CODE §403(b) CHURCH PLAN
ADOPTION AGREEMENT #004

The following document is an Adoption Agreement for the Code §403(b) Employer Plan Document (the "plan document"). This document is not an Internal Revenue Service approved prototype and the document provider makes no guarantees or warranties, expressed or implied, regarding the tax effects of this proposed language. It is recommended that the Plan Sponsor and any participating Employer consult its own legal counsel or tax advisor regarding the adoption of this plan. This Adoption Agreement shall be considered part of the entire plan. The Plan Sponsor named below hereby establishes a Code §403(b) Plan for eligible Employees as provided in this Adoption Agreement and the accompanying Code §403(b) Plan document.

I. ***PLAN SPONSOR INFORMATION***

A. **Name And Address**:

Germantown Friends School
31 West Coulter Street
Philadelphia, PA 19144

B. **Telephone Number:** **215-951-2300**

C. **Plan Sponsor's Tax ID Number:** **05-0630018**

D. **Form Of Business:**

A Code §501(c)(3) Church or a Code §501(c)(3) convention or association of churches, check the following, if applicable:

☒ 1. A church described in Code §3121(w)(3)(A) including a qualified church-controlled organization as defined in Code §3121(w)(3)(B).

☐ 2. The Plan Administrator has elected (or will elect), pursuant to Code §410(d), to have certain provisions of the Code and the provisions of Title I of ERISA apply to any Plan established hereunder.

☐ 3. Other: ____

Unless otherwise indicated above, the Plan is intended to be a "church plan" as described in Code Section 414(e) and as such is exempt form Title I and Title IV of the Employee Retirement Income Security Act of 1974, as amended, and certain provisions of the Code.

E. **Is The Plan Sponsor Part Of An Aggregation Group?** ☐ YES ☒ NO
If yes, please complete Schedule C.

F. **Plan Name:** **Germantown Friends School Retirement Plan**

G. **The Plan Administrator shall be the Plan Sponsor unless otherwise indicated below.**

Plan Administrator's Name And Address: ____
____
____
____
____

Business phone number:____

Agent for Service of legal process: **Chief Financial Officer**

H. **Three Digit Plan Number:** **001**

I. **Plan Sponsor's Tax Year End:** **June 30th**

II. ***EFFECTIVE DATE***

A. **New Plan:**

This is a new Plan having an Effective Date of ____________________.

B. **Amended and Restated Plans**:

This is an amendment or restatement of an existing Plan. The initial Effective Date of the Plan was **September 1, 1928**.

1. The Effective Date of this amendment or restatement is **<u>September 1, 2012</u>**.

2. This is an amendment or restatement of an existing Plan to comply with the final §403(b) regulations. The Effective Date of this amendment or restatement is ________________________.

C. **Effective Date for Elective Deferrals:**

If different from above, the Elective Deferral provisions shall be effective ______________________________.

D. **Effective Date for Roth Elective Deferrals:**

If different from above, Roth Elective Deferral provisions shall be effective **January 1, 2009**. The Effective Date of this provision cannot be earlier than January 1, 2006.

E. **Effective Date for Safe Harbor Contributions:**

If different from above, this provision shall be effective _____________. This provision must be adopted prior to the first day of the Plan Year and remain in effect for an entire twelve (12) month period.

III. ***DEFINITIONS***

A. **"Compensation"**

Select the definition of Compensation, the Compensation Computation Period and Exclusions from Compensation for each Contribution Type from the options listed below. Enter the letter of the option selected on the lines provided below. Leave the line blank if no election needs to be made.

Employer Contribution Type	**Compensation Definition**	**Compensation Computation Period**	**Exclusions From Compensation**
All Contributions	**d.**	**a.**	**b., c., d., f., h.**
Elective Deferrals (including Roth Elective Deferrals, if applicable)			
Mandatory Elective Deferrals			
Voluntary After-tax Contributions			
Matching Contribution (Formula 1)			
Matching Contribution (Formula 2)			
Non-Elective Contribution (Formula 1)			
Non-Elective Contribution (Formula 2)			
Safe Harbor Contribution			
QNEC			

1. Compensation Definition:

   a. Code Section 3401(a) - W-2 Compensation subject to income tax withholding at the source.

   b. Code Section 3401(a) - W-2 Compensation subject to income tax withholding at the source, with all pre-tax contributions added.

   c. Code Section 6041/6051 - Income reportable on Form W-2.

   d. Code Section 6041/6051 - Income reportable on Form W-2, with all pre-tax contributions added.

   e. Code Section 415 - All income received for services performed for the Employer [Code Section 403(b) Includable Compensation].

   f. Code Section 415 - All income received for services performed for the Employer, with all pre-tax contributions excluded.

2. Compensation Computation Period:

   a. Compensation paid during a Plan Year while a Participant.

   b. Compensation paid during the entire Plan Year.

   c. Compensation paid during the Employer's fiscal year.

   d. Compensation paid during the calendar year.

3. Exclusions from Compensation *(non-integrated plans only)*:

   a. There will be no exclusions from Compensation under the Plan.

   b. Overtime

   c. Bonuses

   d. Commissions

   e. Exclusion applies only to Participants who are Highly Compensated Employees.

   f. Post- Severance pay

   g. Holiday and vacation pay

   h. Other: **other items of extra pay**

B. **"Hour Of Service"**

Hours shall be determined by the method selected below. Only one method may be selected. The method selected shall be applied to all Employees covered under the Plan as follows:

☐ 1. Not applicable. A Year of Service (Period of Service) is defined as Elapsed Time.

☒ 2. On the basis of actual hours for which an Employee is paid or entitled to payment.

☐ 3. The equivalency method credits an eligible Employee with the following number of Hours of Service for each period in which the eligible Employee has at least one Hour of Service *(select one)*:

		Specified Period	Hours of Service Credited
☐	a.	On the basis of days worked.	10 Hours of Service
☐	b.	On the basis of weeks worked.	45 Hours of Service
☐	c.	On the basis of semi-monthly payroll periods.	95 Hours of Service.
☐	d.	On the basis of months worked.	190 Hours of Service

C. **"Integration Level"**

☒ 1. Not applicable. The Plan's allocation formula is not integrated with Social Security.

☐ 2. The Taxable Wage Base.

☐ 3. _____% (not more than 100%) of the Taxable Wage Base.

☐ 4. $_____, provided that such amount is not in excess of the amount determined under paragraph (C)(2) above.

☐ 5. One dollar over 80% of the Taxable Wage Base.

☐ 6. 20% of the Taxable Wage Base.

D. **"Limitation Year"**

Unless otherwise elected below, the Limitation Year shall be the Plan Year.

The twelve (12) consecutive month period commencing on **September 1st** and ending on **August 31st**. If applicable, there will be a short Limitation Year commencing on _____ and ending on _________. Thereafter, the Limitation Year shall end on the date specified above.

E. **"Plan Year"**

Unless otherwise elected below, the Plan Year shall be the calendar year.

The twelve (12) consecutive month period commencing on **September 1st** and ending on **August 31st**. If applicable, there will be a short Plan Year commencing on _________ and ending on__________. Thereafter, the Plan Year shall end on the date specified above.

F. **"QDRO Payment Date"**

☒ 1. The date the QDRO is determined to be qualified.

☐ 2. The statutory age fifty (50) requirement applies for purposes of making distribution to an alternate payee under the provisions of a QDRO.

G. **"Qualified Joint and Survivor Annuity"**

☐ 1. Not applicable. The Plan is not subject to Qualified Joint and Survivor Annuity rules. The normal form of payment is a lump sum. No annuities are offered under the Plan.

☐ 2. The normal form of payment is a lump sum. The Plan does provide for annuities as an optional form of payment at Section XV(D) of the Adoption Agreement. Joint and Survivor rules are avoided unless the Participant elects to receive his or her distribution in the form of an annuity.

☒ 3. The Joint and Survivor Annuity Rules are applicable and the survivor annuity will be **50** % (50%, 66-2/3% or 100%) of the annuity payable during the lives of the Participant and his or her Spouse. If no election is specified, 50% shall be deemed elected.

H. **"Qualified Pre-Retirement Survivor Annuity"**

Do not complete this section if paragraph (G)(1) was elected.

☐ 1. The Qualified Pre-Retirement Survivor Annuity shall be 100% of the Participant's Vested Account Balance in the Plan as of the date of the Participant's death.

☒ 2. The Qualified Pre-Retirement Survivor Annuity shall be 50% of the Participant's Vested Account Balance in the Plan as of the date of the Participant's death.

If no election is made on the Adoption Agreement, the Qualified Pre-Retirement Survivor Annuity shall be 50% of the Participant's Vested Account Balance as of the date of the death of the Participant, unless the Employer in a prior version of the Adoption Agreement or §403(b) Plan, had elected that the Qualified Pre-Retirement Survivor Annuity be 100% of the Account Balance.

IV. *ELIGIBILITY REQUIREMENTS*

A. **Eligibility Requirements for Code §403(b) Elective Deferrals:**

With respect to Elective Deferrals made pursuant to Section VI of this Code §403(b) Adoption Agreement, the Plan shall cover all Employees with the following exceptions:

☒ 1. No exceptions.

☐ 2. Employees who are eligible to participate in a Code §457 plan.

☐ 3. Employees who are eligible to participate in a Code §401(k) plan of the Employer.

☐ 4. Employees who are eligible to participate in another Code §403(b) plan of the Employer.

☐ 5. Employees who are students performing services as described in Code §3121(b)(10) for their school.

☐ 6. Employees who do not elect to make Elective Deferrals in excess of $200 based upon their Compensation in relation to the Plan's contribution limits.

☐ 7. Employees who are nonresident aliens with no income from sources within the U.S.

☐ 8. Employees who normally work less than twenty (20) hours per week.

☐ 9. Electing governmental Employees who make a one-time election to participate in a Code §414(d) governmental Plan instead of a Code §403(b) annuity Plan.

B. **Eligibility Requirements for Contributions:**

With respect to Employer contributions under the Plan, complete the following using the eligibility requirements as specified for each contribution type (other than Elective Deferrals). The Employee must satisfy the following eligibility requirements:

Contribution Type	Minimum Age	Service Requirement	Class Exclusions	Eligibility Computation Period	Entry Date
All Contributions					
Voluntary After-tax Contributions					
Mandatory Elective Deferrals	**a.**	**a.**	**i.**	**a.**	**c.**
Matching Contributions (Formula 1)					
Matching Contributions (Formula 2)					
Non-Elective Contributions (Formula 1)	**a.**	**a**	**i.**	**a.**	**c.**
Non-Elective Contributions (Formula 2)					
Safe Harbor Contributions					
QNECs					

1. **Age:**

a. No age requirement.

b. Insert the applicable age in the chart above.

The age may not be more than twenty-one (21) unless the Employer is an educational organization as defined in Code §170(b)(1)(A)(ii) and the Employer both maintains the Plan exclusively for its Employees and provides that each Participant having at least one (1) Year of Service shall be fully vested, the age twenty-one (21) limit in subsection (b) above shall be replaced by age twenty-six (26).

2. **Service:**

a. No Service requirement.

b. Completion of _____Days of Service. [No more than 730 days of Service may be required; if more than 365 days are entered here, Participants must be 100% vested upon entering the Plan.]

c. Completion of _____Days of Service. [No more than 730 days of Service may be required; if more than 365 days are entered here, Participants must be 100% vested upon entering the Plan.]

d. Completion of ______ months of Service. [No more than twenty-four (24) months of Service may be required; if more than twelve (12) months are entered here, Participants must be 100% vested upon entering the Plan.]

e. Completion of ______ months of Service). [No more than twenty-four (24) months of Service may be required; if more than twelve (12) months are entered here, Participants must be 100% vested upon entering the Plan.]

f. One (1) Year of Service or Period of Service.

g. Two (2) consecutive Years of Service or Periods of Service. [If the Employer is an educational organization as defined in Code §170(b)(1)(A)(ii) and the Employer both maintains the Plan exclusively for its Employees and provides that each Participant having at least one (1) Year of Service shall be fully vested, the age twenty-one (21) limit in subsection (1)(b) above shall be replaced by age twenty-six (26).]

h. Three (3) Years of Service or Period of Service.

A Year of Service for eligibility purposes is defined as follows *(choose one)*:

Do not enter this definition in the table above.

☒ a. Not applicable. There is no Service requirement.

☐ b. Hours of Service method. A Year of Service will be credited upon completion of _______ Hours of Service. A Year of Service for eligibility purposes may not be less than one (1) Hour of Service or greater than 1,000 hours by operation of law. If left blank, the Plan will use 1,000 hours.

☐ c. Elapsed Time method.

3. **Employee Class Exclusions:**

a. Employees who normally work less than twenty (20) hours per week. An Employee who has been excluded under the twenty (20) hours per week exclusion who completes 1,000 Hours of Service during the Plan Year shall be eligible to receive an Employer contribution.

b. Employees who are non-resident aliens [within the meaning of Code Section 7701(b)(1)(B)] who receive 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)].

c. Employees included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee Representatives, if benefits were the subject of good faith bargaining and if two percent or less of the Employees are covered pursuant to that agreement are professionals as defined in Regulations Section 1.410(b)-9, unless participation in this Plan is specifically provided for in the collective bargaining agreement. For this purpose, the term "employee representative" does not include any organization more than half of whose members are owners, officers or executives of the Employer.

d. Employees compensated on an hourly basis.

e. Employees compensated on a salaried basis.

f. Individuals who become Employees as a result of a "Code Section 410(b)(6)(C) transaction". These Employees will be excluded during the period beginning on the date of the transaction and ending on the last day of the first Plan Year beginning after the date of the transaction. A "Code Section 410(b)(6)(C) transaction" is an asset or stock acquisition, merger, or other similar transaction involving a change in the Employer or the Employees of a trade or business.

g. Employees of any member of the controlled and/or affiliated service group Employer whose Employer does not affirmatively adopt this Plan.

h. Employees who are part of a substitute workforce.

i. The Plan shall exclude from participation any nondiscriminatory classification of Employees determined as follows: **Employees who are not Full-Time Employees – A Full-Time Employee is defined as follows: A 10-month Staff Employee who works 35 Hours per week (1500 hours per year), a 12-month Staff Employee who works 35 Hours per week (1820 hours per year), a 7th – 12th Grade Teacher who teaches at least four (4) classes with a fifth component, and a Nursery – 6th Grade Full Day Lead Teacher.**

4. **Eligibility Computation Period:** The initial Eligibility Computation Period shall commence on the date on which an Employee first performs an Hour of Service and the first anniversary thereof. Each subsequent Computation Period shall commence on:

a. Not applicable. The Plan has a Service requirement of less than one (1) year or uses the Elapsed Time method to determine eligibility.

b. The anniversary of the Employee's employment commencement date and each subsequent 12-consecutive month period thereafter.

c. The first day of the Plan Year which commences prior to the first anniversary date of the Employee's employment commencement date and each subsequent Plan Year thereafter.

5. **Entry Date Options:**

a. The first day of the payroll period coinciding with or next following the date on which an Employee meets the eligibility requirements.

b. The first day of the month coinciding with or next following the date on which an Employee meets the eligibility requirements.

c. The date on which an Employee meets the eligibility requirements.

d. The earlier of the first day of the Plan Year or the first day of the fourth, seventh or tenth month of the Plan Year coinciding with or next following the date on which an Employee meets the eligibility requirements.

e. The earlier of the first day of the Plan Year or the first day of the seventh month of the Plan Year coinciding with or next following the date on which an Employee meets the eligibility requirements.

f. September 1st following the date on which the Employee meets the eligibility requirements. If this election is made, the Service waiting period cannot be greater than one-half year and the minimum age requirement may not be greater than age 20½.

g. The Employee's date of hire.

6. **Employees on Effective Date:**

☒ a. All Employees will be required to satisfy both the age and Service requirements specified above.

☐ b. Employees employed on the Plan's Effective Date do not have to satisfy the age requirement specified above.

☐ c. Employees employed on the Plan's Effective Date do not have to satisfy the Service requirement specified above.

7. **Special Waiver of Eligibility Requirements:**

☐ The age and/or Service eligibility requirements specified above shall be waived for those eligible Employees who are employed on the following date:

Contribution Type	**Waiver Date**	**Waiver of Age Requirement**	**Waiver of Service Requirement**
All Employer Contributions			
Non Safe Harbor Matching Contribution (Formula 1)			
Non Safe Harbor Matching Contribution (Formula 2)			
Non Safe Harbor Non-Elective Contribution (Formula 1)			
Non Safe Harbor Non-Elective Contribution (Formula 2)			
Safe Harbor Contribution			
QNEC			
QMAC			

V. ***RETIREMENT AGES***

A. **Normal Retirement:**

☒ 1. Normal Retirement Age shall be age **65**.

☐ 2. Normal Retirement Age shall be the later of attaining age _____ [not to exceed age sixty-five (65)] or the _____ (not to exceed the fifth) anniversary of the first day of the first Plan Year in which the Participant commenced participation in the Plan.

3. The Normal Retirement Date shall be:

☒ a. as of the date the Participant attains Normal Retirement Age.

☐ b. the first day of the month next following the Participant's attainment of Normal Retirement Age.

B. **Early Retirement:**

☒ 1. Not applicable, no Early Retirement Age.

☐ 2. The Plan shall have an Early Retirement Age of **55** [not less than age fifty-five (55)] and completion of _____ Years of Service.

3. The Early Retirement Date shall be:

☐ a. as of the date the Participant attains Early Retirement Age.

☐ b. the first day of the month next following the Participant's attainment of Early Retirement Age.

VI. ***EMPLOYEE CONTRIBUTIONS***

A. **Elective Deferrals:**

☐ 1. Participants shall be permitted to make Elective Deferrals in any amount from a minimum of _____% or $_____

[cannot be more than $200] up to the maximum percentage of Compensation or dollar amount permitted by law.

☒ 2. Up to the maximum percentage of Compensation or dollar amount permissible under Code §402(g) not to exceed the limits of Code §§403(b), 404, 414(v) and 415.

☒ B. **Mandatory Elective Deferrals:**

☐ 1. The Plan does not require Mandatory Elective Deferrals.

☒ 2. Participants must contribute **4.0** % of their Compensation to the Plan as a condition of employment upon the completion of the Eligibility requirements in Section IV, B.

☐ C. **Bonus Option:**

Bonuses paid by the Employer **<u>are</u>** included in the definition of Compensation, and the Employer permits a Participant to amend their deferral election to defer to the Plan, an amount not to exceed _____% or $_____ of any bonus received by the Participant.

☒ D. **Roth Elective Deferrals:**

If Participants are permitted to make Elective Deferrals, they shall also be permitted to make Roth Elective Deferrals. Roth Elective Deferrals may be treated as Catch-Up Contributions.

☐ E. **Automatic Enrollment:**

The Employer elects the automatic enrollment provisions for Elective Deferrals as follows. Automatic enrollment in Roth Elective Deferrals is not permitted under the Plan. The automatic enrollment provisions apply to all eligible Employees. Employees and Participants shall have the right to amend the stated automatic Elective Deferral percentage or receive cash in lieu of deferral into the Plan.

☐ 1. **Qualified Automatic Enrollment [under Code §401(k)(13)(A)]:**

a. For the first full year of the Employee's participation, , eligible Employees shall have Elective Deferrals withheld in the amount of _____% (must be at least 3% for the Plan Year but not more than 10%) of Compensation or $__________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

b. For the Plan Year beginning after the anniversary of the Employee's participation in the Plan, the rate of Elective Deferrals shall increase to _____% (must be at least equal to 4% but not more than 10%) of Compensation or $__________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

c. For the second following Plan Year, the rate of Elective Deferrals shall increase to _____% (must be at least equal to 5% but not more than 10%) of Compensation or $__________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

d. For the third and subsequent Plan Years, the rate of Elective Deferrals shall increase to _____% (must be at least equal to 6% but not more than 10%) of Compensation or $__________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ 2. **Automatic Deferrals:**

a. **New Employees:** Newly eligible Employees who were hired on or after the Effective Date of the Plan or any amendment thereto, shall have Elective Deferrals withheld in the amount of ________% (not more than 10%) of Compensation or $________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable] upon entering the Plan.

☐ i. On an annual basis the Elective Deferral limit under the Plan shall be increased up to a maximum amount determined by the Employer.

☐ ii. After _____ Years of Service, the amount specified above shall increase to ____% (not more than 10%) or $______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ This requirement is effective for Employees hired on or after_______________________.

☐ b. **Current Employees:** Employees who are eligible to participate and have not made an affirmative election to receive the Compensation in shall have Elective Deferrals withheld in the amount of ______% (not more than 10%) of Compensation or $_______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ i. On an annual basis the Elective Deferral limit under the Plan shall be increased up to a maximum amount determined by the Employer.

☐ ii. After _____ Years of Service, the amount specified above shall increase to _____% (not more than 10%) or $_______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ c. **Current Participants:** Current Participants who are deferring at a percentage less than the amount selected herein shall have Elective Deferrals withheld in the amount of ________% (not more than 10%) of Compensation or $________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ i. On an annual basis the Elective Deferral limit under the Plan shall be increased up to a maximum amount determined by the Employer.

☐ ii. After _____ Years of Service, the amount specified above shall increase to _____% (not more than 10%) or $_______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ 3. **Automatic Enrollment For Employees Who Are Part Of A Substitute Workforce:**

a. **New Employees:** Newly eligible Employees who were hired on or after the Effective Date of the Plan or any amendment thereto, shall have Elective Deferrals withheld in the amount of ________% (not more than 6%) of Compensation or $________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable] upon entering the Plan.

☐ i. On an annual basis the Elective Deferral limit under the Plan shall be increased up to a maximum amount determined by the Employer.

☐ ii. After _____ Years of Service, the amount specified above shall increase to ____% (no more than 6%) or $______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ This requirement is effective for Employees hired on or after_______________________.

☐ b. **Current Employees:** Employees who are eligible to participate but not deferring and have not made an affirmative election to receive the Compensation in cash shall have Elective Deferrals withheld in the amount of ______% (not more than 6%) of Compensation or $_______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ i. On an annual basis the Elective Deferral limit under the Plan shall be increased up to a maximum amount determined by the Employer.

☐ ii. After _____ Years of Service, the amount specified above shall increase to _____% (no more than 6%) or $_______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ c. **Current Participants:** Current Participants who are deferring at a percentage less than the amount selected herein shall have Elective Deferrals withheld in the amount of ________% (not more than 6%) of Compensation or $________ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

☐ i. On an annual basis the Elective Deferral limit under the Plan shall be increased up to a maximum amount determined by the Employer.

☐ ii. After _____ Years of Service, the amount specified above shall increase to _____% (no more than 6%) or $_______ [may be no more than the Code §402(g) limit and Code §414(v) limit, if applicable].

Employees and Participants shall have the right to amend the stated automatic Elective Deferral provisions or receive cash in lieu of deferral into the Plan. For purposes of this provision, Employees returning an election form indicating a "zero" deferral amount shall be deemed "Current Participants".

F. **Changes to Elective Deferrals:**

Participants shall be permitted to terminate their Elective Deferrals at any time upon proper and timely notice to the Plan Administrator. A Participant may modify a Salary Deferral Agreement to increase or decrease the amount of his or her Elective Deferrals on a prospective basis as of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

A Participant who ceases Elective Deferrals may return as a Participant as of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

G. **Voluntary After-tax Contributions:**

☒ 1. The Plan does not permit Voluntary After-tax Contributions.

☐ 2. Participants may make Voluntary After-tax Contributions in any amount from a minimum of _____% to a maximum of _____% of their Compensation or a flat dollar amount from a minimum of $_____ to a maximum of $_____.

H. **Rollover Contributions:**

☐ 1. The Plan does not accept Rollover Contributions.

☒ 2. Participants may make Rollover Contributions after meeting the eligibility requirements for participation in the Plan.

☐ 3. Employees may make Rollover Contributions prior to meeting the eligibility requirements for participation in the Plan.

I. **Elective Plan to Plan Transfer Contributions:**

☒ 1. The Plan does not accept Transfer Contributions.

☐ 2. Participants may make Transfer Contributions after meeting the eligibility requirements for participation in the Plan.

☐ 3. Employees may make Transfer Contributions prior to meeting the eligibility requirements for participation in the Plan.

J. **Direct Rollovers:**

The Plan will accept a Direct Rollover of an Eligible Rollover Distribution from (check each that apply):

☒ 1. A Qualified Plan described in Code §401(a) or 403(a), excluding Voluntary After-tax Contributions.

☐ 2. A Qualified Plan described in Code §401(a) or 403(a), including Voluntary After-tax Contributions.

☒ 3. An annuity contract described in Code §403(b), excluding Voluntary After-tax Contributions.

☐ 4. An annuity contract described in Code §403(b), including Voluntary After-tax Contributions.

☒ 5. An eligible plan under Code §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.

K. **Participant Rollover Contributions From Other Plans:**

The Plan will accept a Participant Rollover Contribution of an Eligible Rollover Distribution from (check only those that apply):

☒ 1. A Qualified Plan described in Code §401(a) or 403(a).

☒ 2. An eligible plan under Code §457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

L. **Participant Rollover Contributions From IRAs:**

☒ 1. The Plan will accept a Participant Rollover Contribution of the portion of a distribution from an Individual Retirement Account or Annuity described in Code §408(a) or 408(b) that is eligible to be rolled over and would otherwise be includible in gross income.

☐ 2. The Plan will not accept a Participant Rollover Contribution of the 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 and would otherwise be includible in gross income.

VII. *SAFE HARBOR PLAN PROVISIONS*

☐ A. The Employer elects to comply with the Safe Harbor Cash or Deferred Arrangement provisions of Article XII of the 403(b) Plan document and elects one of the following contribution formulas:

☐ 1. No additional Matching Contributions will be made in any Plan Year in which the Safe Harbor provisions are used.

☐ 2. The Employer may make Matching Contributions in addition to any Safe Harbor Matching Contributions elected below. (Complete provisions in Article VIII regarding Matching Contributions that will be made in addition to those Safe Harbor Matching Contributions made below.)

☐ 3. Designation of Alternate Plan to Receive Safe Harbor Contribution: If the Safe Harbor Contribution as elected below is not being made to this Plan, the name of the other plan that will receive the Safe Harbor Contribution is ___________________.

☐ B. **Basic Matching Contribution Formula:**

Matching Contributions will be made on behalf of Participants in an amount equal to 100% of the amount of the Eligible Participant's Elective Deferrals that do not exceed 3% of the Participant's Compensation and 50% of the amount of the Participant's Elective Deferrals that exceed 3% of the Participant's Compensation but that do not exceed 5% of the Participant's Compensation.

☐ C. **Enhanced Matching Contribution Formula:**

Matching Contributions will be made in an amount equal to the sum of:

☐ 1. _____% (may not be less than 100%) of the Participant's Elective Deferrals that do not exceed _____% (if more than 6% or if left blank, the ACP Test will apply) of the Participant's Compensation, plus

☐ 2. _____% of the Participant's Elective Deferrals that exceed _____% of the Participant's Compensation but do not exceed _____% (if more than 6% or if left blank the ACP Test will apply) of the Participant's Compensation.

This section must be completed so that at any rate of Elective Deferrals, the Matching Contribution is at least equal to the Matching Contribution received if the Employer used the Basic Matching Contribution Formula. The rate of match cannot increase as Elective Deferrals increase.

☐ D. **Guaranteed Non-Elective Contribution Formula:**

The Employer shall make a Non-Elective Contribution equal to _______% (not less than 3%) of the Compensation of each Eligible Participant.

☐ E. **Flexible Non-Elective Contribution Formula:**

This provision provides the Employer with the ability to amend the Plan to comply with the Safe Harbor provisions during the Plan Year. To provide such option, the Employer must amend the Plan and indicate on Schedule C that the _____% Safe Harbor Non-Elective Contribution (not less than 3%) will be made for the specified Plan Year. Such election must comply with all the applicable notice requirements.

Additional Non-Safe Harbor contributions may be made to the Plan pursuant to Article XI of the Code §403(b) Plan Document.

☐ F. **Limitations on Safe Harbor Matching Contributions:**

If a Safe Harbor Matching Contribution is made to the Plan:

☐ 1. The Employer will annualize Safe Harbor Matching Contributions.

☐ 2. The Employer will not annualize Safe Harbor Matching Contributions and elects to match actual Elective Deferrals made:

☐ a. on a payroll basis.

☐ b. on a monthly basis.

☐ c. on a Plan Year quarterly basis.

If no election is made, the payroll period method will be used. If one of the Matching Contribution calculation periods at Section VII(F)(2) above is selected, Matching Contributions must be deposited to the Plan, not later than the last day of the calendar quarter next following the quarter following to which they relate.

If the Safe Harbor Plan provisions are elected, the antidiscrimination tests at Article XII of the 403(b) Plan document are not applicable. Safe Harbor Contributions made are subject to the withdrawal restrictions of Code Section 401(k)(2)(B) and Treasury Regulations Section 1.401(k)-1(d); such contributions (and earnings thereon) must not be distributable earlier than separation from Service, death, Disability, an event described in Code Section 401(k)(10), or the attainment of age 59½. Safe Harbor Contributions are NOT available for Hardship withdrawals.

The ACP Test Safe Harbor is automatically satisfied if the only Matching Contribution to the Plan is either a Basic Matching Contribution or an Enhanced Matching Contribution that does not provide a match on Elective Deferrals in excess of 6% of Compensation. For Plans that allow Voluntary After-tax Contributions, the ACP Test is applicable with regard to such contributions.

Employees eligible to make Elective Deferrals to this Plan must be eligible to receive the Safe Harbor Contribution in the Plan listed above, to the extent required by IRS Notices 98-52 and 2000-3.

VIII. ***EMPLOYER CONTRIBUTIONS***

The Employer shall make contributions to the Plan in accordance with the formula or formulas selected below. Do not complete this Section of the Adoption Agreement if the Plan only offers a Safe Harbor Contribution. A Plan that offers both a Safe Harbor Matching Contribution as well as an additional Matching Contribution, which is specified below, must complete both Sections VII and VIII of the Adoption Agreement.

A. **Non Safe Harbor Match on Catch-up Contributions:**

☐ 1. Not applicable. The Employer will not match Catch-up Contributions made by the Participants.

☐ 2. Catch-up Contributions made by the Participants will be matched on the same formula, terms and conditions as Elective Deferrals.

B. **Non Safe Harbor Matching Employer Contribution:**

Select the Matching Contribution Formula, Computation Period and special Limitations for each contribution type from the options listed below. Enter the letter of the option(s) selected on the lines provided. Leave the line blank if no election is required.

Type of Contribution	Non Safe Harbor Matching Formula 1	Non Safe Harbor Matching Formula 2	Matching Computation Period	Limitations
Elective Deferrals (including Roth Elective Deferrals, if applicable)				
Mandatory Elective Deferrals				
Voluntary After-tax Contributions				

1. <u>**Non Safe Harbor Matching Contribution Formulas for Elective Deferrals, and Roth Elective Deferrals**</u>**:**

a. **Percentage of Deferral Match**: The Employer shall contribute to each eligible Participant's account an amount equal to ________ % of the Participant's Elective Deferrals up to a maximum of ________ % of Compensation.

b. **Uniform Dollar Match**: The Employer shall contribute to each eligible Participant's account $_____ if the Participant contributes at least _____% or $_____ of Compensation. The Employer's contribution will be made up to a maximum of ____% of Compensation.

c. **Discretionary Match:** The Employer's Matching Contribution shall be determined by the Employer with respect to each Plan Year. The Matching Contribution shall be contributed to each eligible Participant in accordance with the nondiscriminatory formula determined by the Employer. If this Plan is also utilizing a Safe Harbor Contribution, pursuant to Section VII of this Adoption Agreement, Discretionary Matching Contributions may not exceed 4% of Compensation.

d. **Tiered Match**: The Employer shall contribute to each eligible Participant's account an amount equal to:

_____% of the first _____% of the Participant's Compensation contributed, and

_____% of the next _____% of the Participant's Compensation contributed, and

_____% of the next _____% of the Participant's Compensation contributed.

The Employer's contribution will be made up to the ☐ greater of ☐ lesser of _____% of Compensation, or $_____.

The percentages specified above may not increase as the percentage of Participant's contribution increases.

e. **Percentage of Compensation Match:** The Employer shall contribute to each eligible Participant's account _______ % of Compensation if the eligible Participant contributes at least __________ % of Compensation.

f. **Proportionate Compensation Match:** The Employer shall contribute to each eligible Participant who defers at least ____% of Compensation, an amount determined by multiplying such Employer Matching Contribution by a fraction, the numerator of which is the Participant's Compensation and the denominator of which is the Compensation of all Participants eligible to receive such an allocation. The Employer's contribution will be made up to the ☐ greater of ☐ lesser of _____% of Compensation or $_____.

g. **Length of Service Match:** The Employer shall make Matching Contributions equal to the formula determined under the following schedule:

Participant's Total Years of Service	**Matching Contribution Formula**

Each separate matching percentage contribution must satisfy Code Section 401(a)(4) nondiscrimination requirements and the ACP test.

Non Safe Harbor Matching Contribution Formulas for Mandatory Elective Deferrals:

h. **Percentage of Deferral Match**: The Employer shall contribute to each eligible Participant's account an amount equal to _____% of the Participant's Voluntary After-tax Contributions up to a maximum of ______% or $_____ of Compensation.

i. **Uniform Dollar Match:** The Employer shall contribute to each eligible Participant's account $_____ if the Participant contributes at least ______% or $_____ of Compensation. The Employer's contribution will be made up to the maximum of _______% of Compensation.

j **Discretionary Match**: The Employer's Matching Contribution shall be determined by the Employer with respect to each Plan Year. The Matching Contribution shall be contributed to each eligible Participant in accordance with the nondiscriminatory formula determined by the Employer.

2. **Matching Contribution Computation Period:** The Compensation or any dollar limitation imposed in calculating the match will be based on the period selected below. Matching Contributions will be calculated on the following basis:

a. weekly
b. bi-weekly
c. semi-monthly
d. monthly
e. quarterly
f. semi-annually
g. annually
h. payroll based
i. Other ______________________________

The calculation of Matching Contributions based on the Computation Period selected above has no applicability as to when the Employer remits Matching Contributions to the Plan.

3. **Limitations on Matching Formulas:**

a. **Annualization of Matching Contributions.** The Employer elects to annualize Matching Contributions made to the Plan. **If this election is not made, Matching Contributions will not be annualized.**

b. **Contributions to Participants who are not Highly Compensated Employees:** Contribution of the Employer's Matching Contribution will be made only to eligible Participants who are Non-Highly Compensated Employees.

☐ 4. **Qualified Matching Contributions (QMAC):** For purposes of the ACP Test, only Matching Contributions made to the Plan that are needed to meet the Actual Contribution Percentage Test will be deemed "Qualified" for purposes of calculating the Actual Contribution Percentage. All such Matching Contributions used must be fully vested when made and are not available for in-service withdrawal.

☐ 5. **Qualified Non-Elective Contributions (QNEC):** For purposes of the ACP Test, only the Non-Elective Contributions made to the Plan that are needed to meet Actual Contribution Percentage Test will be deemed "Qualified" for purposes of calculating the Actual Contribution Percentage. All such Non-Elective Contributions used must be fully vested when made and are not available for in-service withdrawal.

C. **Qualified Matching (QMAC) and Qualified Non-Elective (QNEC) Employer Contribution Formulas:**

☐ 1. **QMAC Contribution Formula:** The Employer may contribute to each eligible Participant's Qualified Matching account an amount equal to *(select one or more of the following)*:

☐ a. $_____ or _____% of the Participant's Elective Deferrals.

☐ b. $_____ or _____% of the Participant's Voluntary After-tax Contributions.

☐ 2. **Discretionary QMAC Contribution Formula:** The Employer shall have the right to make a discretionary QMAC contribution. The Employer's Matching Contribution shall be determined by the Employer with respect to each Plan Year's eligible Participants. This part of the Employer's contribution shall be fully vested when made.

☐ 3. **Discretionary Percentage QNEC Contribution Formula:** The Employer shall have the right to make a discretionary QNEC contribution that shall be allocated to each eligible Participant's account in proportion to his or her Compensation as a percentage of the Compensation of all eligible Participants. This part of the Employer's contribution shall be fully vested when made. This contribution will be made to:

☐ a. All eligible Participants.

☐ b. Only eligible Participants who are Non-Highly Compensated Employees.

☐ 4. **Discretionary Uniform Dollar QNEC Contribution Formula:** The Employer shall have the right to make a discretionary QNEC contribution that shall be allocated to each eligible Participant's account in a uniform dollar amount to be determined by the Employer and allocated in a nondiscriminatory manner. This part of the Employer's contribution shall be fully vested when made and not available for in-service withdrawal. This contribution will be made to:

☐ a. All eligible Participants.

☐ b. Only eligible Participants who are Non-Highly Compensated Employees.

☐ 5. **Corrective QNEC Contribution Formula:** The Employer shall have the right to make a QNEC contribution in the amount necessary to pass the ACP Test or the maximum permitted under Code Section 415. This contribution will be allocated to some or all Non-Highly Compensated Participants designated by the Plan Administrator. The allocation will be the lesser of the amount required to pass the ACP Test or the maximum permitted under Code Section 415, and is not available for in-service withdrawal. This part of the Employer's contribution shall be fully vested when made.

☐ D. **Employer Non Safe Harbor Non-Elective Contribution:**

The Employer shall have the right to make a discretionary contribution. If a discretionary contribution is made, the Employer's contribution for the Plan Year shall be allocated to the accounts of eligible Participants as follows *(enter the number of the allocation method being used by the Plan)*:

Type of Contribution	Allocation Method
Non Safe Harbor Non-Elective Formula 1	**1c**
Non Safe Harbor Non-Elective Formula 2	

1. **Non-Integrated Formula:** The Employer shall have the right to make a discretionary Non-Elective Contribution. The Employer's contribution for the Plan Year shall be made to the accounts of eligible Participants as follows:

   a. Such contribution shall be allocated as a percentage of Compensation of eligible Participants for the Plan Year.

   b. Such contribution shall be allocated in an amount fixed by an appropriate action of the Employer as of the time prescribed by law.

   c. Such Contribution shall be equal to the formula determined under the following formula:

Participant's Age	Non Elective Contribution Formula
Under Age 50	**7% of Compensation**
Age 50 and Older	**8% of Compensation**

   d. The Employer's Non-Elective Contribution shall be equal to the formula determined under the following formula:

      i. **Participant Group Allocation Method:** The allocation rate shall be specified by an appropriate written action of the Employer on or before the due date of the Employer's tax return for the year in which the contribution is allocated. The allocation rates specified must provide that Non-Highly Compensated Employees' allocations satisfy the gateway contribution test.

      ii. **Participant Group Allocation Formula:** The allocation rate for each Highly Compensated Employee shall be specified by an appropriate action of the Employer as of the time prescribed by law. The allocation rates specified must provide that Non-Highly Compensated Employees' allocations satisfy the gateway contribution test. The maximum allocation rate for the Highly Compensated Employee with the highest allocation rate must not be more than three (3) times the Employee with the lowest allocation rate.

The Employee groups shall be defined as follows:

Group A Employees: ____________________
Group B Employees: ____________________
Group C Employees: ____________________
Group D Employees: ____________________
Group E Employees: ____________________
Group F Employees: ____________________
Group G Employees: ____________________
Group H Employees: ____________________
Group I Employees: ____________________
Group J Employees: ____________________

Additional classifications and any changes to the classification groups may be added as an addendum to this Adoption Agreement.

iii. **Broadly Available Allocation Formula:** Enter the allocation rates in each blank. Each broadly available allocation rate must be currently available within the meaning of Regulations Section 1.401(a)(4)-4(b)(2) to each group on a basis that satisfies Code Section 410(b) without regard to the average benefit percentage test.

The allocation rate for Group A Employees will be _____%.
The allocation rate for Group B Employees will be _____%.
The allocation rate for Group C Employees will be _____%.
The allocation rate for Group D Employees will be _____%.
The allocation rate for Group E Employees will be _____%.

The Employee groups shall be defined as follows:

Group A Employees: ____________________
Group B Employees: ____________________
Group C Employees: ____________________
Group D Employees: ____________________
Group E Employees: ____________________

Additional allocation rates and Employee groups may be added as well as any changes to the allocation or Employee groups as an addendum to this Adoption Agreement.

iv. **Age-Only Band Formula:** Enter the starting allocation rate in the first blank, and the allocation rates for each age-only band in the nine (9) blanks below. The schedule of allocation rates must have regular intervals such that each band, other than the band associated with the lowest and highest ages, is the same length. The allocation rate for each band must be greater than the allocation rate for the immediately preceding band [i.e., the band with the next lower number of years of age but by no more than five (5) percentage points]. However, the ratio of the allocation rate for any band to the rate for the immediately preceding band must not exceed 2.0 and also must not exceed the ratio of allocation rates between the two (2) immediately preceding bands.

First age band: Age-only bands commence with ages less than twenty-five (25) as the first allocation band with an allocation rate of ______%. Subsequent allocation rate bands are as follows:

At least age 25 but less than 30 with an allocation rate of _______%,
At least age 30 but less than 35 with an allocation rate of _______%,
At least age 35 but less than 40 with an allocation rate of _______%,
At least age 40 but less than 45 with an allocation rate of _______%,
At least age 45 but less than 50 with an allocation rate of _______%,
At least age 50 but less than 55 with an allocation rate of _______%,
At least age 55 but less than 60 with an allocation rate of _______%,
At least age 60 but less than 65 with an allocation rate of _______%,
At least age 65 with an allocation rate of ______%.

v. **Years of Service Only Band Formula:** Enter the starting allocation rate in the first blank, and the allocation rates for each Year-of-Service-only band in the seven (7) blanks below. The schedule of allocation rates must have regular intervals such that each band, other than the first band and the band associated with the highest Years of Service, is the same length. The allocation rate for each band must be greater than the allocation rate for the immediately preceding band [i.e., the band with the next lower number of Years of Service but by no more than five (5) percentage points]. However, the ratio of the allocation rate for any band to the rate for the immediately preceding band must not exceed 2.0 and also must not exceed the ratio of allocation rates between the two (2) immediately preceding bands.

Years of Service only Bands commence with less than one (1) Year of Service as the first allocation rate bands with an allocation rate of ____%. Subsequent allocation rate bands are as follows:

At least one but less than 5 Years of Service with an allocation rate of ________%,
At least 5 but less than 10 Years of Service with an allocation rate of ______%,
At least 10 but less than 15 Years of Service with an allocation rate of ______%,
At least 15 but less than 20 Years of Service with an allocation rate of ______%,
At least 20 but less than 25 Years of Service with an allocation rate of ______%,
At least 25 but less than 30 Years of Service with an allocation rate of ______%,
At least 30 Years of Service with an allocation rate of ______%.

vi. **Age and Service Point Band Formula:** Enter the starting allocation rate in the first blank, and the allocation rates for each age and service point band in the thirteen (13) following blanks. The schedule of allocation rates must have regular intervals such that each band, other than the first band and the band associated with the highest sum of age and Years of Service, is the same length. The allocation rate for each band must be greater than the allocation rate for the immediately preceding band [i.e., the band with the next lower sum of age and years of Service) but by no more than five (5) percentage points]. However, the ratio of the allocation rate for any band to the rate for the immediately preceding band must not exceed 2.0 and also must not exceed the ratio of allocation rates between the two (2) immediately preceding bands.

First age and service band: Age and Service point bands commence with the sum of age and Service of less than twenty-five (25) as the first allocation band with an allocation rate of ___%. Subsequent Allocation Rate Bands are as follows:

At least 25 but less than 30 with an allocation rate of ______%,
At least 30 but less than 35 with an allocation rate of ______%,
At least 35 but less than 40 with an allocation rate of ______%,
At least 40 but less than 45 with an allocation rate of ______%,
At least 45 but less than 50 with an allocation rate of ______%,
At least 50 but less than 55 with an allocation rate of ______%,
At least 55 but less than 60 with an allocation rate of ______%,
At least 60 but less than 65 with an allocation rate of ______%,
At least 65 but less than 70 with an allocation rate of ______%,
At least 70 but less than 75 with an allocation rate of ______%,
At least 75 but less than 80 with an allocation rate of ______%,
At least 85 with an allocation rate of ______%.

vii. **Age-Adjusted Allocation Formula:** In any Plan Year that the Employer makes a Non-Elective contribution to the Plan, it shall be allocated to the accounts of eligible Participants in proportion to each eligible Participant's Age Adjusted Compensation as it relates to the Age Adjusted Compensation of all Participant's eligible to share in the allocation for the Plan Year. For this purpose, Age Adjusted Compensation means a Participant's Compensation as defined for allocation purposes pursuant to Section III(A) herein for purposes of Non-Elective contributions multiplied by a discount factor based on a specified interest rate or actuarial assumptions which have been annexed to this Adoption Agreement and made a part of this Plan.

The following assumptions will be used to calculate the equivalent benefit accrual rate:

Pre-Retirement Mortality: ____________________
Post-Retirement Mortality: ____________________
Pre-Retirement Interest: ____________________
Post-Retirement Interest: ____________________

To the extent that the Non-Elective Employer contribution made pursuant to this paragraph cannot be allocated in the manner described above without violating one or more of the above referenced Code Sections, the Regulations related to such Code Sections or any other limitation that may apply, in lieu of the allocation method described above, the Non-Elective Employer contribution for the Plan Year shall be allocated to the accounts of eligible Participants in direct proportion to their respective Compensation for such Plan Year as it relates to the Compensation of all Participants eligible to share in the allocation for the Plan Year.

If the contribution made pursuant to this paragraph cannot be allocated in the manner described above without violation of any of the above Code Sections or related Regulations, the Plan Administrator may restructure the Plan in accordance with Code Section 401(a)(4) and the Regulations issued thereunder in order to pass the General Test.

No contribution will accrue to any Participant until the allocation complies with Code Section 401(a)(4) and the Regulations issued thereunder.

viii. **Discretionary Contribution - Unit Allocation Formula:** The Employer's contribution plus forfeitures subject to reallocation shall be allocated to eligible Participants as follows:

Step 1: The Employer's contribution and forfeitures shall be allocated in proportion to each eligible Participant's Compensation provided that such allocation does not exceed 3% of each Participant's Compensation.

Step 2: The balance of the Employer's contribution shall be allocated in proportion to each Participant's respective unit(s) for the Plan Year. Each Participant shall be credited with ______ unit(s) for each $_______ of Compensation (rounded down) and ______ unit(s) for each full year of [ ] Service with the Employer or [ ] participation in the Plan and ______ unit(s) for each year multiplied by the Participant's age. The number of unit(s) allocated to any Participant shall not exceed ______ unit(s).

If the contribution made pursuant to this paragraph cannot be allocated in the manner described above without violation of any of the above Code Sections or related Regulations, the Plan Administrator may restructure the Plan in accordance with Code Section 401(a)(4) and the Regulations issued thereunder in order to pass the general test.

2. **Excess Integrated Allocation Formula:** The Employer shall have the right to make a discretionary Non-Elective contribution. The Employer's contribution for the Plan Year shall be allocated to the accounts of eligible Participants as follows:

Only one plan maintained by the Employer may be integrated with Social Security. Any Plan utilizing a Safe Harbor formula provided in Section VII of this Code §403(b) Adoption Agreement may not apply the Safe Harbor Contribution to the integrated allocation formula.

a. Step One: To the extent contributions are sufficient, all Participants will receive an allocation equal to 5.7% of their Compensation.

b. Step Two: Any remaining Employer contributions will be allocated up to a maximum of 5.7% of excess Compensation of all Participants to Participants who have Compensation in excess of the Integration Level (excess Compensation). Each such Participant will receive an allocation in the ratio that his or her excess Compensation bears to the excess Compensation of all Participants. If Employer contributions are insufficient to fund to this level, the Employer must determine the uniform allocation percentage to allocate to those Participants who have Compensation in excess of the Integration Level. To determine this uniform allocation percentage, the Employer must take the remaining contribution and divide that amount by the total excess Compensation of Participants.

c. Step Three: Any remaining Employer contributions will be allocated to all Participants in the ratio that each Participant's Compensation bears to all Participants' Compensation.

3. **Base Integrated Allocation Formula:** The Employer shall have the right to make a discretionary nonelective contribution. To the extent that such contributions are sufficient, they shall be allocated as follows:

_____% of each eligible Participant's Compensation, plus

_____% of Compensation in excess of the Integration Level defined at Section III(C) hereof.

The percentage of excess Compensation may not exceed the lesser of (i) the amount first specified in this paragraph or (ii) the greater of 5.7% or the percentage rate of tax under Code Section 3121(a) as in effect on the first day of the Plan Year attributable to the Old Age (OA) portion of the OASDI provisions of the Social Security Act. If the Employer specifies an Integration Level in Section III(C) that is lower than the Taxable Wage Base for Social Security purposes (SSTWB) in effect as of the first day of the Plan Year, the percentage contributed with respect to excess Compensation must be adjusted. If the Plan's Integration Level is greater than the larger of $10,000 or 20% of the SSTWB but not more than 80% of the SSTWB, the excess percentage is 4.3%. If the Plan's Integration Level is greater than 80% of the SSTWB but less than 100% of the SSTWB, the excess percentage is 5.4%.

Only one Plan maintained by the Employer may be integrated with Social Security. Any Plan utilizing a Safe Harbor formula as provided in Section VII of this Adoption Agreement may not apply the Safe Harbor Contributions to the integrated allocation formula.

☐ E. **Additional Adopting Employers:**

☐ 1. All participating Employer's contributions under Section VIII entitled "Employer Contributions" above and forfeitures attributable to each specific contribution source shall be pooled together and allocated uniformly among all eligible Participants.

☐ 2. Each participating Employer's contribution under Section VIII entitled "Employer Contributions" above and forfeitures attributable to each specific contribution source made by such Employer shall be allocated only to eligible Participants of the participating Employer.

Where contributions and forfeitures are to be allocated to eligible Participants by participating Employers, each such Employer must maintain data demonstrating that the allocations by group satisfy the nondiscrimination rules under Code Section 401(a)(4).

IX. *ALLOCATIONS TO PARTICIPANTS*

☐ A. **This is a Safe Harbor Plan:**

Employer Non-Elective and/or Matching Contributions will be made to all Employees who have satisfied the Safe Harbor eligibility requirements.

B. **Allocation Accrual Requirements:**

Eligibility to receive an allocation of Employer contributions will be determined each pay period on the basis of:

☐ 1. Elapsed Time method.

☒ 2. Credited Service method. Service will be credited upon completion of the requirements below.

a. Active Participants:

Contribution Type	**Service Requirement**
All contributions	
Non Safe Harbor Matching Contribution (Formula 1)	
Non Safe Harbor Matching Contribution (Formula 2)	
Non Safe Harbor Non-Elective Contribution (Formula 1)	**Maintain Full-Time Status as defined Section IV B 3 (i) or an Employee age 60 or older under the Phased Retirement Program**
Non Safe Harbor Non-Elective Contribution (Formula 2)	
QMAC	
QNEC	

b. Terminated Participants:

Contribution Type	**Hours of Service Requirement**
All contributions	
Non Safe Harbor Matching Contribution (Formula 1)	
Non Safe Harbor Matching Contribution (Formula 2)	
Non Safe Harbor Non-Elective Contribution (Formula 1)	**Maintain Full-Time Status as defined Section IV B 3 (i) or an Employee age 60 or older under the Phased Retirement Program**
Non Safe Harbor Non-Elective Contribution (Formula 2)	
QMAC	
QNEC	

C. **Allocation of Contributions to Participants:**

Employer contributions for a Plan Year will be allocated to all Participants who have met the allocation accrual requirements at Section IX(B) above and who have met the following allocation accrual requirements *(check all applicable boxes)*:

	Non Safe Harbor Matching Formula 1	Non Safe Harbor Matching Formula 2	Non Safe Harbor Non-Elective Formula 1	Non Safe Harbor Non-Elective Formula 2	QNEC	QMAC
1. Employed on the last scheduled work day of the Plan Year	☐	☐	☐	☐	☐	☐
No last day of the Plan Year requirement In the Plan Year of termination if termination is due to:						
a. Retirement	☐	☐	☐	☐	☐	☐
b. Disability	☐	☐	☐	☐	☐	☐

c.	Death	☐	☐	☐	☐	☐	☐
d.	Other: _________________	☐	☐	☐	☐	☐	☐

2. No Hours of Service or Period of Service requirement in the Plan Year of termination due to:

a.	Retirement	☐	☐	☐	☐	☐	☐
b.	Disability	☐	☐	☐	☐	☐	☐
c.	Death	☐	☐	☐	☐	☐	☐
d.	Other: _______________	☐	☐	☐	☐	☐	☐

3.	For Plans using the Elapsed Time method, Contributions will be allocated to terminated Participants who have completed _____ (not more than 12) months of Service	☐	☐	☐	☐	☐	☐

4. **Deferrals withdrawn prior to the end of the Matching Computation Period:** Matching Contributions (whether or not Qualified) will not be made on Employee contributions withdrawn prior to the end of the:

☐ a. Matching Computation Period; or

☐ b. Plan Year.

☐ This requirement shall apply in the event of a withdrawal occurring as the result of a termination of employment for reasons of retirement, Disability or death.

☐ D. **Contributions to Disabled Participants:**

The Employer will make contributions on behalf of a Participant who is permanently and totally Disabled. These contributions will be based on the Compensation each 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. Such imputed Compensation for the disabled Participant may be taken into account only if the Participant is not a Highly Compensated Employee. These contributions will be 100% vested when made.

☐ E. **Contributions to Retired Participants**:

The Employer elects to make Contributions on behalf of a Participant who has retired. These contributions will be based on their Includible Compensation, and will be made for a five year period after their retirement.

X. ***MULTIPLE PLANS MAINTAINED BY THE EMPLOYER - LIMITATIONS ON ALLOCATIONS***

☒ A. This is the only Plan the Employer maintains. In the event that the allocation formula results in an Excess Amount, such excess, after distribution of Employee contributions pursuant to paragraph 8.2 of the §403(b) Plan Document, shall be either placed in a suspense account for the benefit of the Participant without the crediting of gains or losses for the benefit of the Participant or reallocated as additional Employer contributions to all other Participants to the extent that they do not have any Excess Amount.

☐ B. The Employer does maintain another Plan, under which amounts are treated as Annual Additions and has completed the proper sections below. If the Participant is covered under another qualified Defined Contribution Plan maintained by the Employer:

☐ 1. The provisions of Article VIII of the §403(b) Plan Document will apply.

☐ 2. The Employer has specified below the method under which the plans will limit total Annual Additions to the Maximum Permissible Amount, and will properly reduce any Excess Amounts in a manner that precludes Employer discretion. ____

____

XI. ***VESTING***

Participants shall always have a fully vested and nonforfeitable interest in their Employee contributions (including Elective Deferrals and Voluntary After-tax Contributions), Qualified Matching Contributions ("QMACs"), Qualified Non-Elective Contributions ("QNECs") or Safe Harbor Matching or Non-Elective Contributions and their investment earnings. Each Participant shall acquire a vested and nonforfeitable percentage in his or her account balance attributable to Employer contributions and their earnings under the schedule(s) selected below:

A. **Vesting Computation Period*:***

A Year of Service for vesting will be determined on the basis of the *(choose one):*

☒ 1. Not applicable. All contributions are fully vested.

☐ 2. Elapsed Time method.

☐ 3. Hour of Service method. A Year of Service will be credited upon completion of _____ Hours of Service. A Year of Service for vesting purposes will not be less than one (1) Hour of Service nor greater than 1,000 hours by operation of law. If left blank, the Plan will use 1,000 hours.

The computation period for purposes of determining Years of Service and Breaks in Service for purposes of computing a Participant's nonforfeitable right to his or her account balance derived from Employer contributions:

☒ 4. shall not be applicable since Participants are always fully vested.

☐ 5. shall not be applicable, as the Plan is using Elapsed Time.

☐ 6. shall commence on the date on which an Employee first performs an Hour of Service for the Employer and each subsequent 12-consecutive month period shall commence on the anniversary thereof.

☐ 7. shall commence on the first day of the Plan Year during which an Employee first performs an Hour of Service for the Employer and each subsequent twelve (12) consecutive month period shall commence on the anniversary thereof.

For Plans not using Elapsed Time, a Participant shall receive credit for a Year of Service if he or she completes the number of hours specified above at any time during the twelve (12) consecutive month computation period. A Year of Service may be earned prior to the end of the twelve (12) consecutive month computation period, and the Participant need not be employed at the end of the twelve (12) consecutive month computation period to receive credit for a Year of Service.

B. **Vesting Schedules:**

Select the appropriate schedule for each contribution type and complete any blank vesting percentages from the list below and insert the option number in the vesting schedule chart below.

	Years of Service									
	1	2	3	4	5	6	7	8	9	10
1.	Full and immediate Vesting									
2.	_____%	_____%	_____	100%						
3.	_____%	_____%	_____%	_____%	100%					
4.	_____%	_____%	_____%	_____%	_____%	_____%	_____%	_____%	_____%	100%

Vesting Schedule	Employer Contribution Type
1	All Employer Contributions
________	Non Safe Harbor Matching Contributions (Formula 1)
________	Non Safe Harbor Matching Contributions (Formula 2)
________	Non Safe Harbor Match on Voluntary After-tax Contributions
________	Non Safe Harbor Non-Elective Contributions (Formula 1)
________	Non Safe Harbor Non-Elective Contributions (Formula 2)

C. **Service Disregarded for Vesting:**

☒ 1. Not applicable. All Service is recognized.

☐ 2. Service prior to the Effective Date of this Plan or a predecessor plan is disregarded when computing a Participant's vested and nonforfeitable interest.

☐ 3. Service prior to a Participant having attained age 18 is disregarded when computing a Participant's vested and nonforfeitable interest.

D. **Full Vesting of Employer Contributions for Current Participants:**

☐ Notwithstanding the elections above, all Employer contributions made to a Participant's account shall be 100% fully vested if the Participant is employed on the Effective Date of the Plan (or such other date as entered herein): ______________________________.

XII. ***SERVICE WITH PREDECESSOR ORGANIZATION***

☒ A. Not applicable. The Plan does not recognize Service with any predecessor organization.

☐ B. The Plan will recognize Service with any prior entity that sponsored this Plan.

☐ C. Service with the following organization(s) will be recognized for the Plan: ____________________

☐ D. Service with the following organization(s) will be recognized for the following Plan purposes: ____________________

☐ 1. Eligibility

☐ 2. Allocation Accrual

☐ 3. Vesting

XIII. ***IN-SERVICE WITHDRAWALS***

A. **Withdrawals from Annuity Contracts:**

☒ 1. With respect to amounts attributable to Employee Elective Deferrals (accrued on or after January 1, 1989) and Roth Elective Deferrals, if applicable, withdrawals are:

☐ a. not permitted.

☒ b. permitted under the following circumstances:

☐ i. after attaining age 59½.

☐ ii. after incurring a Disability.

☒ iii. upon incurring a Hardship (no earnings).

☒ 2. With respect to amounts attributable to Employee Elective Deferrals accrued on or before December 31, 1988, withdrawals are:

☐ a. not permitted.

☒ b. permitted under the following circumstances:

☐ i. after attaining age 59½.

☐ ii. after incurring a Disability.

☒ iii. upon incurring a Hardship.

☐ 3. In-service withdrawals are permitted from the following Employer contribution accounts:

☐ a. Employer Non Safe Harbor Matching Contributions:

☐ i. The distribution restrictions for in-service withdrawals of Elective Deferrals will apply to the withdrawal of a Participant's vested Matching Contributions.

☐ ii. Distribution will be permitted if the Participant is fully vested in his/her Matching Contribution Account Balance.

☐ iii. Distribution will be permitted after Participant's attainment of age 59 ½.

☐ iv Distribution will be permitted upon incurring a hardship.

☐ b. Employer Qualified Matching Contributions, only after:

☐ i. attaining age 59½.

☐ ii. incurring a Disability.

☐ c. Employer Qualified Non-Elective Contributions, only after:

☐ i. attaining age 59½.

☐ ii. incurring a Disability.

☐ d. Employer Non Safe Harbor Non-Elective Contributions:

☐ i. The distribution restrictions for in-service withdrawals of Elective Deferrals will apply to the withdrawal of a Participant's vested discretionary Non-Elective Contributions.

☐ ii. Distribution will be permitted if the Participant is fully vested in his/her Non-Elective Contribution Account Balance.

☐ iii. Distribution will be permitted after Participant's attainment of age 59 ½.

☐ iv Distribution will be permitted upon incurring a hardship.

B. **Withdrawals from Custodial Accounts:**

☐ 1. In-service withdrawals of a Participant's vested Account Balance are not permitted.

☒ 2. In-service withdrawals of a Participant's vested Account Balance are permitted only under the following circumstances:

☐ a. after attaining age 59½ (Elective Deferral Account only).

☐ b. after incurring a Disability (Elective Deferral Account only).

☒ c. upon incurring a Hardship (Elective Deferrals only).

☐ d. upon incurring a Hardship (fully vested Non Safe Harbor Employer contributions).

C. **Hardship Withdrawals:**

☒ 1. Hardship withdrawals will be permitted using the safe harbor hardship provisions described at paragraph 13.3 of the Plan. Hardship withdrawals of Elective Deferrals shall be limited to the lesser of the cumulative value of Elective Deferrals or the value of such contributions on the date of withdrawal.

☐ 2. Hardship withdrawals will be permitted, however, in lieu of relying on the safe harbor provisions of paragraph 13.3 of the Plan, the Employer will take steps to assure that a hardship exists and that the Participant's financial need may not be satisfied from other sources that are reasonable available to the Participant based on all the facts and circumstances. The Employer may reasonably rely on information it requests from the Participant and/or representations by the Participant, that the financial need cannot be satisfied: (i) through reimbursement or compensation by insurance or otherwise; (ii) by reasonable liquidation of the Participant's assets, provided that such liquidation would not cause an immediate and heavy financial need; or (iii) by other distributions or nontaxable loans (at the time of such loans) or by borrowing from commercial sources on reasonable commercial terms. An immediate and heavy financial need, under which a hardship withdrawal may be made, is defined as follows:

☐ a. the circumstances are limited to those set forth in the safe harbor, or

☐ b. the circumstances are limited to those set forth in the safe harbor and to the following: ____________
____

Hardship withdrawals of Elective Deferrals shall be limited to the lesser of the cumulative value of Elective Deferrals or the value of such contributions on the date of withdrawal.

☐ 3. The Plan shall permit hardship distributions to Participants but only with respect to amounts which are 100% vested and not held as security for a loan.

D. **Loan Provisions:**

☒ 1. Participant loans are permitted in accordance with the Employer's established loan procedures.

☐ 2. Participant loans are not permitted.

XIV. *INVESTMENT MANAGEMENT*

A. **Investment Management Responsibility:**

The party designated below shall be responsible for the investment of the Participant's account. By selecting a box, the Employer is making a designation as to who will have authority to issue investment directives with respect to the specified contribution type *(check all applicable boxes*):

		Trustee	Employer	Participant
1.	All Contributions	☐	☐	☒
2.	Elective Deferrals/Roth Elective Deferrals	☐	☐	☐
3.	Mandatory Elective Deferrals	☐	☐	☐
4.	Voluntary After-tax Contributions	☐	☐	☐
5.	Safe Harbor Contributions	☐	☐	☐

6.	Matching Contributions (Formula 1)	☐	☐	☐
7.	Matching Contributions (Formula 2)	☐	☐	☐
8.	QMACs	☐	☐	☐
9.	QNECs	☐	☐	☐
10.	Non-Elective Contributions (Formula 1)	☐	☐	☐
11.	Non-Elective Contributions (Formula 2)	☐	☐	☐
12.	Rollover Contributions	☐	☐	☐
13.	Transfer Contributions	☐	☐	☐

To the extent that Participant self-direction was previously permitted, the Employer shall have the right to either make the assets part of the general fund or leave them as self-directed subject to the provisions of the Custodial Agreement.

B. **Investment Of Plan Assets:**

☒ 1. Contributions made to the Plan shall be invested in a Retirement Income Account.

☒ 2. Contributions made to the Plan shall be invested in annuity contracts.

☒ 3. Contributions made to the Plan shall be invested in Regulated Investment Companies (mutual funds).

XV. ***DISTRIBUTION OPTIONS***

A. **Timing of Distributions:**

Distributions shall be paid in accordance with the election below:

☐ 1. As soon as administratively feasible following the close of the Plan Year during which a distribution is requested or is otherwise payable.

☒ 2. As soon as administratively feasible following the date on which a distribution is requested or is otherwise payable.

☐ 3. As soon as administratively feasible after the close of the Plan Year during which the Participant incurs _____ [cannot be more than five (5)] consecutive one (1) year Breaks in Service.

☐ 4. Only after the Participant has attained the Plan's Normal Retirement Age or Early Retirement Age, if applicable.

B. **Required Beginning Date:**

The Required Beginning Date of a Participant with respect to a Plan is:

☐ 1. The April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

☒ 2. The later of the April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or retires, except that distributions to a 5% owner must commence by the April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

☒ Except that such Participant may elect to begin receiving distributions as of April 1 of the calendar year following the calendar year in which the Participant attains age 70½, any distributions made pursuant to such an election will not be considered required minimum distributions. Such distributions will be considered in-service distributions and, as such, will be subject to applicable withholding.

C. **Minimum Distribution Requirements:**

☐ 1. **Election to Apply Five (5) Year Rule to Distributions to Designated Beneficiaries:** If the Participant dies before distributions begin and there is a Designated Beneficiary, distribution to the Designated Beneficiary is not required to begin by the date specified in the §403(b) Plan but the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

☒ 2. **Election to Allow Participants or Beneficiaries to Elect Five (5) Year Rule:** Participants or Beneficiaries may elect on an individual basis whether the five (5) year rule or the life expectancy rule described in the §403(b) Plan 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 the Plan, or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving Spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with the provisions of §403(b) Plan and, if applicable, the elections in Section XV(C)(1) above.

D. **Forms of Payment *(select all that apply)*:**

The following forms of payment shall be available with respect to distributions from the Plan.

☒ 1. Lump sum.

☒ 2. Installment payments.

☐ 3. Partial payments; the minimum amount will be $_____________.

☐ 4. Partial payments; the minimum amount will be $_____________ [may be no less than $1,000].

☐ 5. Partial payments; the minimum amount will be $_____________ [may be no less than $5,000].

☒ 6. Other forms of annuities as permitted under the Plan.

☒ 7. Life annuity.

☐ 8. Term certain annuity with payments guaranteed for _____ years [not to exceed twenty (20)].

☒ 9. Joint and ☒ 50%, ☒ 66-2/3%, ☐ 75% or ☒ 100% Survivor Annuity.

☒ 10. A direct rollover into an individual retirement account or annuity for any "cash out" distribution made pursuant to Code Sections 411(1)(1), 411(a)(11) and 417(e)(i).

The normal form of payment is determined at Section III(G) of this Adoption Agreement.

E. **Type of Payment *(select all that apply)*:**

☒ 1. Cash.

☒ 2. Annuity Contracts.

☒ 3. Mutual Funds.

☐ 4. Other: ____
(fill in the blank with the type of other in-kind distributions allowed under the Plan).

F. **Application of Involuntary Cash-out Provisions:**

☒ 1. The Plan will not make involuntary cash-outs to any terminated vested Participant. Distributions will only be made with the consent of the Participant.

☐ 2. The Plan will make involuntary cash-outs to a terminated vested Participant as follows:

☐ a. The Plan will make involuntary cash-out distributions of Vested Account Balances of less than $200. Distribution of amounts $200 or greater shall only be made with the consent of the Participant.

☐ b. The Plan will make involuntary cash-out distributions of Vested Account Balances of $1,000 or less. Distribution of amounts greater than $1,000 shall only be made with the consent of the Participant.

☐ 3. In determining the value of the Participant's nonforfeitable account balance for purposes of the Plan's involuntary cash-out rules, the Plan:

☐ a. elects to exclude Rollover Contributions for distributions with respect to Participants who separated from service after _________ (may be earlier than December 31, 2001).

☐ b. elects to include Rollover Contributions when determining such value.

If no selection is made, the Plan will exclude Rollover Contributions when determining the value of the Participant's nonforfeitable account balance for involuntary cash-out purposes. Rollover Contributions, if any, will always be included when determining whether the $1,000 threshold has been exceeded.

G. **Automatic Rollovers:**

Do not complete if a selection has been made at Section XV(F)(1) or (2) above.

☐ 1. The Plan shall make automatic rollovers of Vested Account Balances that are greater than $1,000 but are not more than $5,000.

☐ 2. The Plan shall make automatic rollovers of Vested Account Balances that are not more than $5,000.

H. **Distribution Upon Severance from Employment:**

☐ 1. Not applicable.

☒ 2. Distribution upon severance from employment shall apply for distributions regardless of when the severance from employment occurred.

☐ 3. Distribution upon severance from employment shall apply for distributions after ________________ (no earlier than December 31, 2001) for severance from employment occurring after ______________ (enter the Effective Date if different than the Effective Date above).

XVI. ***SIGNATURES***

It is suggested that the Employer consult with its legal counsel and/or tax advisor before executing this Adoption Agreement. The Employer understands that its failure to properly complete or amend this Adoption Agreement may result in failure of the Plan to qualify or disqualification of the Plan under Code §403(b). The Employer, by executing this Adoption Agreement, acknowledges that this is a legal document with significant tax and legal ramifications.

A. **Employer:**

The Employer adopts this Adoption Agreement and the corresponding provisions of the Custodial Agreement this 23rd day of April 2012

Name of Employer: **Germantown Friends School**

Executed on behalf of the Employer by: Mina Fader

Title: CFO

Signature: Mina Fader

Employer's Reliance: In order to obtain reliance with respect to Plan qualification under Code §403(b), the Employer must apply to the IRS National Office for a private letter ruling.

B. **Participating Employer:**

To be a Participating Employer, an employer must affirmatively adopt this plan. The Participating Employer named below adopts the plan and agrees to be bound by its terms and conditions as set forth in the Plan document and the Adoption Agreement.

____
Exact legal name of Participating Employer

____
Business address

____
City, State, Zip

(_____)______________________________
Business phone no. EIN

In witness whereof, the Participating Employer has executed this Adoption Agreement on the date indicated below pursuant to authority of its board of directors or similar governing body, to implement this Plan as of the effective date set forth in this Adoption Agreement.

____
Signature of officer of the Employer

____
Name (print or type)

______________________ ______________________
Title Date

____
Witnessed by:
Signature of officer of the Employer

____
Name (print or type)

____
Title

____
Date
(Add additional addendum pages, if required, for additional Participating Employers.)

C. **Custodian(s):**

Name and address of the Custodian(s):

Any separate custodial agreement becomes incorporated by reference.

D. **Insurer(s):**

Name and address of the Insurer(s):

TIAA-CREF
730 Third Avenue
New York, NY 10017

Any separate annuity contract becomes incorporated by reference.