for the servicing of this Fund, including but not limited to recordkeeping, legal, and accounting expenses, shall be deducted from Fund assets in accordance with procedures established by the Custodian, unless paid by the Employer.

ARTICLE VIII – REPLACEMENT OF THE CUSTODIAN

§8.01 Resignation and Removal

The Custodian may resign at any time after providing sixty days' written notice to the Employer. The Employer may remove the Custodian by delivery of a written notice of removal, to take effect at a date specified therein, which shall not be less than sixty days after the delivery of the notice to the Custodian unless the Custodian agrees to a shorter notice period.

§8.02 Successor Custodian

(a) Upon resignation or removal of the Custodian, a successor Custodian shall be appointed who shall be subject to the approval of the Employer and who shall have all of the powers and duties conferred herein on the Custodian. The Custodian shall not cease to be the Custodian until the successor Custodian takes office or 10 days have elapsed since its specified date of resignation, whichever occurs first.

(b) The Custodian shall deliver to the successor Custodian all property of this Fund as determined by the Recordkeeper together with all records needed by the successor Custodian to administer the Fund properly. The Custodian is authorized, however, to reserve such amount as may be necessary for the payment of its expenses incurred prior to its transfer of the Fund assets and records to the successor Custodian.

(c) The Custodian shall execute, acknowledge, and deliver all documents and written instruments that are necessary to transfer the right, title, and interest in the Fund assets, and all related rights and privileges, to the successor Custodian.

(d) Upon receipt of the assets of this Fund, the successor Custodian shall become a successor party to this Agreement.

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ARTICLE IX – AMENDMENT AND TERMINATION

§9.01 Amendments

(a) The Employer may not amend or modify this Agreement except in a written agreement signed by both parties. The Custodian may amend and modify this Agreement from time to time by providing written notice to the Employer; provided, however, that if the Employer objects to any such amendment or modification, it may exercise its termination rights under this Agreement. Any handwritten changes, markings, or other alterations to this Agreement as initially provided to the Employer will be binding upon the Custodian only if initialed by a duly authorized officer of the Custodian.

(b) Notwithstanding the provisions of subsection (a), above, the Custodian may amend this Agreement at any time for the purpose of conforming this Agreement to changes in the law or to cure any ambiguity, defect, or omission in the terms of the Agreement. The Custodian shall furnish notice of any such amendment to the Employer following its execution. Notwithstanding the foregoing, retroactive amendments may only be made if they satisfy the applicable requirements of the Internal Revenue Code and accompanying regulations and other Internal Revenue Service requirements (e.g., the Employee Plans Compliance Resolution System).

§9.02 Termination

Although the Fund is hereby declared to be irrevocable, the Employer may partially or completely terminate the Plan at any time and shall give the Custodian written notice thereof. If the Employer partially or completely terminates the Plan, the Recordkeeper shall provide the Custodian with:

(a) written documentation that sets forth the portion of the Fund attributable to the Employer's completely terminated or partially terminated Plan, as the case may be ("Terminated Plan Assets"), the account balance of each affected Participant, and such other information as the Custodian requests; and

(b) written directions that name the custodian or custodians to which the Terminated Plan Assets should be transferred, designate the portion of the assets that should be transferred to each such custodian in accordance with the requirements for transfer to custodial accounts set forth in §7.09, and include all other documents, instructions and Participant consents that the Custodian requires to effect such transfers.

Upon receipt of all required documentation and directions, the Custodian shall transfer the Terminated Plan Assets (or the portion of the Terminated Plan Assets) designated by the Recordkeeper to the named successor custodian(s), provided that the Custodian is authorized to reserve such amount of the Terminated Plan Assets as may be necessary for the payment of its expenses incurred prior to the transfer of such assets to the successor custodian or custodians. For purposes of this section, an Employer shall be deemed to have terminated the Plan as of the date that the Employer ceases to remit further contributions to the Custodian. The Employer agrees to promptly notify the Custodian in writing of any partial or complete termination of the Plan.

ARTICLE X – MISCELLANEOUS

§10.01 Contributions Not Recoverable

Under no circumstances shall any part of the Fund be recoverable by the Employer or Participating Employers or be used other than for the exclusive purposes of providing benefits to Participants and their Beneficiaries and paying proper expenses of the Plan, provided, however, that, pursuant to the direction of the Plan Administrator as communicated to the Custodian by the Recordkeeper:

(a) a contribution by the Employer, a Participating Affiliate, or a Participant made as a result of a mistake of fact shall be returned to the Employer, Participating Affiliate, or Participant (as applicable) within one year after the contribution, if the Recordkeeper so requests,

(b) any amounts contributed to the Plan by an Employer or Participating Affiliate that cannot then be allocated to Participants because of Code §415 shall, upon termination of the Plan, revert to the Employer.

§10.02 Alienation

No account, benefit, payment, or distribution under the Plan or this Agreement shall be subject to attachment, garnishment, levy, execution or any claim or legal process of any creditor of a Participant or Beneficiary. A Participant or Beneficiary shall have no right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments or proceeds which such Participant or Beneficiary may expect to receive under the Plan. The provisions of this §10.02 shall not preclude any assignment or alienation required by applicable law or permissible under the provisions of the Plan.

§10.03 Successor Employers; Participating Affiliates

(a) If any successor to the Employer continues the Plan, it shall automatically become a successor party to this Agreement.

(b) If any other company related to the Employer adopts the Plan and becomes a Participating Affiliate in accordance with the provisions therein, it shall automatically become a party to this Agreement.

§10.04 Agents

In performing its obligations under the Agreement, the Custodian shall be entitled to employ suitable agents, counsel, sub-custodians, and other service providers.

§10.05 Force Majeure

The Custodian shall not be responsible or liable for, and shall not be considered in breach of this Agreement due to, any failure of or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by events or circumstances beyond its reasonable control, including but not limited to: acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, cyber-attacks, insurrections, embargoes, riots, strikes, lockouts or other labor

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disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays or stoppage of transportation, and any other events or circumstances beyond its reasonable control whether similar or dissimilar to any of the foregoing (all enumerated and described events in this section individually and collectively, "Force Majeure").

§10.06 Governing Law

This Agreement shall be construed, administered, and governed in all respects under applicable federal law and, to the extent that federal law is inapplicable, under the laws of the state in which the Custodian's principal place of business is located. Further, except as expressly stated otherwise, no provision of the Plan or this Agreement is intended to, nor shall it, grant any rights to Participants or Beneficiaries or any interest in the Fund in addition to those minimum rights or interests required to be provided under the Code and the associated regulations.

§10.07 Limitation on Damages

The entire liability of the Custodian and its officers, directors, employees, members, agents, licensors, subsidiaries, affiliates, parents, and representatives, and the Employer's exclusive remedy in any cause of action based on contract, tort, warranty, negligence, or otherwise in connection with any services rendered pursuant to this Agreement or otherwise furnished by the Custodian, shall be limited to the total fees paid by the Employer to the Custodian.

UNDER NO CIRCUMSTANCES SHALL THE CUSTODIAN, OR ITS OFFICERS, DIRECTORS, EMPLOYEES, MEMBERS, AGENTS, LICENSORS OR REPRESENTATIVES BE SUBJECT TO OR LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR SIMILAR DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, LOSS OF REVENUES AND/OR PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR CUSTODIAN OR ADMINISTRATOR COMPLYING WITH EMPLOYER'S DIRECTIONS, REGARDLESS IF SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHERWISE.

§10.08 Time to Bring Legal Action; Two Year Limitations Period

An action for breach of this Agreement, or any obligation arising therefrom, must be commenced within two years after the cause of action has accrued.

§10.09 Class Action Waiver

EACH PARTY MAY BRING CLAIMS AGAINST THE OTHER ONLY IN ITS INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF, REPRESENTATIVE OR CLASS MEMBER IN ANY PUTATIVE CLASS OR REPRESENTATIVE PROCEEDING. The arbitrator will have no authority to arbitrate a class, collective, representative or group claim/action and will have no authority to make any determination as to the enforceability of this Agreement's class/collective action waiver. Further, unless the Employer and the Custodian agree otherwise, the arbitrator will have no authority to consolidate the Employer's claims with any other claims and may not otherwise preside over any form of a class or representative proceeding.

§10.10 Arbitration

Any dispute, claim or controversy arising out of, in connection with, or relating to the performance of this Agreement or its termination, including the determination of the scope or applicability of this Agreement to arbitrate, will be resolved by binding arbitration before a single arbitrator in the state of the Custodian's principal place of business, in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "AAA"). To the extent that any of the provisions of this Agreement conflict with the any AAA rules, the express provisions of this Agreement will apply. The arbitrator will be a practicing attorney or retired judge with experience with 403(b) plans and the other subject matter(s) of the claim. The arbitrator's award will be final and binding on the parties, and judgment rendered thereon may be entered in any court having jurisdiction. The arbitration proceedings and arbitrator's award will be maintained by the parties and arbitrator as strictly confidential, except as is otherwise required by court order, or as is necessary to confirm, vacate or enforce the award, and for disclosure in confidence to the following representatives of a party that have a need to know and agree to keep such information confidential: attorneys, tax advisors and senior management. BY AGREEING TO THIS ARBITRATION PROVISION, THE EMPLOYER AND THE CUSTODIAN ARE GIVING UP THE RIGHT TO SUE EACH OTHER IN COURT, INCLUDING THE RIGHT TO A TRIAL BY JURY.

§10.11 Necessary Parties

To the extent permitted by law, only the Employer and the Custodian shall be necessary parties in any application to the court for an interpretation of this Agreement or for an accounting by the Custodian, and no other fiduciary of the Plan, Participant, Beneficiary, or other person having an interest in the Fund shall be entitled to any notice or service of process. Any final judgment entered in such an action or proceeding shall, to the extent permitted by law, be conclusive upon all persons claiming in this Agreement.

§10.12 Severability

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue to be fully effective.

§10.13 References

Unless the context clearly indicates to the contrary, a reference to a statute, regulation, document, or provision shall be construed as referring to any subsequently enacted, adopted, or re-designated statute or regulation or executed counterpart.

§10.14 Headings

Heading and subheading in this Agreement are inserted for convenience of reference only and are not to be considered in the construction of its provisions.

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ARTICLE XI – COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.

EMPLOYER

Name of Employer Maine Veterans' Home Date _____

Signature _____

(signature of Authorized Officer)

BY: ASCENSUS TRUST COMPANY

By: _____

(signature of Authorized Officer)

Ascensus Trust Company
1655 43rd Street South, Suite 100
Fargo, ND 58103
(701) 234-0207

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MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: DR. REBECCA M. WYKE, CEO

SUBJECT: CEO REPORT

DATE: AUGUST 4, 2026

Disability Retirement Experience Survey

MainePERS conducted a disability retirement experience survey July 6 – 20, 2026. All members who had completed the disability retirement services application process and received a final outcome on their application since the last survey were invited to participate in the 2026 survey. Seventy-six (76) individuals met the criteria for receiving the survey. An email invitation was sent to seventy-four (74) of these individuals who had an email address on file and seventy-three (73) of those emails were delivered. Two (2) individuals with no email address on file were sent a letter offering an alternative method for completing the survey but neither responded. The full survey and responses are included in the materials for today's Agenda.

Twenty-eight (28) respondents completed the survey, a 38% response rate. Of those completing the survey, twenty-three (23, or 82%) indicated they agreed or strongly agreed that the disability application and process is easy to understand and follow, while two (2) individuals disagreed or strongly disagreed and three (3) were neutral. Twenty-eight (28, or 100%) of respondents indicated they agreed or strongly agreed that they were treated with respect by those handling their application. Twenty-eight (28, or 100%) of respondents agreed or strongly agreed that MainePERS responded to their questions in a timely manner. And twenty-six (26, or 93%) of respondents were satisfied or very satisfied that the disability services process was fairly conducted and two (2) were neutral. Fourteen (14) respondents offered additional feedback which is included as part of the survey.

Mission Moment – Pension Administration System (PAS)

Chip Gavin, Chief Operating and Services Officer, Joy Childs, Chief Technology Officer, and William Bockman, Senior Benefit System Analyst, will present a mission moment to the Board on the development and functionality of the new PAS system.

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Disability Retirement Experience Survey

Board of Trustees Meeting

August 13, 2026

Dr. Rebecca Wyke, CEO

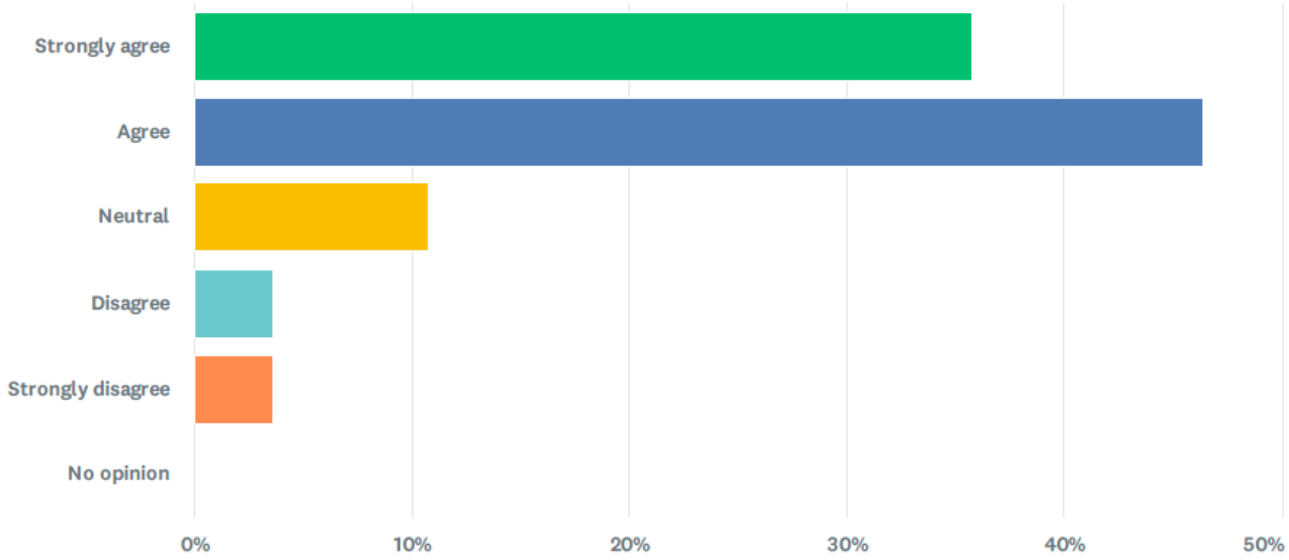
Disability Retirement Experience Survey

- Survey conducted July 6 – 20, 2026
- All members who had completed the application process since the last survey were invited to participate
- A total of 76 members met the criteria
- Of those 28 responded, 38% response rate

Disability Services Survey - 2026

Q1 28 responses

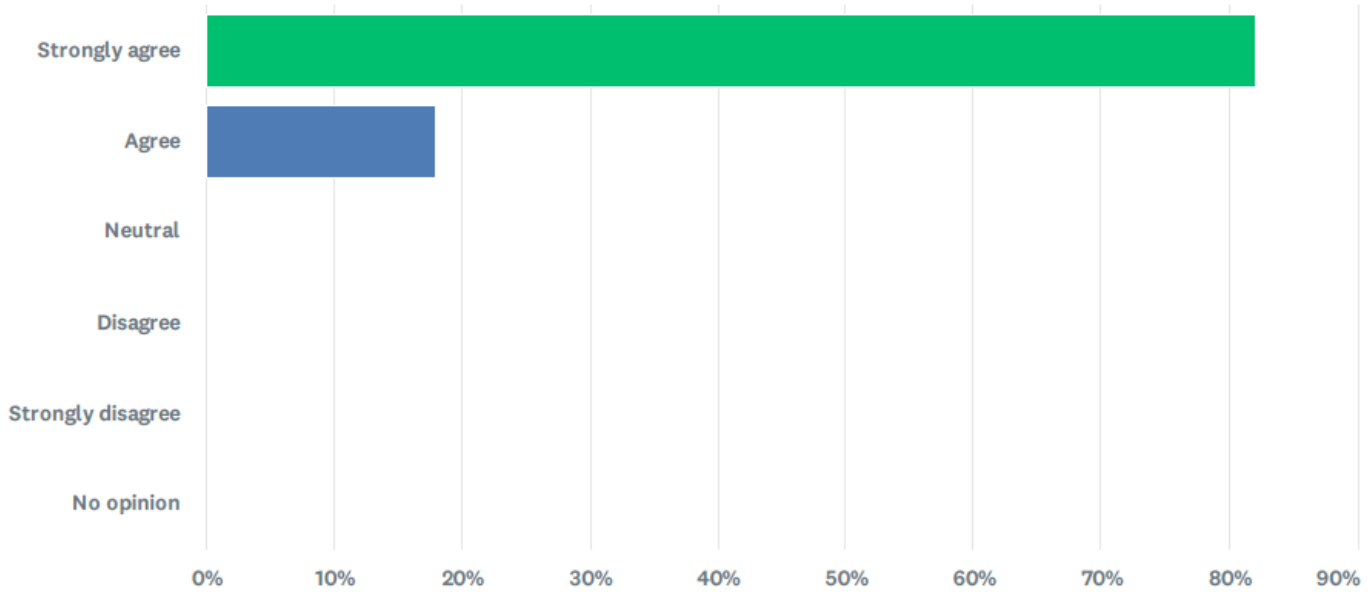
The disability application and process is easy to understand and follow.



Disability Services Survey - 2026

Q2 28 responses

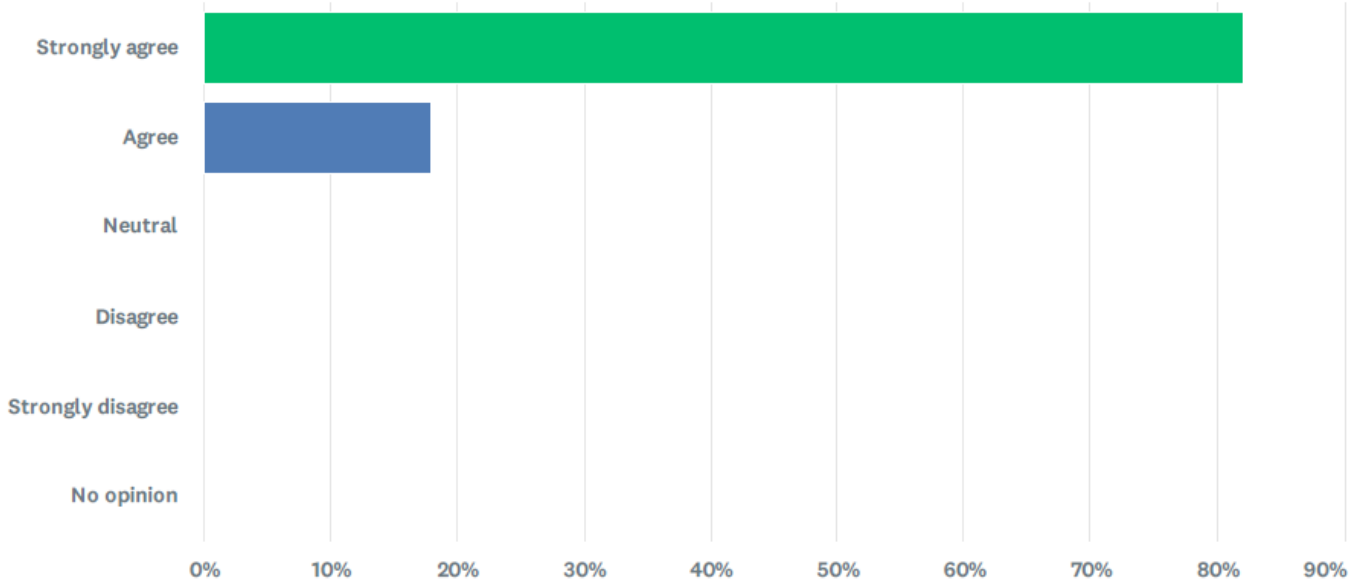
I was treated with respect by those handling my application.



Disability Services Survey - 2026

Q3 28 responses

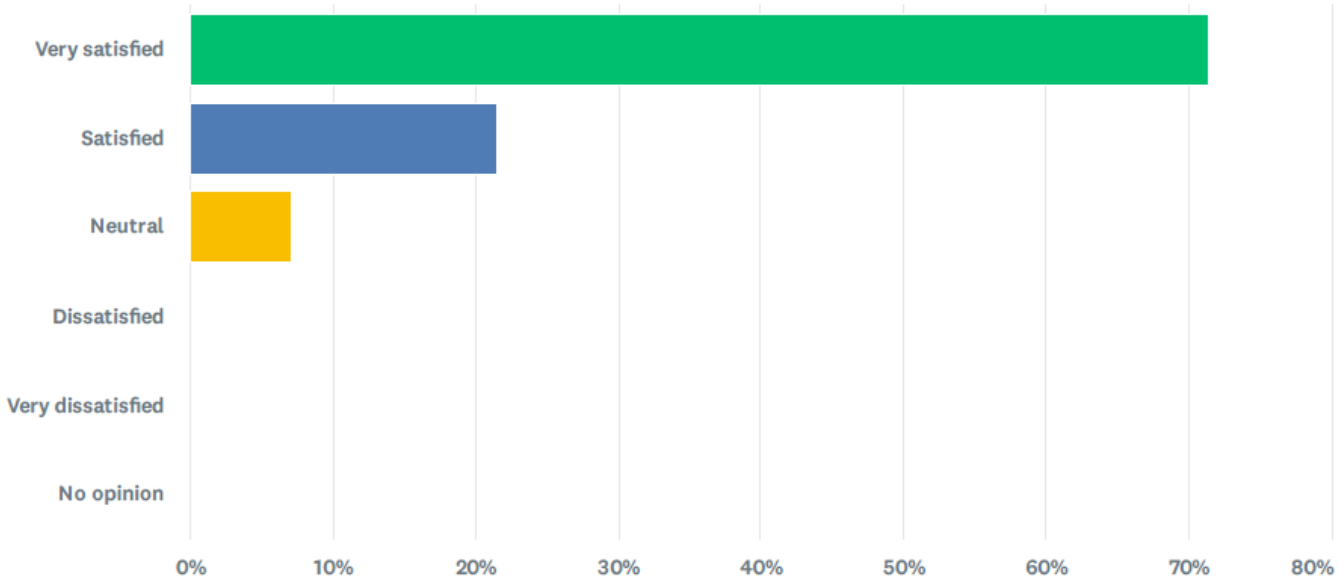
MainePERS responded to my questions in a timely manner.



Disability Services Survey - 2026

Q4 28 responses

The Disability Services process was fairly conducted.



Disability Services Survey 2026 Responses to Open-Ended Question

	Please feel welcome to provide any additional feedback regarding your experience with MainePERS Disability Services Unit. (Open-Ended Response)
1	Timely communication. I was treated with kindness and respect by [Employee], and the other staff. Very pleased with the whole process.
2	Although the process is lengthy, it is detail oriented, thorough, and fair. Communication with my MEPERS representative was fantastic.
4	[Employee] was very professional and helpful.
5	Those I conversed with were very helpful and showed that they cared about the difficult situation that my wife is going through. They also made the whole process of what I had to do much easier with their guidance.
7	My experience was phenomenal. I'm so grateful to have worked with people who were kind, understanding, and very helpful. Thank you!
8	[Employee] was my case handler. He did a very exceptional job putting my case together. He went above and beyond to work with me as well as his superiors in getting my case across the finish line!
9	[Employee] was incredibly patient, kind and helpful at a very challenging time. She always took the time for me to process so I could understand. Thank you.
12	The process was so much better than SS, although even though I rolled my back pay into my 403b the tax form was processed incorrectly such that the IRS wanted me to pay income tax on it. I contacted someone at MainePERS and they immediately got it corrected for me. Mistakes can happen. The process was overwhelming, but all employees were great at holding my hand and explaining everything.
13	Applying for disability is very painful on the Spirit, your Intake Counselor and the Disability Specialist were so professional and understanding that it really made this difficult process smooth. I Thank God for the incredible and dedicated staff you have. I am internally grateful.
14	The people I dealt with treated me with kindness and respect.
15	My rep, [Employee], was outstanding with helping me complete the disability process! She was always patient, helpful and answered every question I had. She even helped me with tech issues and went above and beyond her position to assist me. Her professionalism is outstanding as well as all of MainePers staff. Thank you!! I have been telling everyone how great MainePers has been with this process because not all agencies provide such a positive overall experience and I am soooo grateful!!

18	My request was denied because my managers lied, oh sure they claim I do a great job and can do the work (my 2 coworkers are so slow so basically I do they work if 3 people) they do not provide me with what I need. My captioning phone is crap and the headset adapter doesn't work. Just broke my left hearing aid for my only good ear and for 2 weeks I could not use the phone because the captioning is not good enough for the completely totally deaf, you can't trust it. Also I would not assist customers. my managers work around my disability and my coworkers cover for me. One of them yelled at me for not being able to handle calls and another complained and asked why I could not cover the front desk and she knows I am hard of hearing. My new manager likes to have quick 15-30 mins morning meetings gathered around his desk and he knows I can't hear everyone talking and I struggle just to hear him. The meetings could easily be done in our teams app so I can caption it all. I don't think I can do this 8 more years. This job is killing me slowly.
25	I was pleasantly surprised with the whole process and really appreciate all the work you do.
27	I had been in the process of being reassigned, retrained, accommodated, and all of these things that I was being told were going to happen but nothing ever did, until I reached out to ME PERS and spoke with [Employee]. [Employee] was the FIRST person I had talked to who actually took the time to think about how my issue was effecting me at work and personally, instead of just offering ways for me to get past it and overcome it. She was very helpful and understanding. She was obviously thinking about my issue and not just going through the motions to get through the paperwork, and I can't thank her enough for that. She was honest and clear about the process and I felt confident that she was working on my case, not matter what the outcome would be. I heard horror stories from others about going through the process with ME PERS and I could not give a more opposite review. It was quick, straightforward and flawless. Communication and responsiveness was light years ahead of my own HR department. Thank you, [Employee]!!!

Pension Administration System Mission Moment

August 2026

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chip Gavin, Chief Operating and Services Officer
Joy Childs, Chief Technology Officer
William Bockman, Senior Benefit System Analyst

PAS Mission Moment

Integral to achieving the goals of the Strategic Plan

For example:

- **Goal III: Security and Integrity of our Information Systems**
  - Maintain and upgrade core information systems
- **Goal IV: Cultivation of a Member-centric Organization**
  - Improve processes to promote timely and accurate service by ensuring the integrity of the data, streamlining and automating workflow processes, and reducing processing times
- **Goal V: Development of Stakeholder Relations**
  - Develop a comprehensive employer, education, communications, and service model and partner with employers and third-party payroll vendors to streamline processing and improve reporting
- **Goal VI: Foster an Engaged Workforce that Advances the Organization's Mission**
  - Support and empower staff in the performance of their work

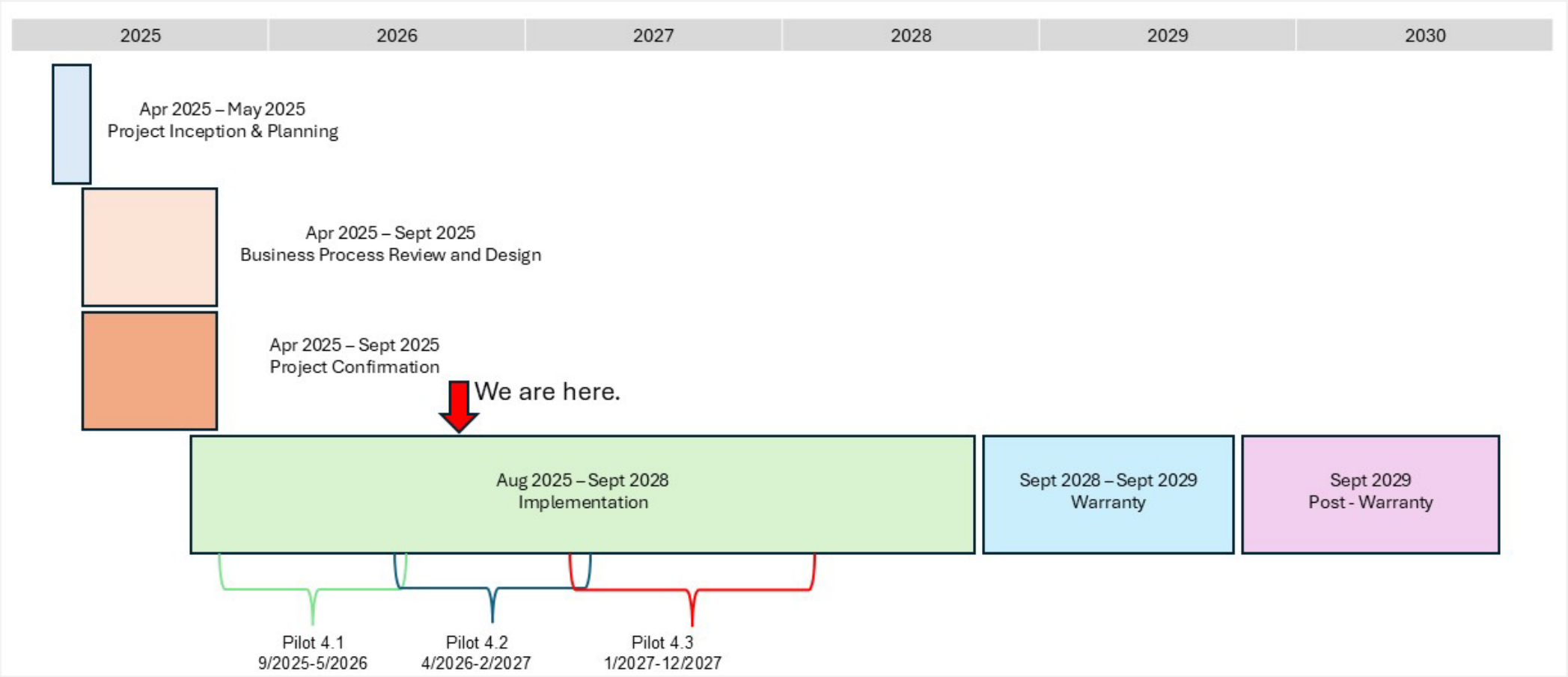
PAS Mission Moment

A brief timeline recap: Project initiated in 2022; Scheduled to go live in 2028

- 2022: Project Team chartered and convened by CEO, following Trustee adoption of strategic plan
- 2023: MainePERS internal pre-RFP Business Processes review
- 2023: PAS Competitive Request for Proposals (RFP) developed
- 2024: PAS RFP release, evaluation and award
- 2025: Contract execution and commencement with new vendor
- 2025: Incumbent legacy vendor alerts customers to end of support in 2028 for legacy PAS system
- **CURRENT - 2025-2028: Development of MainePERS new PAS system**
- 2028: Planned launch of new PAS

PAS Mission Moment

More detailed view of contractual period



PAS Mission Moment

Monthly and additional periodic reporting to Trustees

- **Trustees receive regular monthly status reports regarding the project.**
  - Regular reports include brief highlights and a status report regarding key monitoring areas such as the schedule; budget; and scope, as well as the overall status. Such a report is included in today's Administrative update.

- **CEO updates Trustees further as warranted.**
  - These updates often focus on key milestones or other noteworthy elements of the project, such as when the project was nearing completion of the 4.1 Pilot sub-phase of the project, which was part of the CEO's report at the April meeting of Trustees.

- **More involved updates also provided to Trustees periodically**
  - These periodic updates provide an opportunity for a more involved status update or an update regarding a particular element of the project.
  - Trustees last received such an update in January, 2026, when several MainePERS leaders presented a view of the current state of various operations vs. the anticipated future state – more robust member and employer portals, for example - that will be possible with the new PAS.

PAS Mission Moment

A look at what actually is being developed

- Today you will see examples of the fundamental elements of the new PAS that have been developed so far. Instead of telling you about the project, we are going to show you.

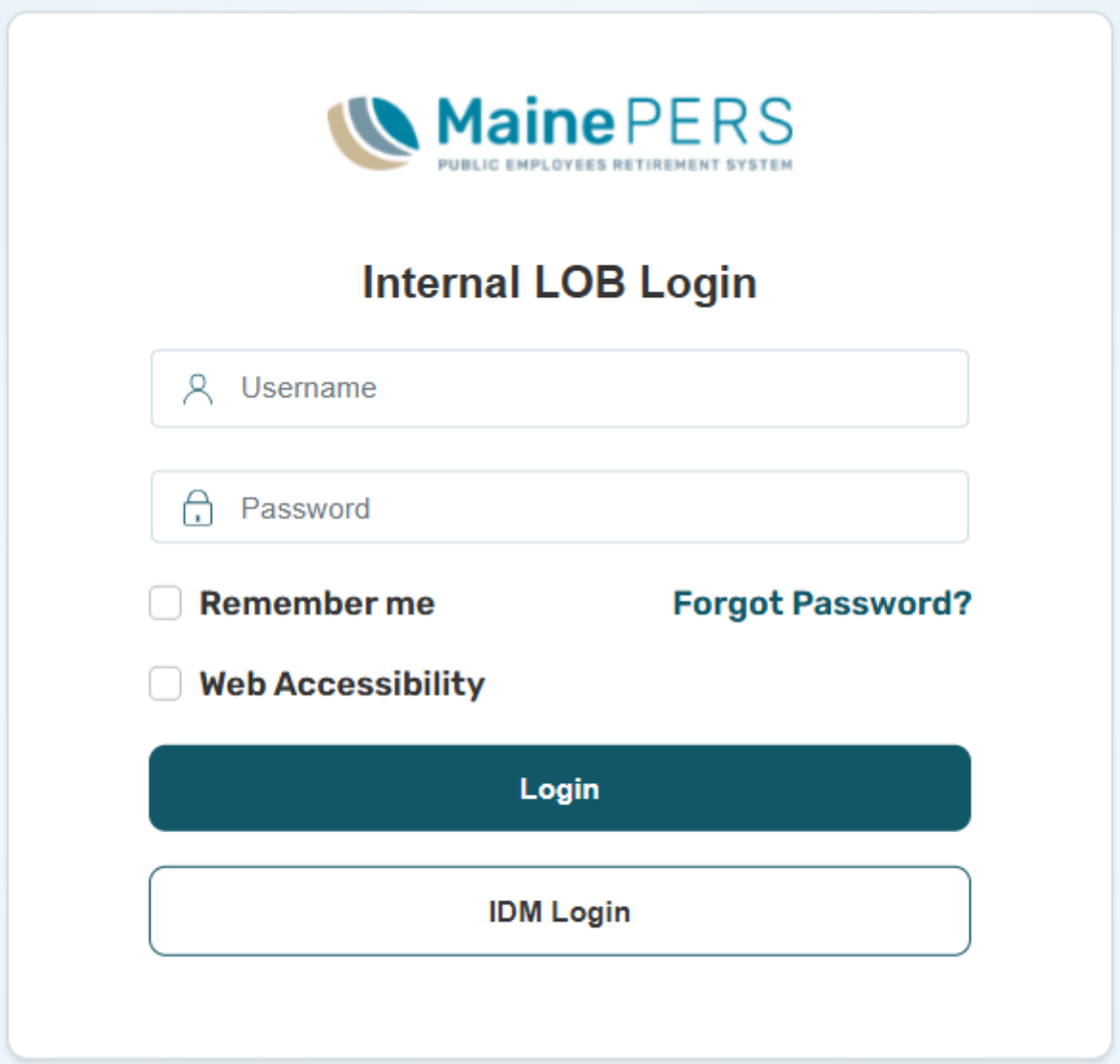
- The work reflected in today's presentation represents the state of the new PAS as of the end of Pilot Phase 4.1. That phase was completed in late May.

- MainePERS is now engaged in Phase 4.2 of the project as was reflected in the earlier timeline slides. For this current phase, there would not yet be any similar work product to share with you.

- Today is based on a similar and highly-attended presentation to which all MainePERS staff were invited in June and a presentation earlier this month for the MainePERS Employer Advisory Council.

NeoSpin

Line of Business



MainePERS

BUSINESS PROCESS SUMMARY

History

Person Search

New **search** options beyond just Name and SSN
Phone Number, Email Address, Date of Birth, Gender

Search Criteria

Person ID | First Name | Last Name | Last Four Digits of SSN/TIN/GIN

Phone Number: +1 | Primary Email Address | Date of Birth: MM/DD/YYYY | Gender: All

SEARCH | RESET | STORE SEARCH

Search Results

OPEN | PERSON OVERVIEW | VIEW CHART | EXPORT TO EXCEL | Filter | COLUMN

Page 1 of 10 | Showing 1 - 10 of 100 | *Drag a column header and drop it here to group by that column*

Person ID	Last Name	First Name	Middle Name	Gender	Date of Birth	Date of Death	Primary Email
2	LAST_NAME_2	FIRST_NAME_2		Female	01/01/1946		
177	LAST_NAME_177	FIRST_NAME_177	M	Female	04/19/1957		EID14806@SCRAMBLE.COM
178	LAST_NAME_178	FIRST_NAME_178	M	Female	11/11/1958		EID14807@SCRAMBLE.COM
179	LAST_NAME_179	FIRST_NAME_179	M	Male	03/16/1966		EID15034@SCRAMBLE.COM
180	LAST_NAME_180	FIRST_NAME_180		Female	07/27/1967		EID15035@SCRAMBLE.COM
181	LAST_NAME_181	FIRST_NAME_181	M	Female	06/03/1968		
182	LAST_NAME_182	FIRST_NAME_182	M	Female	05/29/1964		EID14809@SCRAMBLE.COM
183	LAST_NAME_183	FIRST_NAME_183	M	Female	05/29/1952		EID14412@SCRAMBLE.COM
184	LAST_N						EID14413@SCRAMBLE.COM
185	LAST_NAME_185	FIRST_NAME_185	M	Male	07/09/1958		TestingforJoy@AOL.com

User selects appropriate link to **view** or **update** participant information

MainePERS

BUSINESS PROCESS SUMMARY

History | Person Search > Person Overview | Displaying page 1 of 1.

- Person Type
- Membership
- Beneficiaries
- Relationships
- Benefit Applications
- Documents
- Service Purchase
- Legal Documents
- Life Events
- Alert
- Notes
- Open Service Requests

Person Overview

Person

Employee Name	Person ID	Primary Phone Number	Primary Email
FIRST_NAME_180 LAST_NAME_180	180	+1 207-001-5035	EID15035@SCRAMBLE.COM
Last Four Digits of SSN/TIN/GIN	**Date of Birth**	**Date of Death**	**Vested**
XXX-XX-0180	07/27/1967		No
Gender	**Age**	**Primary Address**	
Female	58 years 10 months	ADDRESS_LINE_1_100543, CITY_100543, ME, 00543	
Non-US Citizen	**Foreigner with No SSN/TIN**		
No	No		

Person Type

- Related to Person
- Organization Representative
- Alternate Payee
- Beneficiary
- Joint Annuitant
- Member
- Payment Recipient
- Retiree
- Disabled

Panels- Here we can view details about the participant
Person Type
Membership
Beneficiaries
Documents
More...

MainePERS

BUSINESS PROCESS SUMMARY

History | Person Search > Person Overview | Displaying page 1 of 1.

- Person Type
- Membership
  - Membership Account
  - Employment
  - Enrollment
- Beneficiaries
- Relationships
- Benefit Applications
- Documents
- Service Purchase
- Legal Documents
- Life Events
- Alert
- Notes
- Open Service Requests

Person Overview

Person

Employee Name	Person ID	Primary Phone Number	Primary Email
FIRST_NAME_180 LAST_NAME_180	180	+1 207-001-5035	EID15035@SCRAMBLE.COM
Last Four Digits of SSN/TIN/GIN	**Date of Birth**	**Date of Death**	**Vested**
XXX-XX-0180	07/27/1967		No
Gender	**Age**	**Primary Address**	
Female	58 years 10 months	ADDRESS_LINE_1_100543, CITY_100543, ME, 00543	
Non-US Citizen	**Foreigner with No SSN/TIN**		
No	No		

Membership

Employment

Showing 1 - 1 of 1

Filter | COLUMN

Organization Name	Start Date	End Date	Covered Position	Rate Category	Personnel Status Code	Last Employment Update	Employer Provided ID
Maine Public Employees Retirement System	02/23/1998		General Government	REG	Permanent Full Time	09/25/2011	

Employment status of the participant

Start/Stop Dates

Covered Position

Contribution Rate

MainePERS

BUSINESS PROCESS SUMMARY

History | Person Search > Person Overview | Displaying page 1 of 1.

- Person Type
- Membership
  - Membership Account
  - Employment
  - Enrollment
- Beneficiaries
- Relationships
- Benefit Applications
- Documents
- Service Purchase
- Legal Documents
- Life Events
- Alert
- Notes
- Open Service Requests

Person Overview

Person

Employee Name	Person ID	Primary Phone Number	Primary Email
FIRST_NAME_180 LAST_NAME_180	180	+1 207-001-5035	EID15035@SCRAMBLE.COM
Last Four Digits of SSN/TIN/GIN	**Date of Birth**	**Date of Death**	**Vested**
XXX-XX-0180	07/27/1967		No
Gender	**Age**	**Primary Address**	
Female	58 years 10 months	ADDRESS_LINE_1_100543, CITY_100543, ME, 00543	
Non-US Citizen	**Foreigner with No SSN/TIN**		
No	No		

Membership

Membership Account

Showing 1 - 4 of 4

Filter | COLUMN

Membership Account	Org Code	Status as of Today	Last Transaction Date	Eligibility Service Credit	Benefit Service Credit	Account Balance
583174 - MaineSTART 457 Traditional	P0290	Active	03/25/2026	0.000000	0.000000	$0.00
583173 - MaineSTART 401(a) Traditional	P0290	Active	03/25/2026	0.000000	0.000000	$0.00
185549 - Participating Local District PLD Regular AC	P0290	Active	05/31/2026	0.000000	0.000000	$0.00
2455 - Group Life Insurance Active Group Life Insurance	P0290	Active		0.000000	0.000000	$0.00

Benefit Programs the participant is enrolled under

MainePERS

BUSINESS PROCESS SUMMARY

History | Person Search > Person Overview > Membership Account Main... | Displaying page 1 of 1.

We can drill down into the **Membership Account** to view specific service and contribution details.

- Balance Summary
- Account History
- Membership
- Adjustments
- Void Reason

Membership Account Maintenance

SAVE | RESET | TRANSACTIONS | VOID | CORRESPONDENCE

Membership Account

Person Name	Person ID	Phone	Email
FIRST_NAME_179 M LAST_NAME_179 Jr.	179	+1 207-001-5034	EID15034@SCRAMBLE.COM
Benefit Program	**Tier**	**Benefit Program Type**	**Status as of Today**
Participating Local District	PLD Regular AC	Defined Benefit	Active
***Membership Date**	**Membership Account ID**	**Status Date**	**Status**
02/01/2003	185548		Active
Vested	**Void**	**Coincidental Membership**	
No	No	No	

Balance Summary

Total Account Balance: $84,477.66

Last Transaction Update: 05/31/2026

Interest: $0.00

Service Credit

Benefit Service	0.1666
Eligibility Service	0.1666
Legacy Uncapped Service	23.2369

Employee Contributions

Maine-Tax Only Employee	$84,477.66
Total Employee Contributions	$84,477.66

Employer Contributions

Pre-Tax Employer	$807.64
Total Employer Contributions	$807.64

Audit Information

Created By **BENLOAD** | Created Date **09/25/2011 04:34:13 PM** | Modified By **BATCH_30036004_3683** | Modified Date **05/31/2026 02:43:56 AM**

MainePERS

BUSINESS PROCESS SUMMARY

History | Person Search > Person Maintenance | Displaying page 1 of 1.

- Person Type
- Contact
- Relationships
- Financial
- Alert
- Notes

Alert! Enhanced warning over our current system.

Person Maintenance

RESET | PERSON OVERVIEW | COMMUNICATION | PERSON HISTORY | **Fraudulent Activity**

Person

*First Name: FIRST_NAME_179	Middle Name: M	*Last Name: LAST_NAME_179
*SSN / TIN / GIN: 000-00-0179	Person ID: 179	*Gender: Male
Name Prefix:	Name Suffix: Jr.	Marital Status: Married
*Date of Birth: 03/16/1966	Age: 60 years 2 months	Date of Death:
Vested: No	Non-US Citizen: ☐	Foreigner with No SSN/TIN: ☐
Web Access Information: ☐	Privacy Setting:	

Person Type

- ○ Related to Person
- ● Organization Representative
- ○ Alternate Payee
- ○ Beneficiary
- ○ Joint Annuitant
- ● Member
- ○ Payment Recipient
- ○ Retiree
- ○ Disabled

Audit Information

Created By **CKoch** | Created Date **05/22/2008 08:14:26 PM** | Modified By **wbockman** | Modified Date **09/06/2023 08:07:10 AM**

MainePERS

BUSINESS PROCESS SUMMARY

History | Person Search > Person Maintenance | Displaying page 1 of 1.

- Person Type
- Contact
- Relationships
- Financial
- Alert
- Notes

Person Maintenance

RESET | PERSON OVERVIEW | COMMUNICATION | PERSON HISTORY | **Fraudulent Activity**

Person

*First Name: FIRST_NAME_179	Middle Name: M	*Last Name: LAST_NAME_179
*SSN / TIN / GIN: 000-00-0179	Person ID: 179	*Gender: Male
Name Prefix:	Name Suffix: Jr.	Marital Status: Married
*Date of Birth: 03/16/1966	Age: 60 years 2 months	Date of Death:
Vested: No	Non-US Citizen: ☐	Foreigner with No SSN/TIN: ☐
Web Access Information: ☐	Privacy Setting:	

Alert! Here we can view details of the alert

Alert

Showing 1 - 2 of 2

Filter | COLUMN

Alert Type	Start Date	End Date	Severity	Description	Source	Comments	Suppressed By	Suppressed Date
No Primary Address	04/28/2026	05/11/2026	Information	No Primary Address	Manual			
Fraudulent Activity	05/12/2026		Information	Fraudulent Activity	Manual	Test for Demo		

Audit Information

Created By **CKoch** | Created Date **05/22/2008 08:14:26 PM** | Modified By **wbockman** | Modified Date **09/06/2023 08:07:10 AM**

MainePERS

BUSINESS PROCESS SUMMARY

History

Organization Search

Like Person, new **search** options exist for Organization
MainePERS Employer or 'other organization', Type of Employer (State/Teacher/PLD)
Benefit Program Participation, Zip Code

Search Criteria

Organization Name	Type	Subtype	Status
	All	All	All
Organization Code	**Benefit Program**	**Tier**	**ZIP Code**
	State		

SEARCH | RESET | STORE SEARCH

Search Results

OPEN | EXPORT TO EXCEL | VIEW CHART

Filter | COLUMN

Page 1 of 10 | Showing 1 - 10 of 100

Drag a column header and drop it here to group by that column

Organization Code	Organization Name	Primary Address	Status	Primary Phone Number	ZIP Code
S00100	Dept of Agriculture, Conservation and Forestry	ADDRESS_LINE_1_67644 CITY_67644 ME United States of America 67644	Active		67644
S00150	Maine Dairy & Nutrition Council	139 Capitol St Augusta ME United States of America 04339	Active	+1 207-649-9087	04339
S00150	Maine Dairy & Nutrition Council	ADDRESS_LINE_1_613577 CITY_613577 ME United States of America 13577	Active	+1 207-649-9087	13577
S00151	Maine Potato Board	ADDRESS_LINE_1_354584 CITY_354584 ME United States of America 54584	Active		54584
S00152	Wild Blueberry Commission of Maine	ADDRESS_LINE_1_86815 CITY_86815 ME United States of America 86815	Active		86815
S00154					6835
S00155	Maine Developmental Disabilities Council	ADDRESS_LINE_1_61953 CITY_61953 ME United States of America 61953	Active		61953

User selects appropriate link to **view** or **update** organization information

MainePERS

BUSINESS PROCESS SUMMARY

History | Organization Search > Organization Maintenance | Displaying page 1 of 1.

Benefit Program- What programs does the employer participant under Defined Benefit (DB)- Defined Contribution (DC)- Insurance (GLI)

- Organization Type
- Contact
- Organization Representative
- Employer Provisions
- Employer Participation Requirements
- Benefit Program Participation
  - Defined Benefit
  - Defined Contribution
  - Insurance
- Participation Request
- Available Insurance Plans
- Pay Calendar
- Documents
- Managed Organizations
- Organization Relationships
- Financial
- Notes

Organization Maintenance

RESET | COMMUNICATION | ORGANIZATION HISTORY

Organization

*Organization Name	*Organization Code	Federal Tax ID / EIN	Status
		00-0001151	Active
Website	**Employer Reporting Class**	**Assigned To**	
	Class 2	21	

Defined Benefit

OPEN | Filter | COLUMN

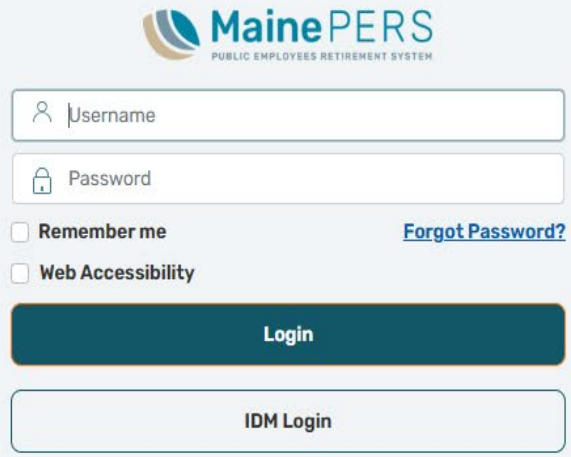
Showing 1 - 4 of 4

Benefit Program	Tier	Benefit Program Type	Participation Start Date	Participation End Date	Grandfathered Date	Covered Positions
Participating Local District	PLD Special 2C	Defined Benefit	12/01/1970			General Government,Firefighter,Law Enforcement
Participating Local District	PLD Regular AC	Defined Benefit	10/01/1947			General Government,General Government
Participating Local District	PLD Special 1C	Defined Benefit	10/01/1947			General Government,Firefighter,Law Enforcement
Participating Local District	PLD Special 3C	Defined Benefit	01/01/2015			

Audit Information

Created By **BENLOAD** Created Date **09/24/2011 09:01:08 AM** Modified By **Wbockman@mainepers.org** Modified Date **05/07/2026 11:22:01 AM**

Employer Self-Service



MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

- Dashboard
- Notifications
- Organization
- Employees
- Employer Payroll
- Finance
- Files & Documents
- Additional Services

Dropdown Menu

FORMS AND PUBLICATIONS | QUICK LINKS | 15

Dashboard

Dashboard

Invoices

Showing 1 - 3 of 3 | Filter

Invoice Type	Invoice Balance	Invoice Due Date
Group Life Insurance	$4.36	06/15/2026
Employer Payroll Adjustment	$2,651.70	04/15/2026
Employer Payroll	$15,200.00	12/15/2025

Employer Payroll Reports

Page 1 of 3 | Filter

Benefit Program	Pay Date	Status
MaineSTART	12/31/2025	Review
Participating Local District	01/31/2026	Review
Participating Local District	02/28/2026	Review
Participating Local District	03/31/2026	Review
Participating Local District	03/31/2026	Review

My Service Requests

Page 1 of 2 | Filter

Request	Request Date	Due Date	Status
Administer Organization	04/17/2026	04/17/2026	In Progress
Administer Organization Participation Request	04/21/2026	04/21/2026	In Progress
Administer Organization Participation Request	04/27/2026	04/27/2026	In Progress
Administer Organization Participation Request	04/30/2026	04/30/2026	Processed
Process Deposit and Remittance	04/30/2026	05/14/2026	Processed

Notifications

Page 1 of 4 | Filter

Message	Received Date	Type
DB File Submission Due Date Reminder	06/10/2026	Informational Notification
GLI File Submission Due Date Reminder	06/10/2026	Informational Notification
Action Needed :Invoice Due Date Notification	06/10/2026	Informational Notification
DC File Submission Due Date Reminder	06/02/2026	Informational Notification
Action Needed :Credit Memo Review Notification	05/21/2026	Informational Notification

Dashboard (Landing page)- Quick overview of important information with 'links' to a more detailed view.

MainePERS

FORMS AND PUBLICATIONS | QUICK LINKS | 15

- Dashboard
- Notifications
- Organization
- Employees
- Employer Payroll
- Finance
  - Invoice & Payment
  - Organization Bank
  - Payment Detail
- Files & Documents
- Additional Services

Notification Inbox

Notification Inbox

Messages

MARK AS READ | MARK AS UNREAD

Page 1 of 4 | Showing 1 - 5 of 20

- [ ] DB File Submission Due Date Reminder
  06/10/2026 | 06/15/2026
- [ ] GLI File Submission Due Date Reminder
  06/10/2026 | 06/15/2026
- [x] Action Needed :Invoice Due Date Notification
  06/10/2026 | 06/15/2026
- [ ] DC File Submission Due Date Reminder
  06/02/2026
- [ ] Action Needed :Credit Memo Review Notification
  05/21/2026 | 06/15/2026

Notification Detail

Subject	Notification Type	Publish Date	Read Date
Action Needed :Invoice Due Date Notification	**Informational Notification**	**06/10/2026**	**06/15/2026**

Message

Your payment due date is approaching. Please make payment on or before 06/15/2026.Invoice Id 811 Invoice Date 05/30/2026 Due Date 06/15/2026

Notification Inbox- Notifications of a pending action needed to complete a business process or member request.

MainePERS

- Dashboard
- Notifications
- Organization
  - Profile
  - Benefit Programs Participation
  - Organization Participant Request
  - Organization Representative
  - Associated Organizations
  - Pay Calendar
  - Contribution Rates
- Employees
- Employer Payroll
- Finance
- Files & Documents
- Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 15

Benefit Program Partici... / Organization Benefit Pr... ← Displaying page 2 of 2.

Organization Benefit Program Maintenance

SAVE | RESET

Organization Benefit Program

Benefit Program Type	Benefit Program	Benefit Program Start Date	Benefit Program End Date
Defined Benefit	**Participating Local District**	**01/01/1943**	

Tier	Tier Start Date	Tier End Date
PLD Regular AC	**01/01/1943**	

Participation Start Date	Participation End Date
01/01/1994	

Organization- Benefit Programs Participation Detailed view
Specific about the Benefit Program, Covered Positions and Rates

Covered Positions

Position Type	Position	Start Date	End Date	Grandfathered Date	SSA 218 Exclusion
General	General Government	01/01/1994	06/30/1994		
General	General Government	07/01/1994	10/11/2011		

Contribution Rate Details

Page 1 of 7

Contribution Type Item	Rate Category	Rate Value	Rate Type
Maine-Tax Only Employee	RRTW	0.00%	Percentage
Maine-Tax Only Employee	REG	7.80%	Percentage
Maine-Tax Only Employee	REG1	7.05%	Percentage
Maine-Tax Only Employee	EP1	7.50%	Percentage
Maine-Tax Only Employee	EP4	6.30%	Percentage

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

FORMS AND PUBLICATIONS | QUICK LINKS | 15

- Dashboard
- Notifications
- Organization
- Employees
  - Employee Search
  - Enroll a Member
  - Limited Period Open Enrollment
  - Qualified Alternate Plan
  - Update Employment
  - Enrollment Summary Search
  - Enrollment Detail Search
- Employer Payroll
- Finance
- Files & Documents
- Additional Services

Enrollment Wizard *

Enrollment Wizard

1. Enrollment Information
2. Employee Detail
3. Employee Address
4. Employment Details
5. Enrollment Detail Review

Enrollment Information

Enrollment Type : **Enroll a Member**

Who is the Employee to be Enrolled?

* SSN	Employer Provided ID	* First Name
911-01-0001	12345	First_Name 12345

* Last Name	* Date of Birth
Last_Name 12345	01/01/2020

NEXT
Employee Detail

Employees- Enroll a Member
Enrollment Wizard replaces HTML template providing step by step intuitive instructions.

MainePERS

- Dashboard
- Notifications
- Organization
- Employees
  - Employee Search
  - Enroll a Member
  - Limited Period Open Enrollment
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  - Enrollment Summary Search
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- Employer Payroll
- Finance
- Files & Documents
- Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 15

Enrollment Wizard *

Enrollment Wizard

1. Enrollment Information
2. Employee Detail
3. Employee Address
4. Employment Details
5. Enrollment Detail Review

Employment Details

Who is the Employer?

* Organization Name: Maine Public Employees Retirement Syster

What are First_Name 12345 Last_Name 12345's Employment Details?

Do you wish to Enroll into a Benefit Program? (•) Yes ( ) No

* Benefit Program: Participating Local District
Tier: PLD Regular AC
* Employment Start Date: 06/15/2026
Employment End Date: MM/DD/YYYY

* **Questionnaire**

* Covered Position: GOVT - General Government
* Personnel Status Code: FULL - Permanent Full Time
* Position Term: 12 Months
Expected Annual Salary: $75,000.00
* Rate Schedule Number: 1 - REG
Rate Category: **REG**
PLD eligibility based on hours: Last 12 consecutive months
Total Hours Worked: 40
Is Employee Per Diem Only? No

Employer Participation Requirements

Employment Details
Dynamic fields provide better guidance to the Employer to ensure accurate enrollment information is submitted.

MainePERS

Dashboard
Notifications
Organization
Employees
- Employee Search
- Enroll a Member
- Limited Period Open Enrollment
- Qualified Alternate Plan
- Update Employment
- Enrollment Summary Search
- Enrollment Detail Search
Employer Payroll
Finance
Files & Documents
Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 15

Enrollment Wizard *

Enrollment Wizard

1. Enrollment Information
2. Employee Detail
3. Empl
4. Empl
5. Enrol

Employment Details

Employer Participation Requirements

Minimum Work Requirements

There are no minimum work requirements

Eligible Positions

All positions that meet the minimum work requirements are eligible for enrollment.

Mandatory Membership

Membership is mandatory for all eligible positions except:

Chief Administrative Officer
Positions not subject to Maine Public Employees Labor Relations Law

$75,000.00

1 - REG

REG

Is Employee Per Diem Only?

No

Employer Participation Requirements

Employment Participation Requirements
Specific membership provisions unique to Employer.

MainePERS

- Dashboard
- Notifications
- Organization
- Employees
- Employer Payroll
  - Create Payroll Report
  - Employer Payroll Report Search
  - Employer Payroll Detail Search
- Finance
- Files & Documents
- Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 14

Employer Payroll Report Search

Employer Name: All
Benefit Program: All
Status: None Selected
Posted Status: None Selected
Pay Period Pay Date From: MM/DD/YYYY
Pay Period Pay Date To: MM/DD/YYYY
Pay Period Start Date: MM/DD/YYYY
Pay Period End Date: MM/DD/YYYY
Created Date From: MM/DD/YYYY
Created Date To: MM/DD/YYYY
Recently Uploaded Files: All
File Name:

SEARCH | RESET | STORE SEARCH

Employer Payroll- Employer Payroll Report Search
The Employer can search for pending and previously processed payrolls using multiple search criteria.

Search Results

NEW | OPEN | EXPORT TO EXCEL | SUBMIT SELECTED

Page 1 of 2

Drag a column header and drop it here to group by that column

Filter

Organization Benefit Program	Pay Period Start Date	Pay Period End Date	Header Status	Header Created Date	Number of Detail Records	File Name	Total Reported Salary	Total Reported Contributions	Total Grant Funded Employer Contributions
Maine Public Employees Retirement System Participating Local District	03/01/2026	03/31/2026	Processed	04/29/2026	118	3. DB_PLD_M_P0290_PayrollReporting_3_2026 - Employer Paid Employee.csv	$794,421.27	$138,445.24	$0.00
Maine Public Employees Retirement System Participating Local District	03/01/2026	03/31/2026	Review	04/29/2026	118	3. DB_PLD_M_P0290_PayrollReporting_3_2026 - Employer Paid Employee.csv			$0.00

Employers can use the link to drill down to see more details

MainePERS

- Dashboard
- Notifications
- Organization
- Employees
- Employer Payroll
  - Create Payroll Report
  - Employer Payroll Report Search
  - Employer Payroll Detail Search
- Finance
- Files & Documents
- Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 15

Employer Payroll Report... / Employer Payroll Report... × Displaying page 1 of 1.

Employer Payroll Report Maintenance

RESET

Employer Payroll Header

Organization Name **Maine Public Employees Retirement System**	Payroll Header ID **9**	Header Status **Processed**	Posted Status **Posted**
Benefit Program **Participating Local District**	Pay Period Pay Date **03/31/2026**	Pay Period Start Date **03/01/2026**	Pay Period End Date **03/31/2026**
Pay Period Type **Regular**	Total Reported Salary **$794,421.27**	Total Reported Contributions **$138,445.24**	Total Record Count **118**
Submitted By **rsaindon@mainepers.org**	Submitted Date **04/29/2026**	Submitted **Yes**	
Total Grant Funded Compensation **$0.00**	Total Grant Funded Employer Contributions		

I certify that the information provided for this Employee is ac

Employer Payroll Report Maintenance

The Employer can see detailed information about the payroll report and review differences between the reported and calculated amounts

Contributions

Transaction Type	Contribution Type	Total Reported Amount	Total Calculated Amount	Discrepancy
Regular	Maine-Tax Only Employee	$46,126.07	$46,126.07	$0.00
Regular	Pre-Tax Employer	$81,030.99	$81,030.99	$0.00
Regular	Employer Paid Employee	$11,288.18	$11,288.18	$0.00

Total Reported Amount: $138,445.24

Total Calculated Amount $138,445.24

MainePERS

- Dashboard
- Notifications
- Organization
- Employees
- Employer Payroll
  - Create Payroll Report
  - Employer Payroll Report Search
  - Employer Payroll Detail Search
- Finance
- Files & Documents
- Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 14

Employer Payroll Report.../ Employer Payroll Report... Displaying page 1 of 1.

Employer Payroll Report Maintenance

RESET

Employer Payroll Report Maintenance

The Employer can see an individual breakdown of the reported participant information and their own contribution obligation.

Employer Payroll Details

Processed | Missing Active Members

Page 1 of 19

SSN	First Name	Last Name	Reported Salary	Maine-Tax Only Employee	Pre-Tax Employer	Employer Paid Employee	UAL	Transaction Type	Status
001317368	FIRST_NAME_1317368	LAST_NAME_1317368	$13,461.54	$949.04	$1,373.08	$0.00	$0.00	Regular	Processed
000344456	FIRST_NAME_344456	LAST_NAME_344456	$3,414.71	$266.35	$348.30	$0.00	$0.00	Regular	Processed
001313509	FIRST_NAME_1313509	LAST_NAME_1313509	$10,044.02	$708.10	$1,024.49	$0.00	$0.00	Regular	Processed
001140291	FIRST_NAME_1140291	LAST_NAME_1140291	$2,918.04	$205.72	$297.64	$0.00	$0.00	Regular	Processed
001311213	FIRST_NAME_1311213	LAST_NAME_1311213	$4,171.19	$294.07	$425.46	$0.00	$0.00	Regular	Processed

Invoice(s)

PAY INVOICE

Invoice Type	Invoice Date	Due Date	Total Invoice Amount	Paid Amount	Balance Amount	Status
Employer Payroll	03/31/2026	04/15/2026	$138,445.24	$138,445.24	$0.00	Paid

Header Errors (Warning)

Here the Employer is advised that active enrollments exist, but these participants were not included in the payroll upload.

Header Errors

Message	Severity
There are Missed Active Members in current Pay Period. Please see Missing Active Members grid under Employer Payroll Details panel for more information.	Warning

MainePERS

- Dashboard
- Notifications
- Organization
  - Profile
  - Benefit Programs Participation
  - Organization Participant Request
  - Organization Representative
  - Associated Organizations
  - Pay Calendar
  - Contribution Rates
- Employees
- Employer Payroll
- Finance
  - Invoice & Payment
  - Organization Bank
  - Payment Detail
- Files & Documents
- Additional Services

FORMS AND PUBLICATIONS | QUICK LINKS | 14

Pay Calendar / Pay Calendar Header Mai... Displaying page 1 of 1.

Pay Calendar Header Maintenance

RESET

Read Only : ReadOnlyESSPayCalendar

Pay Calendar Configurations

* Organization Name	* Benefit Program	* Pay Frequency	Status
Maine Public Employees Retirement System	**Participating Local District**	**Monthly (12)**	**Approved**
* Payroll Year	* First Pay Date	* Payroll Year Start Date	* Payroll Year End Date
2026	**01/31/2026**	**01/01/2026**	**12/31/2026**
* Pay Calendar Alias	* Adjust Pay Date For Holidays		
P0290_Participating Local District_M	**No Change**		

Pay Calendar Details

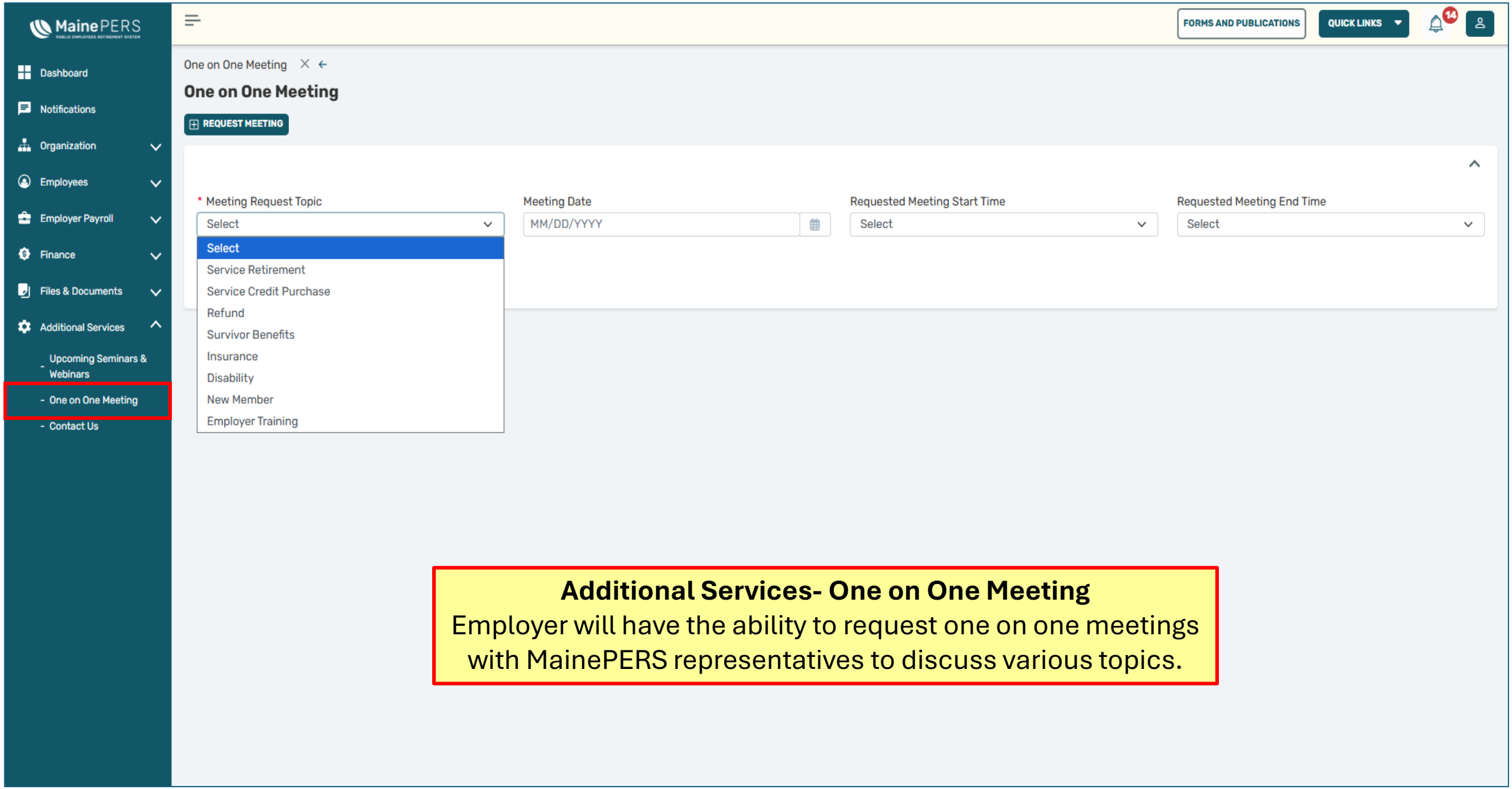
* Pay Cycle Type

Page 1 of 3

Pay Cycle Number	Pay Period Start Date	Pay Period End Date	Pay Period Pay Date	Report/Remittance Due Date	Pay Cycle Type	Working Days	Processed Date
1	01/01/2026	01/31/2026	01/31/2026	02/15/2026	Regular Pay	22	
2	02/01/2026	02/28/2026	02/28/2026	03/15/2026	Regular Pay	20	
3	03/01/2026	03/31/2026	03/31/2026	04/15/2026	Regular Pay	22	
4	04/01/2026	04/30/2026	04/30/2026	05/15/2026	Regular Pay	22	
5	05/01/2026	05/31/2026	05/31/2026	06/15/2026	Regular Pay	21	

Pay Calendar

The Employer will be able to sync their payroll file submission to MainePERS with their employee payroll reporting system. Allowing them the ability to report Weekly, Every Two Weeks or Monthly for each benefit program.



Additional Services- One on One Meeting

Employer will have the ability to request one on one meetings with MainePERS representatives to discuss various topics.

MainePERS

- Dashboard
- Notifications
- Organization
- Employees
- Employer Payroll
- Finance
- Files & Documents
- Additional Services
  - Upcoming Seminars & Webinars
  - One on One Meeting
  - Contact Us

FORMS AND PUBLICATIONS | QUICK LINKS | 14

Contact Us

Contact Us

SUBMIT

Request Details

If you would like for an agency representative to contact you directly, please provide your request details below.

* Request Reason

Email Address

Additional Comments About Your Request

Preferred Response Method: Select
- Select
- Email
- Paper
- Phone

Preferred Call Back Time: Select
- Select
- Afternoon
- Anytime
- Evening
- Morning

Contact Ticket History

Filter

Contact Ticket Number	Status	Contact Ticket Reason(s)

Additional Services- Contact Us

Employer can reach out to MainePERS and request a response using various methods and a preferred time.

Contact Agency

Agency Name	Address	Phone	Email
Pension Agency	**123 Main st,St Paul,MN 12345**	**(800) 123-4562**	**youragency@agency.com**

PAS Mission Moment

MainePERS
PUBLIC EMPLOYEES RETIREMENT SYSTEM

Questions?

Thank You

MAINEPERS

BOARD OF TRUSTEES MEMORANDUM

TO: BOARD MEMBERS

FROM: CHIP GAVIN, CHIEF SERVICES OFFICER
KAREN DOYLE, CHIEF FINANCIAL OFFICER
JOY CHILDS, CHIEF TECHNOLOGY OFFICER
NANETTE ARDRY, GENERAL COUNSEL

SUBJECT: ADMINISTRATIVE REPORT

DATE: AUGUST 4, 2026

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

PENSION ADMINISTRATION SYSTEM

1. PENSION ADMINISTRATION SYSTEM IMPLEMENTATION: Project Status: Sagitec is currently reporting that all major monitoring areas of the project – schedule, budget/cost, scope, resources and quality – are green, as is the overall project status. An excerpt of Sagitec's monthly project status report is included below. The Project is now well into the subphase of the project referenced as Pilot 4.2.

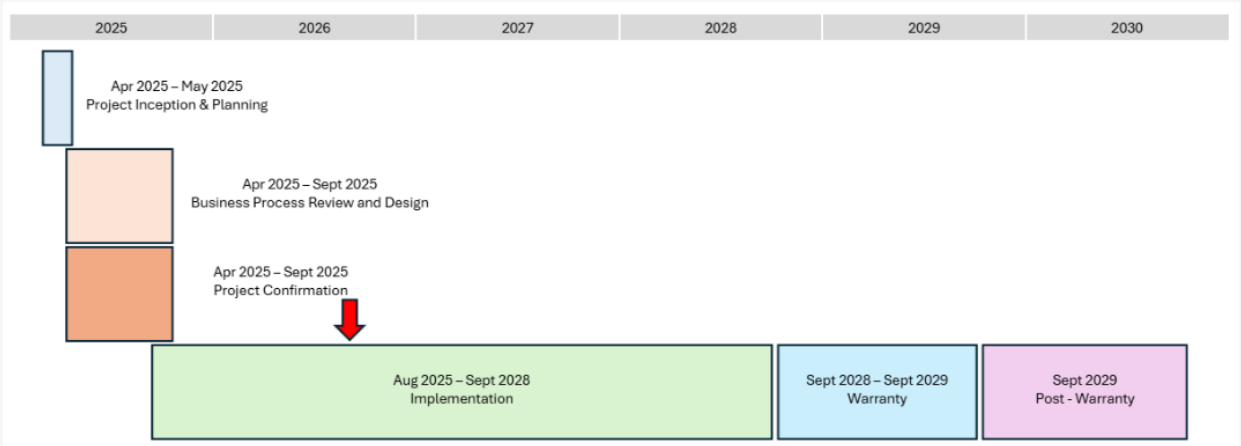
   Follow up from Pilot 4.1 remains on track. More than 90 percent of the issues identified during 4.1 testing in April and May have been remedied. Work on the remaining 10 percent, or 10 total items, remains in progress.

   The project has now completed approximately 38 percent of the timeline between contract initiation and scheduled project launch. The project currently is scheduled to reach the ultimate go-live milestone in CY2028. This project is part of Goal III, Strategic Objective (B) and other related components of the Strategic Plan.

Overall		**Scope**	
Schedule		**Resources**	

Cost / Budget			
Project Manager	Jason Tolentino	**Project Sponsor**	CEO Rebecca Wyke
Project Start	April 14, 2025	**Project End**	Go-live June to Sept 2028. One-year warranty period concluding in 2029.
Reporting Period	July 2026	**Reporting Date**	July 31, 2026
Audience	Chip Gavin, Michael Colleran, Joy Childs, Valerie Scott, Domna Giatas, Tim Poulin, Karen Doyle, Brett McGillivary	**Next Steering Committee Meeting with Sagitec**	August 12, 2026

Timeline *(red arrow indicates the approximate point in the project as of this report)*



MEMBER SERVICES

1. RETIREMENT SERVICES: The cyclical summer surge of retirements was accomplished and approximately 550 new retirees were added for the July payroll cycle. That summer influx is roughly 25-30 percent of the total annual incoming volume of new retirement finalizations MainePERS expects in any given year.

2. SUPPLEMENTAL METRICS: The Member Services metrics provided to Trustees each month have been updated in recognition of the start of the new fiscal year. Additionally, as MainePERS enters each new fiscal year, it assesses the amount of cumulative data in the various Member Services graphs with the goal of undertaking any updates that may be warranted to provide as much data as succinctly as possible. An update to some graphs is possible in the near future. In particular and for example, a new metric is included this month regarding the Participating Local District plan to make clearer the count of employers

and individual members participating in that plan. Likewise, a redundant and less clear graph covering the same information is planned for discontinuance in September 2026. The graph to be discontinued is noted as such in this month's report.

FINANCE – AUGUST 2026

1. EMPLOYER REPORTING. Employers submitted defined benefit payrolls on time at rate of 97% in July. This compares to a rate of 95% for the same period last year. Of the 17 payrolls that missed the deadline, 13 were submitted within three days of deadline. The percentage of fully reconciled accounts through May data is 81%. The number of fully reconciled accounts decreased by 1 account, to 579 this month.

   The total number of accounts with 2019 transactions, including two for Portland Public Schools, remains at three. The reconciliation for the 2019 account that is not related to Portland Public Schools is being actively worked now. The aging of the 131 accounts not fully reconciled through May 2026 data breaks down as follows:

	Oldest Unreconciled Transactions							
Year	2026	2025	2024	2023	2022	2021	2020	2019
# of Accts	65	50	5	4	0	1	3	3
Removed								
Added								
Prior Report	65	50	5	4	0	1	3	3

2. EMPLOYER AUDITING. There were three new audits opened during the month of July, and two audits were completed. The current percentage of findings resolved is 98.3%.

3. ACCOUNTING AND FINANCE. The internal audit covering vendor management policies was completed. The next audit to be started in August is for Compensation.

INFORMATION TECHNOLOGY

1. IT OPERATIONS: IT Operations is 1/3rd through the rollout FortiClient. Most desktop workstations will be decommissioned as part of this process. FortiClient is an application that provides secure, encrypted remote VPN access to corporate networks. All feedback has been positive and performance results have been promising. FortiClient will enable MainePERS remote users to connect to all internal networks and resources without the requirement of a physical Meraki device. IT Operations is also continuing to work on configuration of our Varonis data management system to track all data that moves outside or comes into our internal network. This analysis will inform MainePERS of any data movement that could be a risk. Currently the team is partnering with the Director of Special Projects, to create a record retention rollout plan. The current focus is on data gathering to determine legacy file ownership for targeted cleansing efforts. IT Operations continues beta test 2.0 for the process of creating Intune O365 policies to support Staff using personal devices (bring your own device BYOD) for Agency email. Install of the new APC backup batteries in our Augusta datacenter as well as a IT rack reconfiguration and cleanup is scheduled for August 22nd. Planning is underway to upgrade all physical servers from Windows Server 2019 to Windows Server 2025.

2. DEVELOPMENT: The IT Development and Line of Business Teams completed the Valuation work in July. They also continue to closely work with the Sagitec data conversion team on detailed field mapping and providing monthly data conversion bundles and transfers. The Development Team completed the data dictionary for Pilot 4.2 in July. The Development team will be sending additional data to Sagitec in August to support the Pilot 4.2 design efforts. To date the team has resolved just 2.9 million conversion errors. Data conversion efforts will be ongoing monthly. The Line of Business Team has been focused on elaboration sessions for Refunds and Service Credit/portability and Service Retirement.

3. PROJECT MANAGEMENT AND BUSINESS ANALYST: The IT Project Management and Business Analyst Teams have been assisting with the detailed data mapping and data conversion activities. The PM Team is currently coordinating Pilot 4.2, scheduling all requirement sessions. The Technical Writer continues the process of creating a training program framework that will standardize the look, feel and content of training across all departments as well as participating in PUV for a first look review of the Neospin User Interface/User Experience (UI/UX). All Business Analyst participated and assisted in all PUV activities and is now focused on Pilot 4.2 and the ongoing data conversion.

4. INFORMATION SECURITY: The Information Security Team worked with our Cybersecurity vendor Tyler to fine tune an additional layer of monitoring for our Microsoft Azure tenant. In July Tyler performed Internal and External Penetration testing and there is a Social Engineering exercise scheduled for early August.

ADMINISTRATION

1. HUMAN RESOURCES: We had 1 new hire, 1 retirement, and 1 promotion filling a vacancy in July; 5 positions actively recruiting at the end of the month. The transition to a new Flexible Benefit vendor was effective 7/1/2026. HRIS/Payroll implementation started.

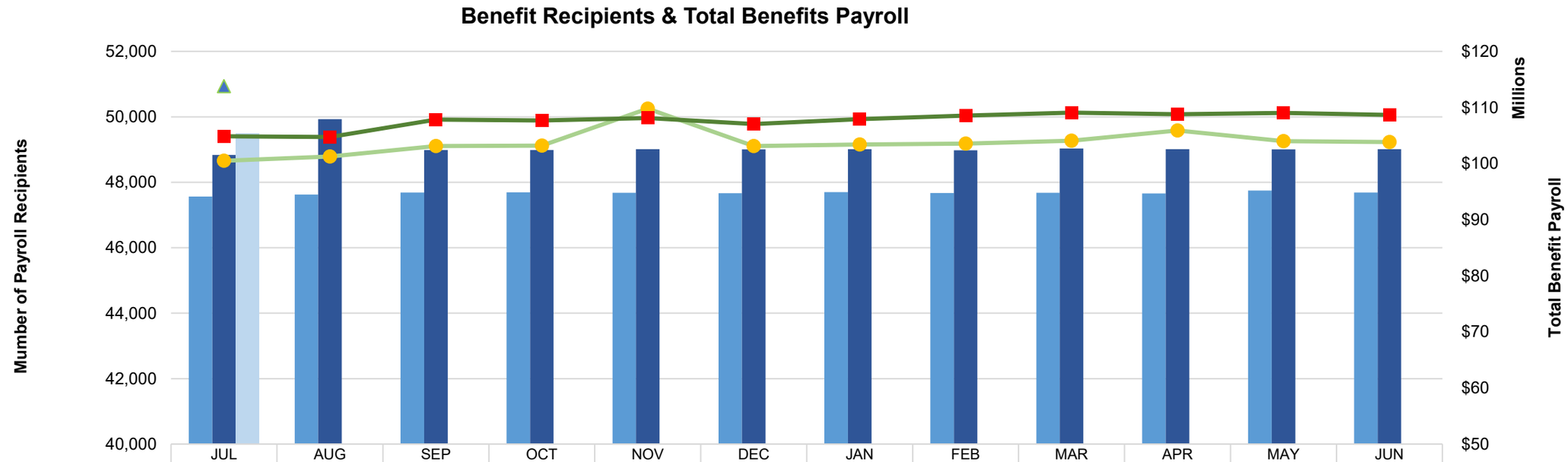
2. LEGAL DEPARTMENT: The Legal Department says goodbye to General Counsel Michael Colleran after 13 years of service. MainePERS' Compliance Officer Ella Braaten has accepted the position of Deputy General Counsel.

RECOMMENDATION

No Board action is recommended at this time.

RETIREMENT SERVICES

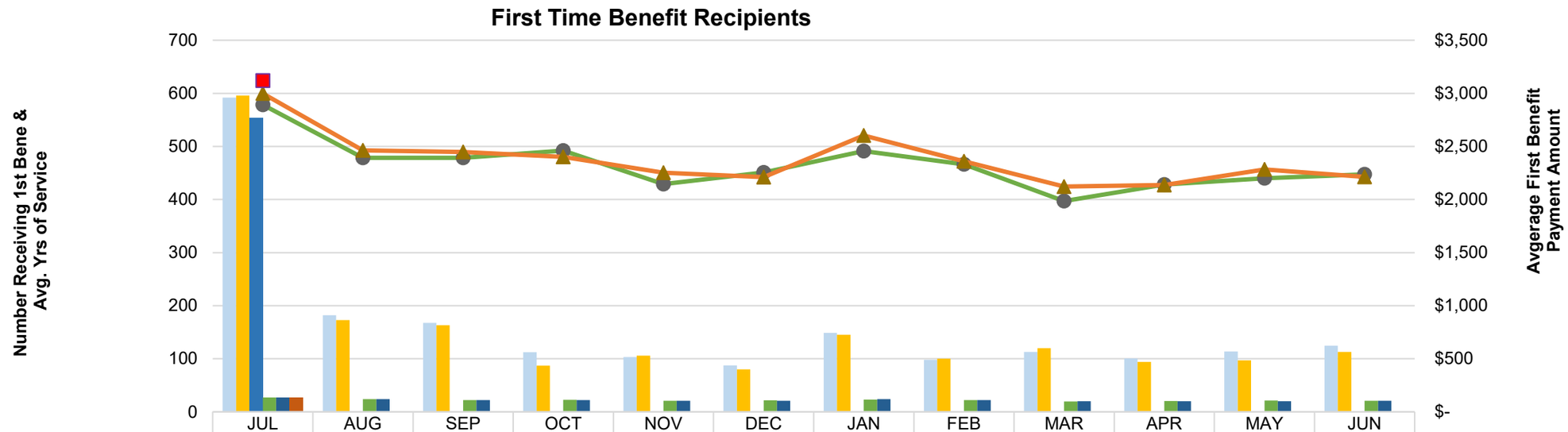
BENEFITS PAYROLL: Regular monthly pension benefit payments were made to 49,493 recipients in July, totaling $113,790,916. Note: Special payments paid outside of the regular payroll run are not reflected in the "Benefits Payroll" total. Applying to all graphs in this report, instead of providing fiscal years 2023, 2024 and 2025 individually, this graph provides the average of those years against fiscal years 2026 and 2027.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # of Benefit Recipients (FY23-FY25))	47,563	47,626	47,687	47,695	47,682	47,666	47,701	47,671	47,680	47,662	47,747	47,685
FY26 # Benefit Recipients	48,835	49,931	48,982	48,985	49,011	49,003	49,015	48,979	49,033	49,011	49,007	49,015
FY27 # Benefit Recipients	49,493											
3YR Avg Benefits Payroll (FY23-FY25))	$100,498,717	$101,246,022	$103,137,121	$103,205,871	$109,798,490	$103,126,890	$103,389,560	$103,553,576	$104,084,181	$105,915,500	$104,015,632	$103,849,299
FY26 Benefits Payroll	$104,858,297	$104,737,939	$107,825,148	$107,667,346	$108,126,893	$107,047,632	$107,931,101	$108,547,682	$109,080,987	$108,789,293	$109,039,648	$108,687,230
FY27 Benefits Payroll	$113,790,916											

RETIREMENT SERVICES: (CONTINUED)

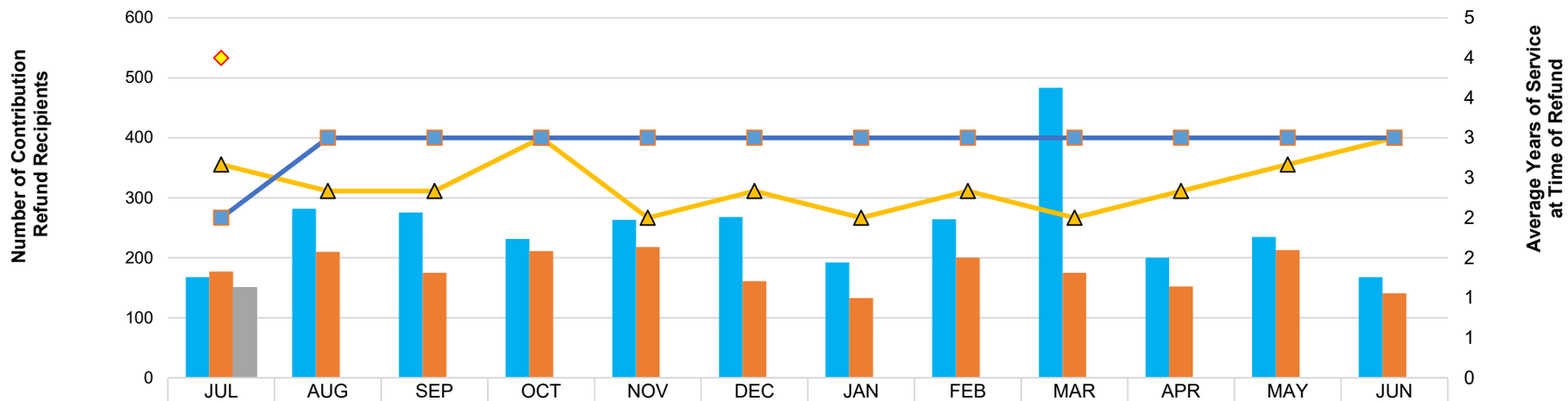
FIRST TIME BENEFIT RECIPIENTS: Five hundred fifty-three (553) individuals received their first benefit payment in July. The average benefit amount was $3,119. First time recipients averaged twenty-six (26) years of service. The count of new recipients, payment amount, and service are comparable to data seen during the same month in recent prior years.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # Receiving 1st Benefit Pymt (FY23-FY25)	592	182	168	112	103	87	149	98	113	100	114	125
FY26 # Receiving 1st Benefit Pymt	596	173	163	87	106	80	145	100	120	94	97	113
FY27 # Receiving 1st Benefit Pymt	553	0	0	0	0	0	0	0	0	0	0	0
3YR Avg Years of Svc @1st Benefit Pymt (FY23-FY25)	27	24	22	23	21	22	23	22	20	20	21	21
FY26 Avg Years of Svc @1st Benefit Pymt	27	24	22	22	21	21	24	22	20	20	20	21
FY27 Avg Years of Svc @1st Benefit Pymt	26											
3YR Avg 1st Benefit Pymt Amount (FY23-FY25)	$2,892	$2,392	$2,393	$2,460	$2,146	$2,254	$2,456	$2,330	$1,985	$2,140	$2,199	$2,238
FY26 Avg 1st Benefit Pymt Amount	$2,999	$2,463	$2,447	$2,402	$2,252	$2,210	$2,602	$2,360	$2,122	$2,137	$2,283	$2,213
FY27 Avg 1st Benefit Pymt Amount	$3,119											

RETIREMENT SERVICES: (CONTINUED)

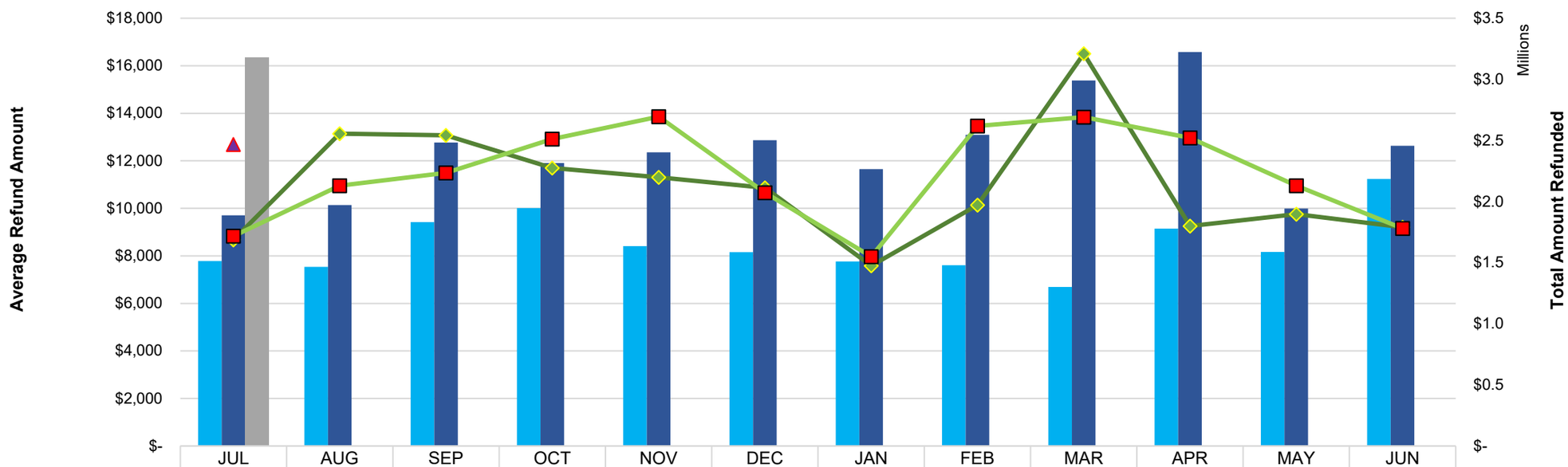
CONTRIBUTION REFUNDS: One hundred fifty-one (151) former members received a refund of their contributions in July. The average refund was $16,349 as the result of an average of four (4) years of service. The aggregate amount refunded was $2,468,723.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # of Contribution Refund Recipients (FY23-FY25)	168	282	275	231	263	268	192	264	483	200	235	168
FY26 # of Contribution Refund Recipients	177	210	175	211	218	161	133	200	175	152	213	141
FY27 # of Contribution Refund Recipients	151											
3YR Avg YRs of Service at Time of Refund (FY23-FY25)	3	2	2	3	2	2	2	2	2	2	3	3
FY26 Avg YRs of Service at Time of Refund	2	3	3	3	3	3	3	3	3	3	3	3
FY27 Avg YRs of Service at Time of Refund	4											

RETIREMENT SERVICES: (CONTINUED)

CONTRIBUTION REFUNDS

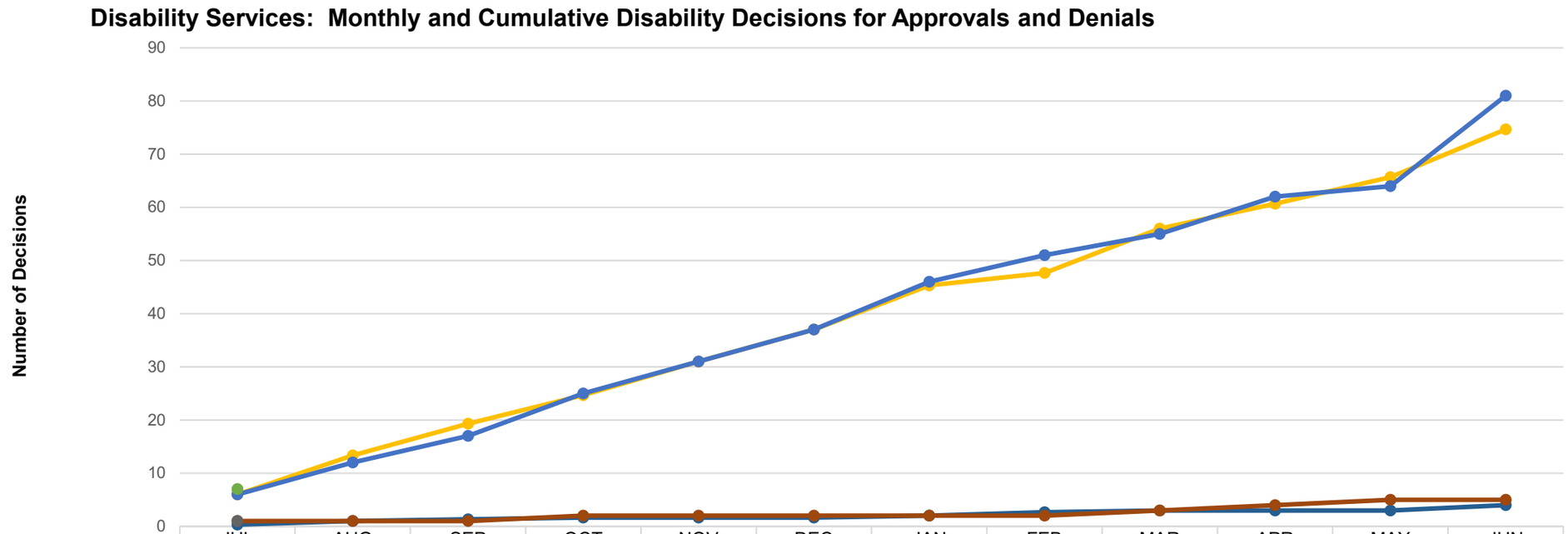


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg Refund Amount (FY23-FY25)	$7,786	$7,536	$9,422	$10,010	$8,411	$8,160	$7,766	$7,606	$6,695	$9,152	$8,162	$11,238
FY26 Avg Refund Amount	$9,705	$10,140	$12,771	$11,904	$12,361	$12,872	$11,653	$13,095	$15,379	$16,583	$9,997	$12,630
FY27 Avg Refund Amount	$16,349											
3YR Avg Total Amount Refunded (FY23-FY25)	$1,687,473	$2,556,040	$2,542,487	$2,275,295	$2,198,494	$2,112,640	$1,475,032	$1,971,162	$3,209,515	$1,800,192	$1,896,366	$1,789,708
FY26 Total Amount Refunded	$1,717,731	$2,129,422	$2,234,977	$2,511,695	$2,694,730	$2,072,406	$1,549,914	$2,618,918	$2,691,359	$2,520,543	$2,129,334	$1,780,831
FY27 Total Amount Refunded	$2,468,723											

DISABILITY SERVICES

Intake Interviews and Applications: There were nine (9) interviews completed in July with varying levels of detail and duration. Intakes interviews included three (3) State members, one (1) Teacher member, five (5) PLD members and zero (0) other members. There were thirteen (13) new disability retirement applications received in July. For FY27 to date, there have been nine (9) interviews completed, and thirteen (13) disability retirement applications received.

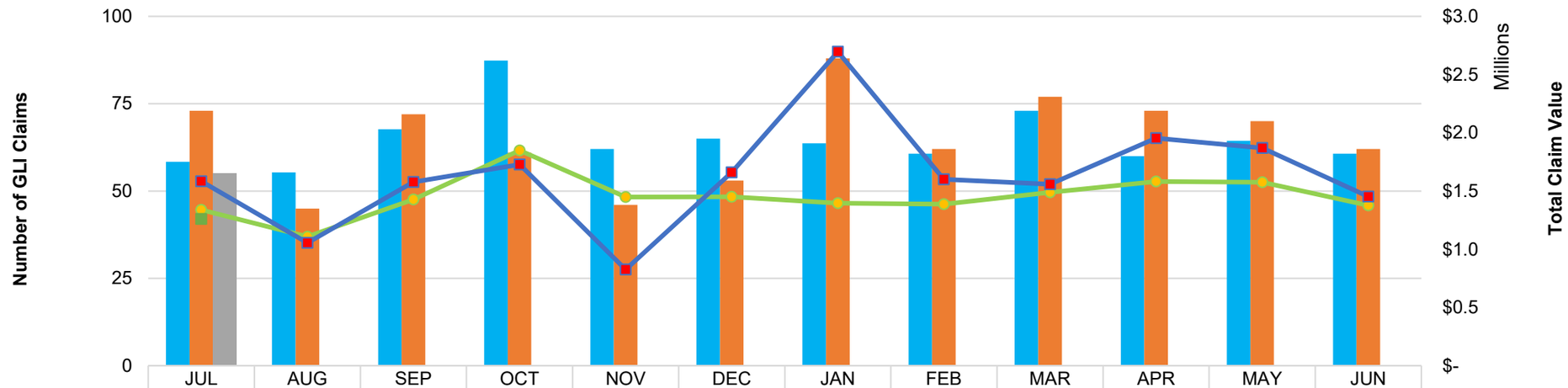
Decisions made on Applications for Disability Benefits: There were five (5) approvals, two (2) expedited approvals and one (1) denial of disability benefits in July. For FY27 to date, there have been seven (7) total approvals and one (1) denial of disability benefits.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3 YR Avg Cumulative Approved Apps (FY23 to FY25)	6	13	19	25	31	37	45	48	56	61	66	75
FY26 Cumulative Approved Apps	6	12	17	25	31	37	46	51	55	62	64	81
FY27 Cumulative Approved Apps	7											
3 YR Avg Cumulative Denied Apps (FY23 to FY25)	0	1	1	2	2	2	2	3	3	3	3	4
FY26 Cumulative Denied Apps	1	1	1	2	2	2	2	2	3	4	5	5
FY27 Cumulative Denied Apps	1											

SURVIVOR SERVICES

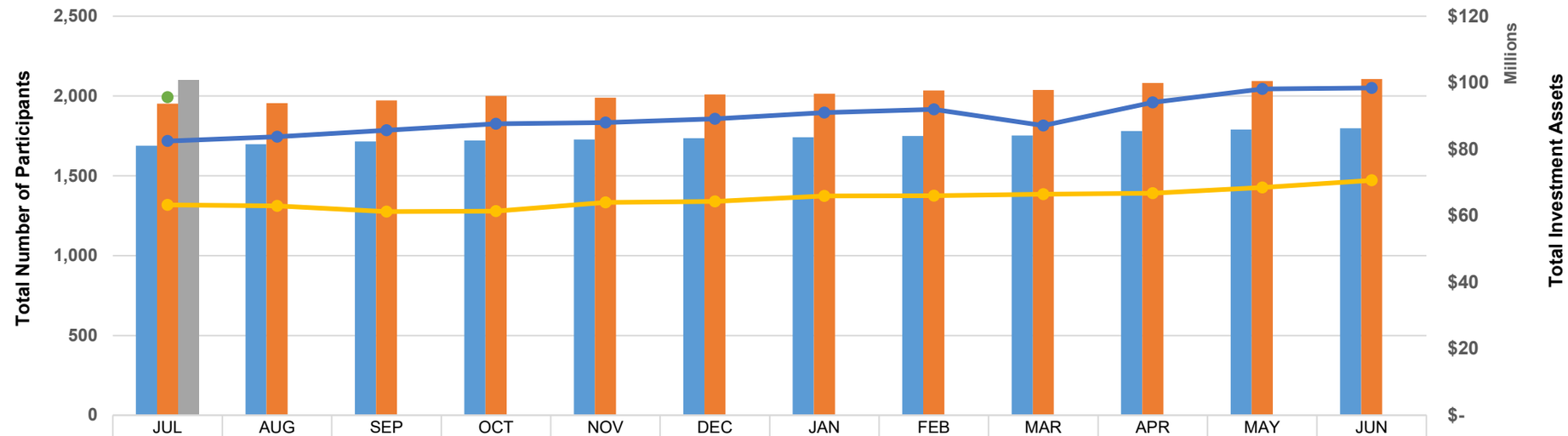
GLI Claim Numbers and Values: There were fifty-five (55) life insurance claims sent to our carrier (The Hartford) in July with a total value of $1,260,455 in payments due to beneficiaries. Of the claims, forty-nine (49) were retiree claims and six (6) were active member claims including two (2) dependent claims.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # Life Insurance Claims Filed (FY23-FY25)	58	55	68	87	62	65	64	61	73	60	64	61
FY26 # Life Insurance Claims Filed	73	45	72	61	46	53	88	62	77	73	70	62
FY27 # Life Insurance Claims Filed	55											
3YR Avg Total Claim Value (FY23-FY25)	$1,339,210	$1,108,503	$1,427,742	$1,848,800	$1,447,520	$1,450,323	$1,396,367	$1,386,623	$1,488,985	$1,580,847	$1,576,108	$1,375,457
FY26 Total Claim Value	$1,583,110	$1,054,120	$1,578,195	$1,727,170	$825,880	$1,660,715	$2,695,875	$1,601,660	$1,557,850	$1,954,040	$1,869,785	$1,453,210
FY27 Total Claim Value	$1,260,455											

DEFINED CONTRIBUTION PLAN SERVICES

Total Participants and Investment Assets: MaineSTART had two thousand one hundred two (2,102) participants at the end of July with $95,696,227 of investment assets in the program.



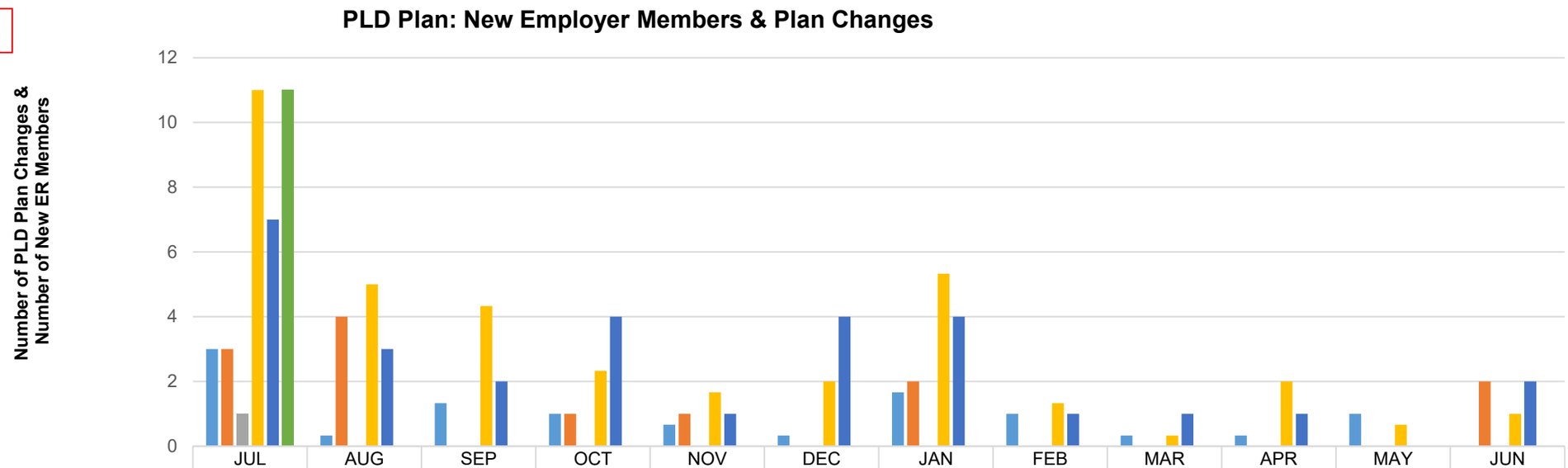
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # MaineSTART Participants (FY23-FY25)	1,690	1,698	1,715	1,722	1,727	1,736	1,743	1,750	1,753	1,781	1,791	1,798
FY26 # MaineSTART Participants	1,952	1,956	1,972	2,000	1,990	2,010	2,014	2,035	2,038	2,081	2,094	2,106
FY27 # MaineSTART Participants	2,102											
3 YR Avg Total Investment Assets (FY23-FY25)	$63,288,11	$62,959,22	$61,241,72	$61,393,42	$63,976,73	$64,299,35	$65,938,68	$66,024,78	$66,501,00	$66,775,99	$68,529,31	$70,633,76
FY26 Total Investment Assets	$82,457,60	$83,771,24	$85,678,63	$87,630,13	$88,027,62	$89,147,49	$90,984,31	$92,021,16	$87,133,22	$94,110,68	$98,159,86	$98,435,96
FY27 Total Investment Assets	$95,696,22											

PARTICIPATING LOCAL DISTRICT (PLD)

PLAN ADMINISTRATION

New Employer Members & Plan Changes: There was one (1) new employers joining the PLD Retirement Program effective July 1, 2026. There were eleven (11) employer plan changes effective July 1, 2026. 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.

To be discontinued

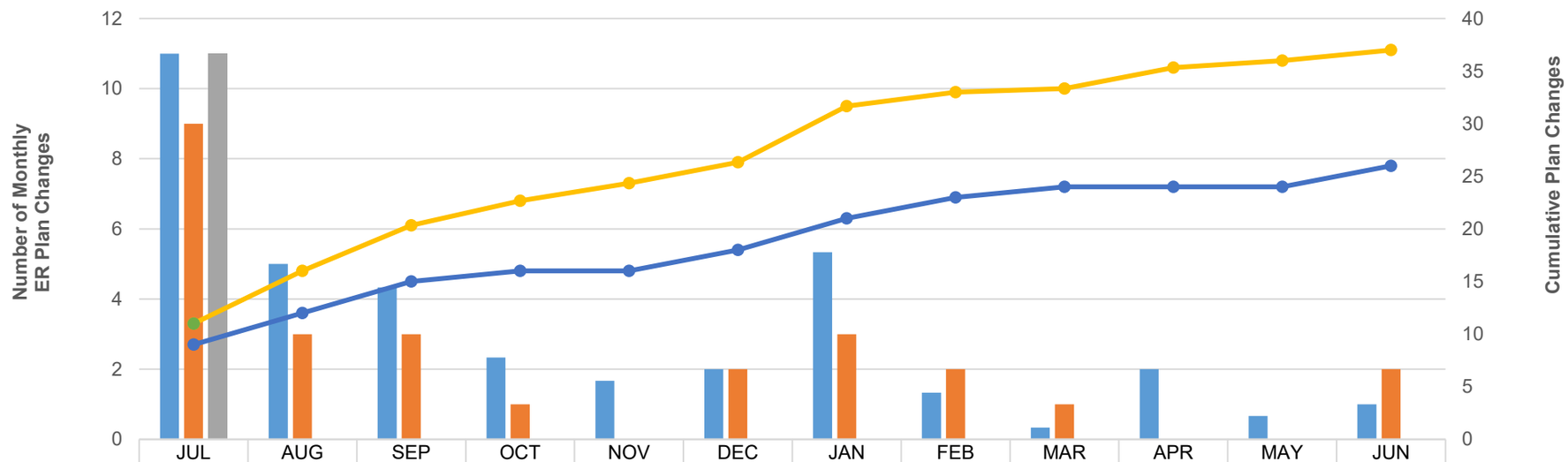


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # New PLD Plan Employers (FY23-FY25)	3	0	1	1	1	0	2	1	0	0	1	0
FY26 # New PLD Plan Employers	3	4	0	1	1	0	2	0	0	0	0	2
FY27 # New PLD Plan Employers	1											
3YR Avg # PLD's Adopting Plan Changes (FY23-FY25)	11	5	4	2	2	2	5	1	0	2	1	1
FY26 # PLD's Adopting Plan Changes	7	3	2	4	1	4	4	1	1	1	0	2
FY27 # PLD's Adopting Plan Changes	11											

PARTICIPATING LOCAL DISTRICT (PLD)

PLD PLAN - MONTHLY AND CUMULATIVE EMPLOYER PLAN CHANGES

Monthly and Cumulative Employer Plan Changes: There was one (1) new employers joining the PLD Retirement Program effective July 1, 2026. There were eleven (1) employer plan changes effective July 1, 2026. Total plan changes for FY27 are eleven (11). *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.



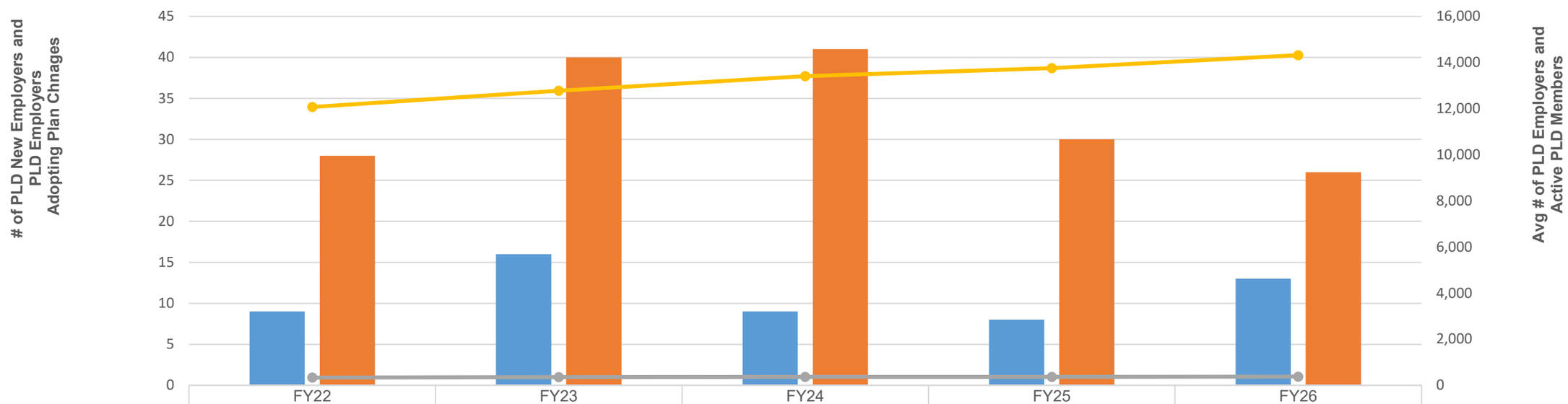
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # PLD's Adopting Plan Changes (FY23-FY25)	11	5	4	2	2	2	5	1	0	2	1	1
FY26 # PLD's Adopting Plan Changes	9	3	3	1	0	2	3	2	1	0	0	2
FY27 # PLD's Adopting Plan Changes	11											
3YR Avg Cumulative Plan Changes Adopted (FY23-FY25)	11	16	20	23	24	26	32	33	33	35	36	37
FY26 Cumulative Plan Changes Adopted	9	12	15	16	16	18	21	23	24	24	24	26
FY27 Cumulative Plan Changes Adopted	11											

PLD PLAN ADMINISTRATION (CONTINUED)

PLD PLAN ACTIVITY BY FISCAL YEAR

Data for FY27 activity will be provided in the August supplemental numbers at the September meeting.

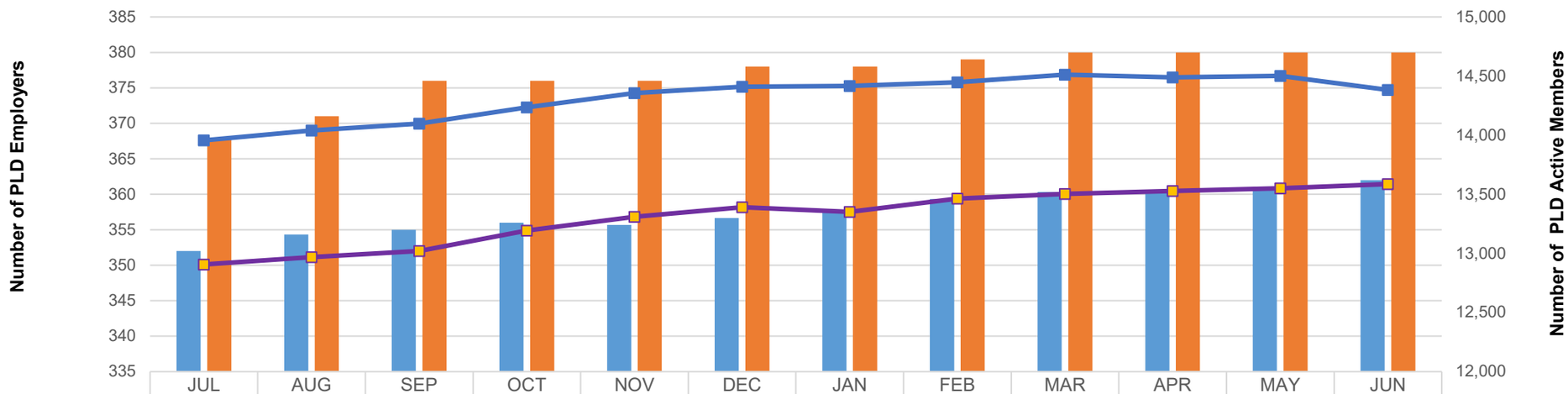
New



	FY22	FY23	FY24	FY25	FY26
# New PLD Plan Employers	9	16	9	8	13
# PLD's Adopting Plan Changes	28	40	41	30	26
Avg PLD Employers	335	350	360	362	377
Avg PLD Active Members	12,071	12,777	13,409	13,758	14,320

PLD PLAN ADMINISTRATION (CONTINUED)

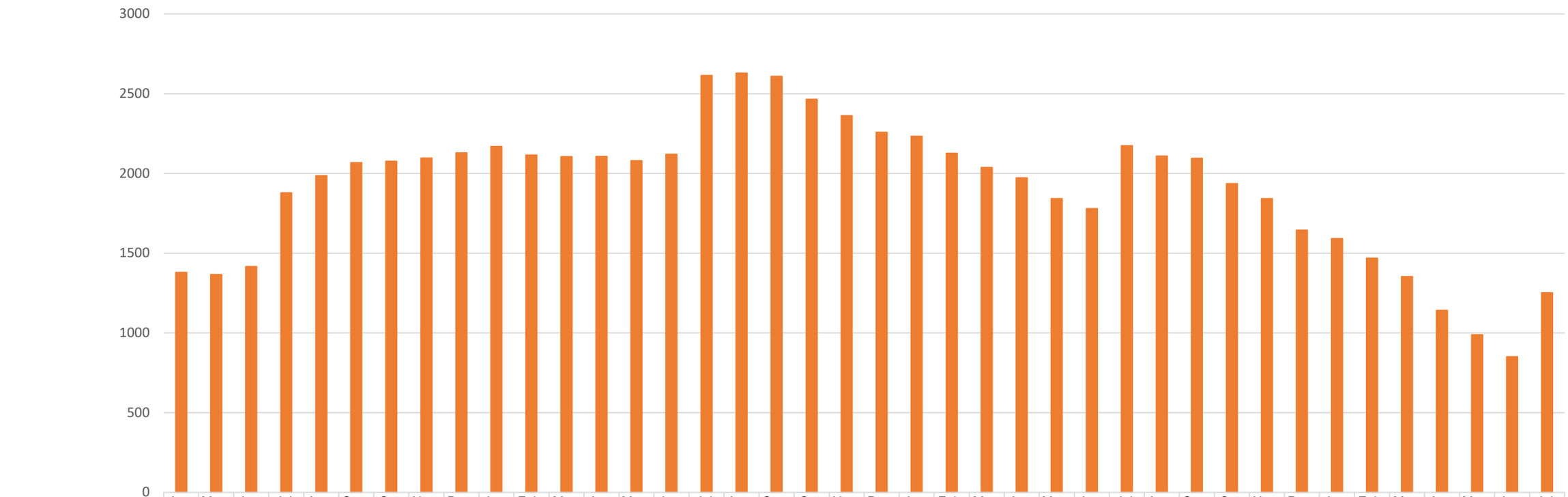
Employers and Active Members: PLD employers remained the same from March through June at 380; PLD Employee numbers initially decreased from 14,512 in March to 14,489 in April, increased to 14,501 in May and then decreased to 14,382 in June. This data will be reported quarterly. Due to the timing of the Board Report, the next update will be included in the October 2026 supplement numbers at the November 2026 meeting.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
3YR Avg # PLD Employers (FY23-FY25)	352	354	355	356	356	357	358	359	360	360	361	362
FY26 # PLD Employers	368	371	376	376	376	378	378	379	380	380	380	380
3YR Avg # PLD Active Members (FY23-FY25)	12,906	12,969	13,021	13,194	13,310	13,392	13,351	13,463	13,503	13,528	13,551	13,586
FY26 # PLD Active Members	13,956	14,040	14,098	14,236	14,355	14,411	14,416	14,448	14,512	14,489	14,501	14,382

FOCUS FRIDAY IMPACT ON BACKLOG REDUCTION

PRELIMINARY TO FINAL BENEFIT (PB TO FINAL) BACKLOG THROUGH JULY 3, 2026: The reporting below is based on a data point that counts days since an initial Preliminary Benefit disbursement date (Days on PB) occurred.



	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Actual # Open PBs WFs	1379	1365	1415	1878	1985	2067	2076	2096	2129	2168	2115	2105	2106	2080	2120	2614	2628	2608	2464	2361	2257	2232	2126	2037	1972	1841	1779	2174	2108	2095	1936	1841	1644	1591	1468	1353	1141	988	850	1251

Governance Education Session

David F. Maurek, CPA

A Presentation to the MainePERS Retirement Board | August 13, 2026

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Topics

1. Why Good Governance Matters
2. Achieving Effectiveness in Governance
3. Examples of Good Governance Practices
4. Closing Remarks
5. Discussion on 2025 – 2026 Board Self-Evaluation to follow

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Defining Governance

- The process of decision-making and the process by which decisions are implemented (or not implemented).[1]
- The structure, manner, and customary practices for exercising authority or control and evaluating associated outcomes.

[1] SOURCE: United Nations Economic and Social Commission for Asia and the Pacific: https://www.unescap.org/sites/default/files/good-governance.pdf

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Essential Principles of Good Governance

- Compliant with law/fiduciary standards
- Accountable
- Responsive
- Efficient
- Consensus-oriented
- Effective
- Fair
- Knowledgeable and experienced
- Appropriate balance between retained and delegated authority

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Key Factors Associated With Good Governance

- Selection of governing board members with relevant skills and knowledge
- Development of a board self-improvement culture
- Clear understanding of the board's mission and its investment beliefs
- Sufficient size to allow cost effective management of assets
- Competitive staff compensation to permit acquisition of internal expertise
- Clarity of board and staff roles about delegation of management responsibilities
- Insulation from conflicting political or third-party agendas

SOURCE: Johnson, Keith L. and Frank Jan de Graf., "Modernizing Pension Fund Legal Standards for the 21st Century," Network for Sustainable Financial Markets: Consultation Paper No. 2, February 2009.

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U.S. Public Pensions Have a Distributed Governance Framework

Parties with Involvement

- Governor
- Legislature
- MainePERS Board
- MainePERS CEO
- MainePERS Membership
- Participating Local Districts Advisory Committee
- Other Stakeholders

Governance Structure

- Applicable laws and rules
- Policies

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Good Governance Requires Navigation

- Public pensions generally do not “compete” with each other, except for talent and investment opportunities.
- Public pensions are trusts; therefore, fiduciary duty attaches.
- Fiduciary duties and applicable legal standards are different from those typically applicable to other types of governmental agencies.
- Consequences can be significant for failure to perform fiduciary duties.
- Best practices research in pension governance advocate to align authority with those who have the fiduciary responsibility.*
- It is up to each public pension fund to navigate the requirements of its legal governance framework to be successful, or if and when appropriate, seek to influence change.

**For example, see: The Uniform Management of Public Employee Retirement Systems Act (UMPERSA), an effort by the Commissioners on Uniform State Laws to impose consistent fiduciary standards among public funds.*

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Not Every Board Has the Same Authority

Boards differ significantly in their own authority over:

- Budgets
- Procurement
- Staff
- Compensation
- Service providers
- Investments
- Funding

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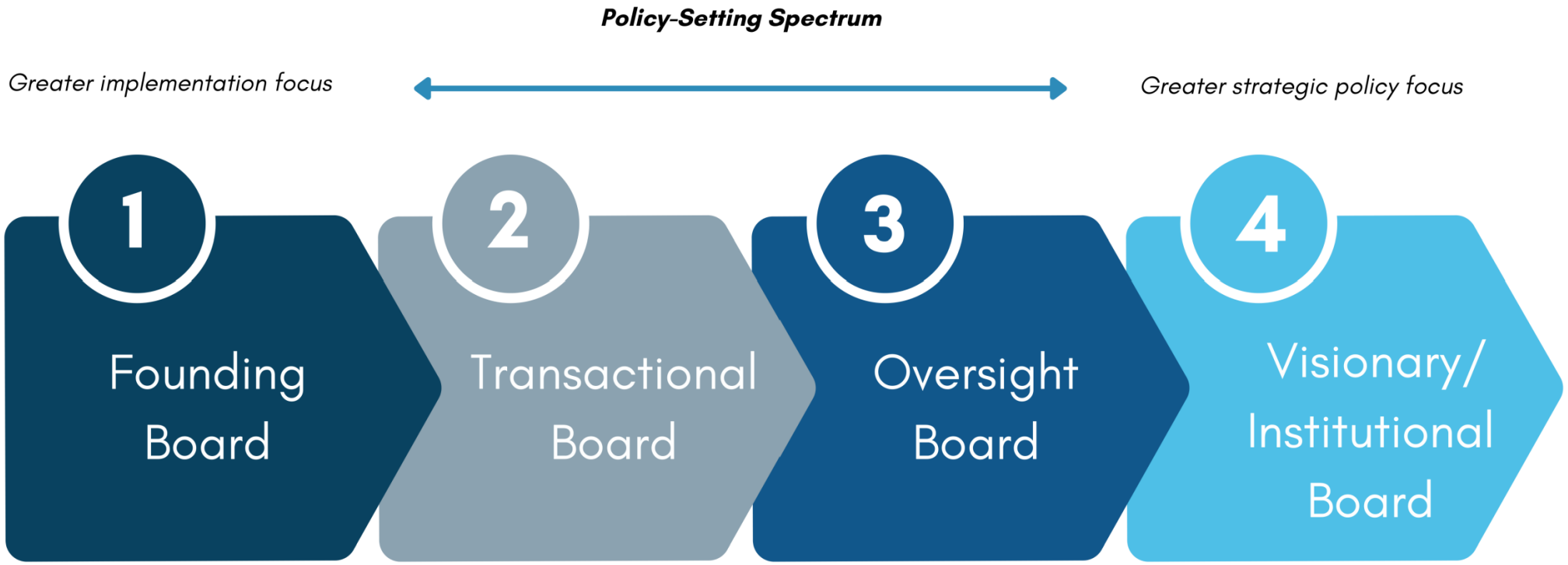
Pension Board Work Evolves*



**Not every board will evolve through all stages of the lifecycle. Public pension organizations develop and grow differently. Given their long-term horizon, they may spend years at one stage or straddle multiple stages at the same time.*

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Techniques to Balance a Strategic Focus

Revisit and reconfirm preferences for:

- Role of the board and management, and delegations of authority.
- Committee structure.
- Annual calendar/meeting agendas and workplans.
- Norms and expectations for information flow between meetings.
- Templates for board materials (e.g., exceptions-based reports, risk heat maps).
- Cultural expectations for reviewing board materials in advance.
- Board presentations (e.g., time allocation – 1/3 presentation and 2/3 discussion).
- Board education (e.g., onboarding and ongoing development).
- Frequency of interactions to cultivate effective board culture and board/management partnership.

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Examples of Best Practices in Board Governance

- Electing board leadership from among the board members.
- Establishing and refreshing a long-range strategic plan.
- Conducting evaluations of board/committee/trustee performance.
- Engaging in new trustee onboarding, mentoring, and continuing education.
- Conducting periodic evaluations of board consultants and service providers.
- Reviewing and updating governance policies and the board policy manual regularly.
- Adopting an annual board and committee workplan to shape agenda development.
- Conducting annual evaluations of the CEO.
- Engaging in succession readiness for the CEO position; overseeing the CEO's management of succession readiness for the organization.

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Example: Governance Practices Thread Together

Multi-Year Strategic Plan

+

Routine and Required Policy Oversight

Annual Board Workplan	Annual Board Self-Evaluation
CEO's Annual Action Plan	Annual CEO Evaluation
CEO's Assignment of Annual Action Plan to Staff	Annual Staff Performance Evaluations

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An Increasing Number of U.S. Public Pension Boards Are…

- Becoming more engaged in shaping and updating the organizational vision.
- Reviewing and adjusting board responsibilities to balance strategy and oversight.
- Strengthening the board/management partnership and authority delegation.
- Developing effective succession readiness practices.
- Dedicating more time to board education and trustee self-development.
- Seeking greater insight into organizational culture issues.
- Enhancing oversight and risk monitoring of technology projects and cybersecurity.
- Gaining a deeper understanding of the needs and preferences of members, retirees and employers.

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Example: Defining the Board's Lane

Governance Scope

Focus Areas

	Board Governance	Organizational Governance	Governance of Plans, Programs and Services
Strategy	Ex.: Determine type, number, and composition of committees	Ex.: Approve strategic plan	Ex.: Approve investment policy, including delegations to staff; set actuarial assumptions
Risk	Ex.: Monitor compliance with governance policies and manual	Ex.: Approve organization risk management policy	Ex.: Ensure management administers plans, programs, and services in compliance with applicable law
Performance	Ex.: Conduct self-evaluation of the board and its committees	Ex: Monitor and evaluate CEO	Ex.: Oversee portfolio and administrative performance and expenses
People	Ex.: Elect board chair and vice-chair	Ex: Approve organization compensation philosophy	Ex.: Monitor System and benefit effectiveness and trends

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Wrapping Up

- Good governance translates into value for the members and beneficiaries of your pension fund
- Assessing governance effectiveness and understanding where improvements can be made is a key board responsibility.
- Reviewing and enhancing governance practices is an ongoing process.
- 2025 – 2026 Board Self-Evaluation to follow

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Thank You

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