

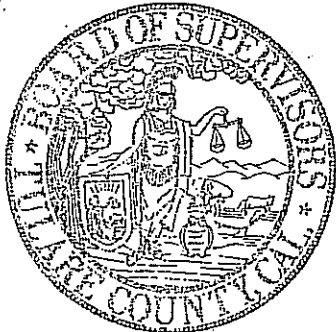
BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF DEFERRED
COMPENSATION PLAN MATTERS

) Resolution No. 2011-0816
) Agreement No. 25245, 25246,
25247, 25248, 25249, 25250,
24696-A, 24697-A & 25251

UPON MOTION OF SUPERVISOR WORTHLEY, SECONDED BY
SUPERVISOR COX, THE FOLLOWING WAS ADOPTED BY THE BOARD OF
SUPERVISORS, AT AN OFFICIAL MEETING HELD NOVEMBER 8, 2011, BY THE
FOLLOWING VOTE:

AYES: SUPERVISORS ISHIDA, VANDER POEL, COX, WORTHLEY AND ENNIS
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: *Daniel A. Ybana*
Deputy Clerk

1. Approved the five-year service agreement with Great-West Life & Annuity to provide 457 Deferred Compensation services to Tulare County for both the 457 full-time plan and the 3121 part-time, seasonal plan for the period of January 1, 2012 through December 31, 2017 ("Great-West Agreement").
2. Approved the Custodial Bank Account Agreement with Wells Fargo Bank ("Wells Fargo Agreement").
3. Approve the offering of four Manning & Napier Collective Investment Trusts (CIT) as investment options and approve the Trust Agreement.
4. Approved the offering of BlackRock Equity Index CIT as an investment option ("BlackRock").
5. Approved the offering of AST Wilmington Emerging Markets CIT and AST Wilmington International Equity Index CIT as investment options ("AST Wilmington").

6. Approved an agreement with Advised Assets Group, LLC ("AAG") to provide investment guidance, advisory, and discretionary managed account services (Reality Investing Advisory Services) to deferred compensation plan participants.
7. Approved Agreement No. 24696, Amendment one (1) to the Great-West Model 457(b) 2009 Plan Document and Adoption Agreement adding the Governmental Roth 457 feature.
8. Approved Agreement No. 24697, Amendment one (1) to the Great-West Model 457(b) 2009 Plan Document for the 3121 part-time, seasonal plan and the Adoption Agreement to allow the Plan Administrator to direct the Trustee to distribute small account balances of \$1,000 or less of participants who have not made contributions to the 3121 part-time, seasonal plan for two years, meeting the requirements of Section 5.03(b) of the Plan, without Participant consent.
9. Approved the 2011 401(a) Profit Sharing Plan Document for Governmental Employees and the 401(a) Adoption Agreement.
10. Authorized the Chairman to sign four (4) copies of each of the above referenced agreements, amendments to agreements and documents.
11. Authorized the Plan Administrator to sign any administrative forms that have been missed and that are of a ministerial nature pertaining to the implementation of this contract and services agreement, with the review and approval of County Counsel.

Auditor

DAY
11/9/11



**Auditor-
Controller/Treasurer-Tax
Collector
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One
PETE VANDER POEL
District Two
PHILLIP A. COX
District Three
J. STEVEN WORTHLEY
District Four
MIKE ENNIS
District Five

AGENDA DATE: November 8, 2011- REVISED

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>

CONTACT PERSON: Kim Aguiar PHONE: 6-5225

SUBJECT: Deferred Compensation Plan Matters

REQUEST(S):

That the Board of Supervisors:

1. Approve the five-year service agreement with Great-West Life & Annuity to provide 457 Deferred Compensation services to Tulare County for both the 457 full-time plan and the 3121 part-time, seasonal plan for the period of January 1, 2012 through December 31, 2017 ("Great-West Agreement").
2. Approve the Custodial Bank Account Agreement with Wells Fargo Bank ("Wells Fargo Agreement").
3. Approve the offering of four Manning & Napier Collective Investment Trusts (CIT) as investment options and approve the Trust Agreement.
4. Approve the offering of BlackRock Equity Index CIT as an investment option ("BlackRock").
5. Approve the offering of AST Wilmington Emerging Markets CIT and AST Wilmington International Equity Index CIT as investment options ("AST Wilmington).
6. Approve an agreement with Advised Assets Group, LLC ("AAG") to provide investment guidance, advisory, and discretionary managed account services (Reality Investing Advisory Services) to deferred compensation plan participants.
7. Approve Agreement No. 24696, Amendment one (1) to the Great-West Model

SUBJECT: Deferred Compensation Plan Matters
DATE: November 8, 2011

457(b) 2009 Plan Document and Adoption Agreement adding the Governmental Roth 457 feature.

8. Approve Agreement No. 24697, Amendment one (1) to the Great-West Model 457(b) 2009 Plan Document for the 3121 part-time, seasonal plan and the Adoption Agreement to allow the Plan Administrator to direct the Trustee to distribute small account balances of \$1,000 or less of participants who have not made contributions to the 3121 part-time, seasonal plan for two years, meeting the requirements of Section 5.03(b) of the Plan, without Participant consent.

9. Approve the 2011 401(a) Profit Sharing Plan Document for Governmental Employees and the 401(a) Adoption Agreement.

10. Authorize the Chairman to sign four (4) copies of each of the above referenced agreements, amendments to agreements and documents.

11. Authorize the Plan Administrator to sign any administrative forms that have been missed and that are of a ministerial nature pertaining to the implementation of this contract and services agreement, with the review and approval of County Counsel.

SUMMARY:

This item relates to the County's Deferred Compensation Plan ("Plan"), a defined contribution plan. The County first created the Deferred Compensation Plan in 1981, and most recently amended the Plan in 2010. The Plan allows employees to voluntarily defer some portion of their compensation. This deferred compensation is held in trust and is invested in one or more investment options as directed by individual employees ("Participants") or if not directed, as otherwise provided for by a default investment option.

The operation of the Plan is overseen by a Defined Contribution Committee (Committee); the Plan Administrator is the Tulare County Auditor-Controller/Treasurer-Tax Collector (ATR) who is currently also the Committee Chairman. The Committee is comprised of the County ATR, the County Assessor, County Counsel, Human Resources & Development Director, County Administrative Officer, or their designees, five (5) full-time County employees (one nominated by each County Supervisor) and one retiree member who is a current or past Plan Participant, appointed at large by the Board, currently Neal Wallis.

To operate the Plan, the County contracts with a service provider which functions as the Plan Recordkeeper.

GREAT-WEST AGREEMENT

Since 2001, the County has contracted with Great West Retirement Services (GWRS) as the Plan Recordkeeper. On March 16, 2010, the Board of Supervisors ratified the Deferred Contribution Committee's decision to renegotiate a new service provider agreement with Great-West. On June 28, 2011, the current agreement

SUBJECT: Deferred Compensation Plan Matters
DATE: November 8, 2011

was amended extending the term to December 31, 2011, in order to allow the renegotiation to proceed.

The Deferred Contribution Committee is presently in the midst of an audit of the Plan and practices, and has incorporated SST Benefits Consulting's recommendations from the audit into the new agreement. Additionally, the Committee has been working with GWRS to redesign this plan as a "state of the art" plan incorporating "best practices" standards in the public sector deferred compensation plan industry.

The Committee established three (3) primary objectives to improve this plan for plan participants:

1. Transparency of Service Provider Fees: The **first objective** was to comply with the Department of Labor's (DOL) recently published Service Provider Fee Disclosure Regulations ensuring that fee arrangements with service providers like GWRS are "reasonable," and that only "reasonable & transparent" compensation is paid for reasonable and transparent services. To that end, it was the Committee's desire to minimize expenses associated with these plans without jeopardizing service levels. The Committee would like to provide plan participants with the best possible share class available, reducing the expense ratio to its lowest possible level. Additionally, the Committee would like to retain many of the existing investment options and replace funds in the current portfolio that either are not performing well as compared to peer group, or funds that are performing well, yet where there are other funds that can offer lower expenses.
2. Increased Participation: The **second objective** was to increase participation by communicating to participants as well as non-participants. This can either be achieved directly through GWRS, or outsourced to other vendors at GWRS's proposal recommendation. The ultimate goal is to increase current deferral levels and attract additional participants to the plan.
3. Performance Standards: And **third objective**, the Committee desires to reaffirm performance standards and guarantees contractually with GWRS.

Per the first objective of transparency regarding the service provider fees participants pay, and based upon recent competitive information from the Committee's investment consultant, SST Benefits Consulting (SST), the Committee believes that the revenue requirement of 0.30% (30 basis points) is very competitive in today's marketplace. GWRS has indicated they will accept this rate on the variable assets.

The new contract will also include the Roth 457 option which the Board authorized with resolution 2011-0471.

SUBJECT: Deferred Compensation Plan Matters
DATE: November 8, 2011

This Agreement authorizes GWRS to continue to provide administrative services for the Plan, and sets forth the fees to be paid to GWRS for its services, it also includes performance standards and service benchmarks that GWRS is required to meet, and for fees to be paid by GWRS for failure to meet those benchmarks. The Agreement requires GWRS to provide education and training, and marketing materials intended to increase awareness and participation in the plan, and well as other communication. The Agreement also addresses that GWRS will continue to process hardship withdrawals, loans, and other distributions, and will now administer divorce agreements (QDRO's).

The Committee is satisfied all objectives in the negotiations with GWRS have been met and is recommending the Board of Supervisors approve the new contract with GWRS.

The dispute resolution paragraph varies from the boilerplate below:

16. RESOLUTION: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the DISPUTE parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

County Counsel has no objection to the deviation - it is substantially similar.

The alternative to the recommended action would be to adopt an agreement for a shorter period of time with Great-West and do an RFP after that time.

WELLS FARGO AGREEMENT

This Agreement authorizes Wells Fargo Bank ("Wells Fargo") to keep assets for the exclusive benefit of participants/beneficiaries while monies are in transit pending investment or distribution.

MANNING & NAPIER ACCOUNT DOCUMENTS

The Deferred Compensation Plan will have a new fund line up due to new fee transparency laws. One of the changes is the deletion of the current asset allocation funds: Conservative, Moderately conservative, Moderate, Moderately Aggressive and Aggressive Profile Funds and the addition of the following Manning & Napier CIT's: Conservative, Moderate, Extended, and Max. Manning & Napier requires the following documents:

1. Exeter Trust Company Investment Authorization Agreement. It is a requirement

SUBJECT: Deferred Compensation Plan Matters
DATE: November 8, 2011

that each plan investing in the Manning & Napier Collective Investment Trusts to complete an Investment Authorization Agreement. This document allows each Plan's assets to be invested in the Manning & Napier Collective Investment Trusts.

2. Board of Trustees Resolution. This is a specimen signature document or authorizing resolution that indicates identity and number of those officers or trustees authorized to give instruction and execute documents on behalf of the Plan.

3. Declaration of Trust. A copy of the Declaration of Trust for the Manning & Napier Collective Investment Trusts is solely to retain for your records.

BLACK ROCK CERTIFICATE OF INCUMBENCY

Other fund changes include the deletion of BlackRock S&P 500 Stock Index, Dreyfus Mid Cap Index, Dreyfus Bond Market Index and the addition of BlackRock Equity Index Collective F, BlackRock Mid Cap Index collective F and BlackRock US Debt index Collective F. BlackRock requires a Certificate of Incumbency certifying those employees and/or trustees of the client who exercise control over the management of the plan, fund, or system.

AST WILMINGTON TRUST

Dreyfus International Stock Index fund is being deleted and AST Wilmington International Equity Index CIT and AST Wilmington Emerging Markets CIT are being added. AST Wilmington requires a participation agreement be executed. This agreement authorizes Wilmington Trust to maintain the Trust for the collective investment of certain qualified retirement plan assets. The Trust holds assets in investment funds ("Funds") established under the Trust.

ADVISED ASSETS GROUP, LLC ("AAG")

AAG is a wholly owned subsidiary of Great-West that provides investment guidance, advisory, and discretionary managed account services (Reality Investing) to deferred compensation plan participants. The Reality Investing Advisory Services Agreement is a renewal of Agreement No. 22814.

ROTH 457

Resolution No. 2011-0471 authorized the addition of a Roth 457 option. In order to implement this new option, the 2009 457(b) Plan Document and the Adoption Agreement must be amended to include the Roth 457 feature and to indicate Tulare County's set up preferences. This is Agreement No. 24696, Amendment one (1).

DISTRIBUTION OF SMALL ACCOUNT BALANCES FOR THE 3121 PART-TIME, SEASONAL PLAN

Agreement 20799-D with Great-West allows the Administrator of the 3121 Part-time, Seasonal Plan to direct Great-West to distribute small account balances of \$1,000 or less of participants who have not made contributions to the 3121 part-time, seasonal plan for two years, meeting the requirements of Section 5.03(b) of the Plan, without Participant or County consent. However, this provision was never added to the 3121 2009 Plan Document. Agreement No. 24697, Amendment one

SUBJECT: Deferred Compensation Plan Matters
DATE: November 8, 2011

(1) to the 3121 Plan Document for Part-Time, Seasonal Plan and the Adoption Agreement brings all 3121 documents into agreement

401(a)

Resolution 2007-0625 conceptually approved a 401(a) plan for unrepresented employees of Tulare County and set up the Defined Contribution Program Committee (aka Deferred Compensation Committee) to exercise jurisdiction over the program subject to Board approval as needed and designated Great-West Retirement Services as the administrator of the program. This program was never implemented; however, Great-West had agreed and still agrees to administer this program free of charge and so we are reluctant to remove this from our contract with Great West. Therefore, we are requesting the adoption of the 401(a) 2011 Plan Document; however, this program will not be implemented at this time.

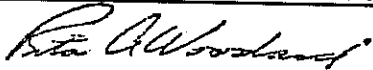
FISCAL IMPACT/FINANCING:

Mutual fund companies charge management fees to cover their expenses for managing the funds. They may share this revenue with third parties to cover the third parties' costs of providing services to retirement plans (such as administration, record keeping, and investment advice). This practice is called "revenue sharing." In the Service Agreement, Great West provides that the County receives a combined \$58,500 annually from Great West and Tucoemas Federal Credit Union. This money is held in an interest-bearing forfeiture account at Great West. to be used by the County only for costs associated with operating the County's Deferred Compensation program.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Some of the chief components of the Strategic business Plan are to provide benefits for the county workforce and to provide better service delivery and county program performance. These recommendations are made in order to help Great West provide better service to our employees through the Deferred Compensation program. This falls under the Organizational Performance section of the Strategic Business Plan.

ADMINISTRATIVE SIGN-OFF:



Rita A. Woodard
Auditor-Controller/Treasurer-Tax Collector

Cc: Auditor-Controller
County Counsel
County Administrative Office (2)

Attachment(s) Exhibit 1 Fund Line Up

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF DEFERRED
COMPENSATION PLAN MATTERS

) Resolution No. _____
) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Approved the five-year service agreement with Great-West Life & Annuity to provide 457 Deferred Compensation services to Tulare County for both the 457 full-time plan and the 3121 part-time, seasonal plan for the period of January 1, 2012 through December 31, 2017 ("Great-West Agreement").
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7. Approved Agreement No. 24696, Amendment one (1) to the Great-West Model 457(b) 2009 Plan Document and Adoption Agreement adding the Governmental Roth 457 feature.
8. Approved Agreement No. 24697, Amendment one (1) to the Great-West Model 457(b) 2009 Plan Document for the 3121 part-time, seasonal plan and the Adoption Agreement to allow the Plan Administrator to direct the Trustee to distribute small account balances of \$1,000 or less of participants who have not made contributions to the 3121 part-time, seasonal plan for two years, meeting the requirements of Section 5.03(b) of the Plan, without Participant consent.
9. Approved the 2011 401(a) Profit Sharing Plan Document for Governmental Employees and the 401(a) Adoption Agreement.
10. Authorized the Chairman to sign four (4) copies of each of the above referenced agreements, amendments to agreements and documents.
11. Authorized the Plan Administrator to sign any administrative forms that have been missed and that are of a ministerial nature pertaining to the implementation of this contract and services agreement, with the review and approval of County Counsel.

AMENDMENT TO

GREAT-WEST MODEL 457(b) PLAN DOCUMENT FOR GOVERNMENTAL EMPLOYERS

Pursuant to Section 11.02 of the Great-West Retirement Services® Section 457(b) Eligible Deferred Compensation 2009 Plan Document for Governmental Employers adopted by Tulare County effective November 8, 2011, the following amendments are made to the Plan and as effective November 8, 2011.

1. Section H. of the Adoption Agreement is hereby amended to add the following:

4. If Box 1 of Section M is checked, eligible rollovers contributions of designated Roth contributions made from an applicable retirement plan described in §402A(e)(1) SHALL BE allowed.

2. The Adoption Agreement is hereby amended to add the following:

M. ROTH CONTRIBUTIONS. *(Check Box 1 OR Box 2.)*

1. Participant Roth Contributions SHALL BE allowed after November 8, 2011

2. Participant Roth Contributions SHALL NOT BE allowed.

3. The Adoption Agreement is hereby amended to add the following:

N. IN-PLAN ROTH ROLLOVERS. *(Check Box 1 OR Box 2.)*

1. If box 1 of Section M is checked, In-Plan Roth Rollovers SHALL BE allowed in accordance with Section 6.01(f) after November 8, 2011. (Enter either January 1, 2011, or a date later than January 1, 2011.)

2. In-Plan Roth Rollover SHALL NOT BE allowed.

4. Section 1.01 of the Plan Document is hereby amended to read as follows:

1.01 "Account Balance." The bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the Participant's Designated Roth Contributions if allowed by the plan, the earnings or loss of the Fund (net of Fund expenses) allocable to the Participant, any transfers for the Participant's benefit and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the

- time of the Participant's death, then each Beneficiary's share of the Account Balance shall be treated as a separate account for each Beneficiary. The Account Balance includes any account established under Article VI for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an Alternate Payee (as defined in Code § 414(p)(8)).
5. Section 1.05 of the Plan Document is hereby amended to read as follows:
- 1.05 "Annual Deferral." The amount of Compensation deferred in any taxable year as a pre-tax deferral, Roth contribution, or both, if allowed by the Plan.
6. Section 2.12 is hereby added to the Plan Document as follows:
- 2.12 Designated Roth Contributions.
- (a) Designated Roth Contributions. If authorized by the Employer in the Adoption Agreement, each Participant may make designated Roth Contributions; provided, however, that a Participant shall not make a Roth Contribution to the Plan for any Plan Year to the extent such Roth Contribution would exceed the limitations of Article III.
- (1) General Application. This Subsection will apply to designated Roth Contributions beginning with the effective date specified in the Adoption Agreement but in no event before the first day of the first taxable year beginning on or after January 1, 2011.
- (i) As of the effective date under (1), the Plan will accept elective deferrals designated as Roth Contributions made on behalf of Participants. A Participant's designated Roth Contributions will be allocated to a separate account maintained for such deferrals as described in (2).
- (ii) Unless specifically stated otherwise, designated Roth Contributions will be treated as Elective Deferrals for all purposes under the Plan.
- (2) Separate Accounting. Contributions and withdrawals of designated Roth Contributions will be credited and debited to the Roth Contribution Account maintained for each Participant.

- (i) The Plan will maintain a record of the amount of designated Roth Contributions in each Participant's Roth Contribution Account.
 - (ii) Gains, losses and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Roth Contribution Account and the Participant's other accounts under the Plan.
 - (iii) No contributions other than designated Roth Contributions and properly attributable earnings will be credited to each Participant's Roth Contribution Account.
- (3) Designated Roth Contributions Defined. A Designated Roth Contribution is an elective deferral that is:
- (i) Designated irrevocably by the Participant at the time of the deferral election as a Roth Contribution that is being made in lieu of all or a portion of the pre-tax deferrals the Participant is otherwise eligible to make under the Plan; and
 - (ii) Treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a deferral election

7. Section 5.10 (a) of the Plan document is hereby amended to read as follows:

- (a) General. Notwithstanding any provision of the Plan to the contrary that would otherwise limit an election under this Section, a Participant, the surviving spouse of a Participant (or a Participant's former spouse who is the Alternate Payee under a qualified domestic relations order as defined in Code § 414(p)) (herein collectively called "distributee") may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan in a direct rollover or an in-plan Roth direct rollover. A non-spousal Beneficiary may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid in a direct rollover to an inherited IRA referred to in Code § 402(c)(11).

8. Section 6.01 of the Plan document is hereby amended to read as follows:

6.01 Eligible Rollover Contributions to the Plan.

- (a) If so specified in the Adoption Agreement, and only to the extent so specified, a Participant and who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code § 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code § 402(c)(8)(B).
- (b) In-Plan Roth Rollover. If so specified in the Adoption Agreement, and only to the extent so specified, a Participant may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an eligible rollover distribution paid to the Plan in an in-plan Roth rollover to the Participant's Designated Roth Contribution Account. A loan transferred in an in-plan Roth direct rollover without changing the repayment schedule is not treated as a new loan for purposes of Code § 72(p). The amount rolled over in an in-plan Roth direct rollover continues to be taken into consideration for mandatory distributions.
- (c) For purposes of Subsections (a) and (b) of Sections 6.01, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, as defined in Section 5.10(b)(2), except that an eligible rollover distribution does not include:
 - (1) any installment payment for a period of 10 years or more,
 - (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee,
 - (3) any deemed distribution under the provisions of Code § 72(p),
 - (4) the portion of any distribution that is not includable in gross income,
 - (5) any distribution of excess deferrals or
 - (6) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code § 401(a)(9).
- (d) Notwithstanding any other provisions of Section 6.01 of the Plan, and solely for purposes of applying the rollover provisions of the Plan, 2009

RMDs and Extended 2009 RMDs, will be treated as eligible rollover distributions.

- (e) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code § 457(b). The Plan shall establish and maintain a separate account for any Roth Contributions paid to the Plan from any eligible retirement plan that is not an eligible governmental plan under Code §457(b) . In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution including paid to the Plan from any eligible governmental plan under Code § 457(b). The Plan shall establish and maintain a separate account for any Roth Contributions paid to the Plan from any eligible retirement plan that is an eligible governmental plan under Code §457(b). The Plan shall establish and maintain for the Participant a separate account for any in-plan Roth rollover made within the Plan.
- (f) Notwithstanding the above, unless otherwise provided by the Employer in the Adoption Agreement, the Plan will accept a rollover contribution from another Roth Contribution Account under an applicable retirement plan described in § 402A(e)(1) and only to the extent the rollover is permitted under the rules of § 402(c) and § 1.402A-2 of the Treasury regulations. The Plan Administrator or other responsible party must provide the Plan with a statement indicating the first year of the five-taxable-year period and the portion of the rollover distribution that is attributable to investment in the contract under Code § 72 or a statement that the distribution is a qualified distribution.

9. Article XII. of the Plan Document is hereby amended to read as follows:

XII. TAX TREATMENT OF AMOUNTS CONTRIBUTED

It is intended that pursuant to Code § 457, the amount deferred shall not be considered current compensation for purposes of federal income taxation except to the extent that the amount deferred is Designated Roth Contributions. This rule shall also apply to state income taxation unless applicable state laws provide otherwise. Such amounts shall, however, be included as compensation to the extent required under the Federal Insurance Contributions Act (FICA). Payments under this Plan shall supplement retirement and death benefits payable under the Employer's group insurance and retirement plans, if any.

Executed this 8th day of November, 2011.

EMPLOYER'S AUTHORIZED SIGNOR:

By: Mike Egan

Title: CHAIRMAN, BOARD OF SUPERVISORS

APPROVE AS TO FORM:
COUNTY COUNSEL
BY: [Signature]
DEPUTY