WHEREAS, Midvale City ("Employer") has employees rendering valuable services; and

WHEREAS, the Employer has established a qualified retirement plan for such employees that serves the interest of the Employer by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel; and

WHEREAS, the Employer has determined that the continuance of the qualified retirement plan will serve these objectives; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MIDVALE CITY, UTAH:

Section 1. The Midvale City Council hereby amends and restates the qualified retirement plan (the "Plan") in the form of: The Plan and Trust and any associated amendments provided by the Employer (executed copies attached hereto).

Section 2. That the assets of the Plan shall be held in trust, with the Employer serving as trustee ("Trustee"), for the exclusive benefit of Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee's beneficial ownership of Plan assets held in VantageTrust shall be held for the further exclusive benefit of the Plan participants and their beneficiaries.

Section 3. The Employer hereby agrees to serve as Trustee under the Plan.

Section 4. This Resolution shall take effect immediately.

APPROVED AND ADOPTED this 5th day of April, 2016.

JoAnn B. Seghini, Mayor

Voting by the Council:

<table>
<thead>
<tr>
<th>Name</th>
<th>&quot;Aye&quot;</th>
<th>&quot;Nay&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayne Sharp</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Stephen Brown</td>
<td>✔</td>
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</tr>
<tr>
<td>Paul Glover</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Paul Hunt</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Quinn Sperry</td>
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</tr>
</tbody>
</table>
Plan Number: 108748

Name of Employer: MIDVALE CITY CORPORATION

State: Utah

As a duly authorized agent of the above named Employer, I hereby AMEND AND RESTATE the money purchase plan (the "Plan") in the form of:

• The Plan and Trust and any associated amendments provided by the Employer (executed copies attached hereto)

SPECIFY that the assets of the Plan shall be held in trust, with the Employer serving as trustee ("Trustee"), for the exclusive benefit of the Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose. The Trustee’s beneficial ownership of Plan assets in VantageTrust shall be held for the exclusive benefit of the Plan participants and their beneficiaries;

AND AFFIRM that the Employer hereby agrees to serve as Trustee under the Plan.

DATE: April 5, 2016

JoAnn B. Seghini, Mayor

Attest:
Ron L. Andreason, City Recorder
ICMA RETIREMENT CORPORATION
GOVERNMENTAL MONEY PURCHASE PLAN & TRUST
ADOPTION AGREEMENT

Plan Number 10- 8748

The Employer hereby establishes a Money Purchase Plan and Trust to be known as MIDVALE CITY CORPORATION (the “Plan”) in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust.

This Plan is an amendment and restatement of an existing defined contribution money purchase plan.

☐ Yes  ☐ No

If yes, please specify the name of the defined contribution money purchase plan which this Plan hereby amends and restates:

MIDVALE CITY CORPORATION

I. Employer: MIDVALE CITY CORPORATION

II. Effective Dates

☐ 1. Effective Date of Restatement. If this document is a restatement of an existing plan, the effective date of the Plan shall be January 1, 2007 unless an alternate effective date is hereby specified: ________________

(Note: An alternate effective date can be no earlier than January 1, 2007.)

☐ 2. Effective Date of New Plan. If this is a new Plan, the effective date of the Plan shall be the first day of the Plan Year during which the Employer adopts the Plan, unless an alternate Effective Date is hereby specified:

☐ 3. Special Effective Dates. Please note here any elections in the Adoption Agreement with an effective date that is different from that noted in 1. or 2. above.

(Note provision and effective date.)

III. Plan Year will mean:

☐ The twelve (12) consecutive month period which coincides with the limitation year. (See Section 5.03(f) of the Plan.)

☐ The twelve (12) consecutive month period commencing on JANUARY 1 and each anniversary thereof.

IV. Normal Retirement Age shall be age 65.0 (not to exceed age 65).

Important Note to Employers: Normal Retirement Age is significant for determining the earliest date at which the Plan may allow for in-service distributions. Normal Retirement Age also defines the latest date at which a Participant must have a fully vested right to his/her Account. There are IRS rules that limit the age that may be specified as the Plan’s Normal Retirement Age. The Normal Retirement Age cannot be earlier than what is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed. An age under 55 is presumed not to satisfy this requirement, unless the Commissioner of Internal Revenue determines that the facts and circumstances show otherwise.

Money Purchase Plan Adoption Agreement
Whether an age between 55 and 62 satisfies this requirement depends on the facts and circumstances, but an Employer's good faith, reasonable determination will generally be given deference. A special rule, however, applies in the case of a plan where substantially all of the participants in the plan are qualified public safety employees within the meaning of section 72(t)(10)(B) of the Code, in which case an age of 50 or later is deemed not to be earlier than the earliest age that is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed.

V. ELIGIBILITY REQUIREMENTS

1. The following group or groups of Employees are eligible to participate in the Plan:

   - __ All Employees
   - ✓ All Full Time Employees
   - __ Salaried Employees
   - __ Non union Employees
   - __ Management Employees
   - __ Public Safety Employees
   - __ General Employees
   - ✓ Other Employees (Specify the group(s) of eligible employees below. Do not specify employees by name. Specific positions are acceptable.) **EMPLOYEES WORKING 30 HOURS OR MORE EACH WEEK.**

   The group specified must correspond to a group of the same designation that is defined in the statutes, ordinances, rules, regulations, personnel manuals or other material in effect in the state or locality of the Employer. The eligibility requirements cannot be such that an Employee becomes eligible only in the Plan Year in which the Employee terminates employment. **Note:** As stated in Sections 4.07 and 4.08, the Plan may, however, provide that Final Pay Contributions or Accrued Leave Contributions are the only contributions made under the Plan.

2. The Employer hereby waives or reduces the requirement of a twelve (12) month Period of Service for participation. The required Period of Service shall be (write N/A if an Employee is eligible to participate upon employment) **N/A**

   If this waiver or reduction is elected, it shall apply to all Employees within the Covered Employment Classification.

3. A minimum age requirement is hereby specified for eligibility to participate. The minimum age requirement is **N/A** (not to exceed age 21. Write N/A if no minimum age is declared.)

VI. CONTRIBUTION PROVISIONS

1. The Employer shall contribute as follows: (Choose all that apply, but at least one of Options A or B. If Option A is not selected, Employer must pick up Participant Contributions under Option B.)

   **Fixed Employer Contributions With or Without Mandatory Participant Contributions.** (If Option B is chosen, please complete section C.)

   ☑ A. Employer Contributions. The Employer shall contribute on behalf of each Participant 1% of Earnings or $__________ for the Plan Year (subject to the limitations of Article V of the Plan).

   Mandatory Participant Contributions
   - ☐ are required    ☑ are not required

   to be eligible for this Employer Contribution.

   ☐ B. Mandatory Participant Contributions for Plan Participation.

   Required Mandatory Contributions. A Participant is required to contribute (subject to the limitations of Article V of the Plan) the specified amounts designated in items (i) through (iii) of the Contribution Schedule below:

   - ☐ Yes    - ☐ No
Employee Opt-In Mandatory Contributions. Each Employee eligible to participate in the Plan shall be given the opportunity to irrevocably elect to participate in the Mandatory Participant Contribution portion of the Plan by electing to contribute the specified amounts designated in items (i) through (iii) of the Contribution Schedule below for each Plan Year (subject to the limitations of Article V of the Plan):

☐ Yes ☐ No

Contribution Schedule.

(i) _____% of Earnings,
(ii) $ ________, or
(iii) a whole percentage of Earnings between the range of ____________ (insert range of percentages between 1% and 20% inclusive (e.g., 3%, 6%, or 20%; 5% to 7%), as designated by the Employee in accordance with guidelines and procedures established by the Employer for the Plan Year as a condition of participation in the Plan. A Participant must pick a single percentage and shall not have the right to discontinue or vary the rate of such contributions after becoming a Plan Participant.

Employer "Pick up". The Employer hereby elects to "pick up" the Mandatory Participant Contributions' (pick up is required if Option A is not selected).

☐ Yes ☐ No ("Yes" is the default provision under the Plan if no selection is made.)

☐ C. Election Window (Complete if Option B is selected):

Newly eligible Employees shall be provided an election window of _____ days (no more than 60 calendar days) from the date of initial eligibility during which they may make the election to participate in the Mandatory Participant Contribution portion of the Plan. Participation in the Mandatory Participant Contribution portion of the Plan shall begin the first of the month following the end of the election window.

An Employee's election is irrevocable and shall remain in force until the Employee terminates employment or ceases to be eligible to participate in the Plan. In the event of re-employment to an eligible position, the Employee's original election will resume. In no event does the Employee have the option of receiving the pick-up contribution amount directly.

2. The Employer may also elect to contribute as follows:

☐ A. Fixed Employer Match of Voluntary After-Tax Participant Contributions. The Employer shall contribute on behalf of each Participant _____% of Earnings for the Plan Year (subject to the limitations of Article V of the Plan) for each Plan Year that such Participant has contributed _____% of Earnings or $ _________. Under this option, there is a single, fixed rate of Employer contributions, but a Participant may decline to make the required Participant contributions in any Plan Year, in which case no Employer contribution will be made on the Participant's behalf in that Plan Year.

☐ B. Variable Employer Match of Voluntary After-Tax Participant Contributions. The Employer shall contribute on behalf of each Participant an amount determined as follows (subject to the limitations of Article V of the Plan):

_____ % of the Voluntary Participant Contributions made by the Participant for the Plan Year (not including Participant contributions exceeding _____% of Earnings or $ ________);

1 Neither an IRS advisory letter nor a determination letter issued to an adopting Employer is a ruling by the Internal Revenue Service that Participant contributions that are "picked up" by the Employer are not includable in the Participant's gross income for federal income tax purposes. Pick-up contributions are not mandated to receive private letter rulings; however, if an adopting employer wishes to receive a ruling on pick-up contributions they may request one in accordance with Revenue Procedure 2012-4 (or subsequent guidance).
PLUS _____% of the contributions made by the Participant for the Plan Year in excess of those included in the above paragraph (but not including Voluntary Participant Contributions exceeding in the aggregate _____% of Earnings or $______).

Employer Matching Contributions on behalf of a Participant for a Plan Year shall not exceed $______ or _____% of Earnings, whichever is ___ more or ___ less.

3. Each Participant may make a voluntary (unmatched), after tax contribution, subject to the limitations of Section 4.05 and Article V of the Plan:

☐ Yes ☐ No ("No" is the default provision under the Plan if no selection is made.)

4. Employer contributions for a Plan Year shall be contributed to the Trust in accordance with the following payment schedule (no later than the 15th day of the tenth calendar month following the end of the calendar year or fiscal year (as applicable depending on the basis on which the Employer keeps its books) with or within which the particular Limitation year ends, or in accordance with applicable law):

BI-WEEKLY

5. Participant contributions for a Plan Year shall be contributed to the Trust in accordance with the following payment schedule (no later than the 15th day of the tenth calendar month following the end of the calendar year or fiscal year (as applicable depending on the basis on which the Employer keeps its books) with or within which the particular Limitation year ends, or in accordance with applicable law):

BI-WEEKLY

6. In the case of a Participant performing qualified military service (as defined in Code section 414(u)) with respect to the Employer:

A. Plan contributions will be made based on differential wage payments:

☐ Yes ☐ No ("Yes" is the default provision under the Plan if no selection is made.)

If yes is selected, this is effective beginning January 1, 2009 unless another later effective date is filled in here:

B. Participants who die or become disabled will receive Plan contributions with respect to such service:

☐ Yes ☐ No ("No" is the default provision under the Plan if no selection is made.)

If yes is selected, this is effective for participants who died or became disabled while performing qualified military service on or after January 1, 2007, unless another later effective date is filled in here:
VII. EARNINGS

Earnings, as defined under Section 2.09 of the Plan, shall include:

1. Overtime
   ☐ Yes ☐ No

2. Bonuses
   ☐ Yes ☐ No

3. Other Pay (specifically describe any other types of pay to be included below)

VIII. ROLLOVER PROVISIONS

1. The Employer will permit rollover contributions in accordance with Section 4.12 of the Plan:

   ☐ Yes ☐ No ("Yes" is the default provision under the Plan if no selection is made.)

2. Direct rollovers by non-spouse beneficiaries are effective for distributions after 2006 unless the Plan delayed making them available. If the Plan delayed making such rollovers available, check the box below and indicate the later effective date in the space provided.

   ☐ Effective Date is ________________________________.

   (Note: Plans must offer direct rollovers by non-spouse beneficiaries no later than plan years beginning after December 31, 2009.)

IX. LIMITATION ON ALLOCATIONS

If the Employer maintains or ever maintained another qualified plan in which any Participant in this Plan is (or was) a participant or could possibly become a participant, the Employer hereby agrees to limit contributions to all such plans as provided herein, if necessary in order to avoid excess contributions (as described in Section 5.02 of the Plan).

1. If the Participant is covered under another qualified defined contribution plan maintained by the Employer, the provisions of Section 5.02(a) through (e) of the Plan will apply unless another method has been indicated below.

   ☐ Other Method. (Provide 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.)

2. The Limitation Year is the following 12 consecutive month period: ________________________________

3. Unless the Employer elects a delayed effective date below, Article 5 of the Plan will apply to limitations years beginning on or after July 1, 2007. ________________________________

   (The effective date listed cannot be later than 90 days after the close of the first regular legislative session of the legislative body with authority to amend the plan that begins on or after July 1, 2007.)
X. VESTING PROVISIONS

The Employer hereby specifies the following vesting schedule, subject to (1) the minimum vesting requirements and (2) the concurrence of the Plan Administrator. (For the blanks below, enter the applicable percent — from 0 to 100 (with no entry after the year in which 100% is entered), in ascending order.)

<table>
<thead>
<tr>
<th>Period of Service Completed</th>
<th>Percent Vested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero</td>
<td>100 %</td>
</tr>
<tr>
<td>One</td>
<td>100 %</td>
</tr>
<tr>
<td>Two</td>
<td>100 %</td>
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<tr>
<td>Three</td>
<td>100 %</td>
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<tr>
<td>Four</td>
<td>100 %</td>
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<td>Five</td>
<td>100 %</td>
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<tr>
<td>Six</td>
<td>100 %</td>
</tr>
<tr>
<td>Seven</td>
<td>100 %</td>
</tr>
<tr>
<td>Eight</td>
<td>100 %</td>
</tr>
<tr>
<td>Nine</td>
<td>100 %</td>
</tr>
<tr>
<td>Ten</td>
<td>100 %</td>
</tr>
</tbody>
</table>

XI. WITHDRAWALS AND LOANS

1. In-service distributions are permitted under the Plan after a participant attains (select one of the below options):
   - ☐ Normal Retirement Age
   - ☑ Age 70½ ("70½" is the default provision under the Plan if no selection is made.)
   - ☐ Alternate age (after Normal Retirement Age): ______________________
   - ☐ Not permitted at any age

2. A Participant shall be deemed to have a severance from employment solely for purposes of eligibility to receive distributions from the Plan during any period the individual is performing service in the uniformed services for more than 30 days.
   - ☐ Yes ☑ No ("Yes" is the default provision under the plan if no selection is made.)

3. Tax-free distributions of up to $3,000 for the direct payment of qualifying insurance premiums for eligible retired public safety officers are available under the Plan.
   - ☐ Yes ☑ No ("No" is the default provision under the Plan if no selection is made.)

4. In-service distributions of the Rollover Account are permitted under the Plan, as provided in Section 9.07.
   - ☐ Yes ☑ No ("No" is the default provision under the Plan if no selection is made.)

5. Loans are permitted under the Plan, as provided in Article XIII of the Plan:
   - ☑ Yes ☐ No ("No" is the default provision under the Plan if no selection is made.)
XII. SPOUSAL PROTECTION

The Plan will provide the following level of spousal protection (select one):

☐ 1. Participant Directed Election. The normal form of payment of benefits under the Plan is a lump sum. The Participant can name any person(s) as the Beneficiary of the Plan, with no spousal consent required.

☒ 2. Beneficiary Spousal Consent Election (Article XII). The normal form of payment of benefits under the Plan is a lump sum. Upon death, the surviving spouse is the Beneficiary, unless he or she consents to the Participant's naming another Beneficiary. ("Beneficiary Spousal Consent Election" is the default provision under the Plan if no selection is made.)

☐ 3. QJSA Election (Article XVII). The normal form of payment of benefits under the Plan is a 50% qualified joint and survivor annuity with the spouse (or life annuity, if single). In the event of the Participant's death prior to commencing payments, the spouse will receive an annuity for his or her lifetime. (If C is selected, the spousal consent requirements in Article XII also will apply.)

XIII. FINAL PAY CONTRIBUTIONS

The Plan will provide for Final Pay Contributions if either 1 or 2 below is selected.

The following group of Employees shall be eligible for Final Pay Contributions:

☐ All Eligible Employees

☐ Other: ______________________________

Final Pay shall be defined as (select one):

☐ A. Accrued unpaid vacation

☐ B. Accrued unpaid sick leave

☐ C. Accrued unpaid vacation and sick leave

☐ D. Other (insert definition of Final Pay – must be leave that Employee would have been able to use if employment had continued and must be bona fide vacation and/or sick leave):

______________________________________________________________________________

☐ 1. Employer Final Pay Contribution. The Employer shall contribute on behalf of each Participant _________% of Final Pay to the Plan (subject to the limitations of Article V of the Plan).

☐ 2. Employee Designated Final Pay Contribution. Each Employee eligible to participate in the Plan shall be given the opportunity at enrollment to irrevocably elect to contribute _____% (insert fixed percentage of final pay to be contributed) or up to ______% (insert maximum percentage of final pay to be contributed) of Final Pay to the Plan (subject to the limitations of Article V of the Plan).

Once elected, an Employee's election shall remain in force and may not be revised or revoked.
XIV. **ACCRUED LEAVE CONTRIBUTIONS**

The Plan will provide for accrued unpaid leave contributions annually if either 1 or 2 is selected below.

The following group of Employees shall be eligible for Accrued Leave Contributions:

- [ ] All Eligible Employees
- [ ] Other: ______________________________________________

**Accrued Leave shall be defined as (select one):**

- [ ] A. Accrued unpaid vacation
- [ ] B. Accrued unpaid sick leave
- [ ] C. Accrued unpaid vacation and sick leave
- [ ] D. Other (insert definition of accrued leave that is bona fide vacation and/or sick leave):

  ______________________________________________

- [ ] 1. **Employer Accrued Leave Contribution.** The Employer shall contribute as follows (choose one of the following options):

  - [ ] For each Plan Year, the Employer shall contribute on behalf of each Eligible Participant the unused Accrued Leave in excess of _____________ (insert number of hours/days/weeks (circle one)) to the Plan (subject to the limitations of Article V of the Plan).

  - [ ] For each Plan Year, the Employer shall contribute on behalf of each Eligible Participant _____% of unused Accrued Leave to the Plan (subject to the limitations of Article V of the Plan).

- [ ] 2. **Employee Designated Accrued Leave Contribution.**

  Each eligible Participant shall be given the opportunity at enrollment to irrevocably elect to contribute _____% (insert fixed percentage of accrued unpaid leave to be contributed) or up to _____% (insert maximum percentage of accrued unpaid leave to be contributed) of Accrued Leave to the Plan (subject to the limitations of Article V of the Plan). Once elected, an Employee's election shall remain in force and may not be revised or revoked.

XV. The Employer hereby attests that it is a unit of state or local government or an agency or instrumentality of one or more units of state or local government.

XVI. The Employer understands that this Adoption Agreement is to be used with only the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust. This ICMA Retirement Corporation Governmental Money Purchase Plan and Trust is a restatement of a previous plan, which was submitted to the Internal Revenue Service for approval on April 2, 2012, and received approval on March 31, 2014.

The Plan Administrator hereby agrees to inform the Employer of any amendments to the Plan made pursuant to Section 14.05 of the Plan or of the discontinuance or abandonment of the Plan. The Employer understands that an amendment(s) made pursuant to Section 14.05 of the Plan will become effective within 30 days of notice of the amendment(s) unless the Employer notifies the Plan Administrator, in writing, that it disapproves of the amendment(s). If the Employer so disapproves, the Plan Administrator will be under no obligation to act as Administrator under the Plan.

XVII. The Employer hereby appoints the ICMA Retirement Corporation as the Plan Administrator pursuant to the terms and conditions of the ICMA RETIREMENT CORPORATION GOVERNMENTAL MONEY PURCHASE PLAN & TRUST.

The Employer hereby agrees to the provisions of the Plan and Trust.
XVIII. The Employer hereby acknowledges it understands that failure to properly fill out this Adoption Agreement may result in disqualification of the Plan.

XIX. An adopting Employer may rely on an advisory letter issued by the Internal Revenue Service as evidence that the Plan is qualified under section 401 of the Internal Revenue Code to the extent provided in applicable IRS revenue procedures and other official guidance.

In Witness Whereof, the Employer hereby causes this Agreement to be executed on this ______ day of ______, 201_.

EMPLOYER

By: ________________________________
Print Name: __________________________
Title: ________________________________
Attest: ________________________________

ICMA RETIREMENT CORPORATION
777 North Capitol St., NE Suite 600
Washington, DC 20002
800-326-7272

By: ________________________________
Print Name: __________________________
Title: ________________________________
Attest: ________________________________
INSTRUCTIONS FOR PLAN SPONSORS USING THE ICMA-RC PLAN DOCUMENT

We want to make the plan document adoption process as easy as possible. Please review the instructions below and let us know if you have any questions. Taking action to adopt the restated plan document by April 30, 2016 will ensure your plan is updated in accordance with current IRS regulations. Please submit the new adoption agreement for your plan as soon as possible and no later than April 15, 2016. This will allow sufficient time for ICMA-RC to process your adoption agreement elections and return the executed document to you before the April 30, 2016 deadline.

Instructions

STEP 1: Review the information in this packet to familiarize yourself with the differences between the old document and the new document.

STEP 2: Determine whether any formal action is required by your legislative body and/or plan administrative committee to adopt the restated plan document. If formal action is required, please refer to the suggested affirmative statement or suggested resolution (as applicable) on pages 6 and 7 respectively.

STEP 3: Review our current Governmental Money Purchase Plan & Trust document and save it for your records.

STEP 4: Complete the Governmental Money Purchase Plan & Trust Adoption Agreement.

- Click the “Pickup Plan Adoption Agreement” button to access your agreement, which has been partially pre-populated to reflect the way ICMA-RC currently administers your plan. (Available on the Plan Documents page in EZLink: My Plan → View/Request Publications → Plan Documents)

- Complete the adoption agreement electronically by filling in the blanks in each section of the document and save the document to your computer.
  - Send the document to your organization’s primary plan contact or plan coordinator so he or she can review the document before you submit it to ICMA-RC.
  - Instead of signing a hard copy of the document, please type the name of the plan representative authorized to execute the adoption agreement into the “By” and “Print Name” lines on page 9 of the electronic version of the document. His or her title should also be provided and the name of another plan representative’s name should be input on the “Attest” line.

STEP 5: Submit the completed document and any applicable attachments to ICMA-RC using the “Drop Off Plan Adoption Agreement” button on the Plan Documents page in EZLink.

STEP 6: ICMA-RC will review the document and contact you if we have any questions before we sign it and return the executed document to you. When you receive the executed document from ICMA-RC, you should save it for your records.

Questions

If you have any questions regarding the adoption process or your plan in general, please contact ICMA-RC’s Plan Sponsor Services team at 800-326-7272.

Please retain for your records any documents you return to ICMA-RC. These documents will be part of your formal plan document.
**OVERVIEW/Q&A**

**Why is ICMA-RC providing updated plan documents?**

ICMA-RC received a favorable opinion letter from the IRS on its *Governmental Money Purchase Plan & Trust* document in 2014, and plan sponsors who use the ICMA-RC document are required to adopt the restated document by April 30, 2016.

**What action is required?**

Plan sponsors using the ICMA-RC document must execute a new adoption agreement by April 30, 2016. Follow the step-by-step instructions shown on page 3 to submit your adoption agreement to ICMA-RC. Please submit the completed document no later than April 15, 2016 to allow sufficient time for ICMA-RC to process your adoption agreement elections and return the executed document to you before the April 30, 2016 deadline.

**What has changed?**

Not much. The new documents incorporate amendments for legislative and regulatory changes enacted since the prior restatement in 2006 and are effective as of 2007. The old document included separate amendments for post-EGTRRA legislative and regulatory changes and for the *Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART)*. The provisions of these amendments are now part of the standard document.

One change that will interest some plan sponsors is that our documents now allow employers to establish stand-alone Final Pay plans. See below for additional information.

**Can we make changes to certain provisions of our plan?**

Yes. In fact, now is a great time to review your plan provisions and consider making changes. When you complete the adoption agreement, you may make changes by simply selecting among the available elections for each provision in the space provided.

**Time Frame**

We encourage you to complete and submit the new adoption agreement for your plan as soon as possible. **Please submit your adoption agreement as soon as possible and no later than April 15, 2016.** This will allow sufficient time for ICMA-RC to process your adoption agreement elections and return the executed document to you before the April 30, 2016 deadline.

Failure to execute an adoption agreement prior to the deadline may cause the plan to no longer be operated in accordance with IRS regulations and will place the plan at risk of losing its qualified status.

**How do I know what to input in the adoption agreement?**

We suggest that you start by reviewing the adoption agreement that was used to establish your plan with ICMA-RC. If you are unable to locate the document, please contact ICMA-RC and we will send you the most recent adoption agreement we have on record. Your organization’s Plan Coordinator may also be able to provide you with the document or the information needed to execute the new adoption agreement.

**ADDITIONAL INFORMATION**

**Separate Contribution Formulas for Different Eligibility Groups**

The adoption agreement only has space for you to enter a single contribution formula. If your plan applies different formulas to different eligibility groups within the plan, you must submit an attachment with your adoption agreement that specifies the contribution formulas for each eligibility group within the plan.
Final Pay Contributions

Contributions to the plan of accrued unpaid leave that would otherwise be payable to an employee following his or her separation from service are called “Final Pay” contributions. The accrued unpaid leave must be bona fide vacation and/or sick leave.

Adding Final Pay and/or Annual Accrued Leave Contributions

If you wish to make Final Pay and/or Annual Accrued Leave contributions, you should enter your desired elections in sections XIII and XIV of the adoption agreement.

Please keep in mind that in order to be “picked up” (i.e., contributed on a pre-tax basis), all employee elections with respect to 401(a) plan contributions, including Final Pay and/or Accrued Leave contributions, must be made during the enrollment period when the employee first becomes eligible to participate in the plan (or any 401(a) plan of the employer, including a defined benefit plan, if earlier). Employees do not have the ability to discontinue or change the amount of their contributions after becoming participants (i.e., the elections are irrevocable).

When you add Final Pay and/or Accrued Leave contributions to your plan, the contributions can be set up in either of the following ways:

- **Employer Contribution** — With this method, the contributions are made for all participants in the plan or for all participants within the specified eligibility group.

- **Employee Designated Contribution** — With this method, employees are provided with a one-time opportunity when they first become eligible to participate in the plan to make an election to contribute a certain percentage of their Final Pay and/or Accrued Leave to the plan. Please note current plan participants will not have an opportunity to make an election if you amend your plan to allow these types of contributions.

Stand-Alone Final Pay Plans

During the restatement process, the IRS informed us that they had reversed course on the permissibility of having plans funded solely by contributions of accrued unpaid leave following an employee’s separation from service (i.e., stand-alone Final Pay plans). Though the IRS change does not directly impact your existing plan with ICMA-RC, employers may use the new ICMA-RC documents to establish new stand-alone Final Pay plans. As such, our adoption agreement no longer contains language that requires ongoing contributions and no longer expressly prohibits employers from establishing eligibility requirements in such a way that employees become participants only in the plan year in which they terminate employment.

Questions

ICMA-RC is here to help. If you have any questions regarding the adoption process or your plan in general, please contact Plan Sponsor Services at 800-326-7272.
PLAN SPONSORS USING INDIVIDUALLY DESIGNED PLAN DOCUMENTS

If you currently use your own individually designed plan, please check with your plan’s legal counsel to ensure your document is up to date.

Are you interested in adopting ICMA-RC’s standard plan document?

If you decide that you no longer want to maintain an individually designed plan document, you may adopt ICMA-RC’s Governmental Money Purchase Plan & Trust document by following the instructions on page 3.

Adopting ICMA-RC’s plan document provides the following additional advantages:

- ICMA-RC’s 401 plan document is generally designed to provide employers and participants with as much flexibility as possible within IRS guidelines.
- Adopting ICMA-RC’s 401 plan document relieves you from the burden and cost of continually reviewing and revising your plan document in response to changes in the Internal Revenue Code (IRC) and related regulations. ICMA-RC maintains the document in compliance with all IRC and regulatory requirements.
- ICMA-RC seeks favorable private letter rulings respecting the plan’s eligibility status from the IRS for ICMA-RC’s 401 plan documents. This is important because a plan deemed ineligible by the IRS could result in a significant tax liability to all plan participants.

Instructions

Follow the Instructions for Plan Sponsors Using the ICMA-RC Plan Document on page 3 to adopt the ICMA-RC plan document. In addition to submitting an adoption agreement for the plan, you will need to submit an affirmative statement or resolution. Suggested templates are provided for your convenience on pages 6 and 7, respectively.

Please retain for your records any documents you return to ICMA-RC. These documents will be part of your formal plan document.
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INTRODUCTION — THE PLAN DOCUMENT RESTATEMENT PROCESS

This packet provides the information and instructions you need to adopt the amended and restated ICMA-RC Governmental Money Purchase Plan & Trust Document. **Plan sponsors using the ICMA-RC document must execute a new adoption agreement by April 30, 2016.** Please submit your adoption agreement as soon as possible and no later than April 15, 2016. This will allow sufficient time for ICMA-RC to process your adoption agreement elections and return the executed document to you before the April 30, 2016 deadline. Taking action to adopt the restated plan document will ensure your plan is updated in accordance with current IRS regulations.

**Six-Year IRS Review Schedule**

The IRS has a six-year review schedule for the type of 401 plan documents ICMA-RC makes available to its clients. Following the IRS schedule, we submitted our updated plan documents for review and approval in 2012 and received favorable opinion letters last year. The documents incorporate amendments for legislative and regulatory changes enacted since the prior restatement in 2006.

**Plan Document Adoption — New Adoption Agreement Needed**

In the past, we have utilized a negative election adoption process in an effort to make the plan document adoption process as easy as possible. This time around, per instructions from the IRS, each plan sponsor using the ICMA-RC plan document is required to execute a new adoption agreement by April 30, 2016. To assist you with the process of completing the adoption agreement, most of the information for your plan has already been pre-populated. You simply need to review the information and fill in the blanks.

**Action Required by April 30, 2016**

Action is required on your part if your plan uses the *ICMA-RC Governmental Money Purchase Plan and Trust Basic Document*. Please follow the instructions on the next page to submit your plan's adoption agreement to ICMA-RC. If your plan uses an individually-designed plan document, please review the below information.

**Individually-Designed Plan Documents**

If your plan uses an individually-designed plan document, please check with your plan's legal counsel to ensure your document is updated in accordance with IRS regulations. You may find value in reviewing the ICMA-RC documents, as the information may be helpful as you consider future amendments to your individually-designed plan document. Now may also be a good time to consider adopting ICMA-RC's model plan documents.

**Need Assistance?**

We are here to help. Please contact your ICMA-RC Plan Sponsor Services team if you have any questions about the plan document adoption process and the action required on your part.