



**457 Governmental Plan and Trust  
Optional Provisions Election Form (October 2022)**

Employers should execute this form to make elections, or change prior elections, related to optional provisions contained in the MissionSquare Retirement 457 Governmental Deferred Compensation Plan and Trust document. This form may also be used by plan sponsors utilizing an individually designed plan document.

Plan Number: 30 0302 Employer Plan Name: Lexington Fayette Urban County G

**I. PLAN DOCUMENT (If you are establishing a new plan, please skip this section.)**

Our plan currently uses:

- MissionSquare's model plan document
- An individually designed plan document

**II. PLAN YEAR**

The plan year will be (select one):

- January 1 - December 31 (Default); or
- The 12-month period beginning \_\_\_\_\_  
Month Day

**III. ELIGIBILITY REQUIREMENTS**

The following group or groups of Employees are eligible to participate in the plan:

- All Employees (Default)
- Full-time Employees
  - Salaried Employees
  - Non-union Employees
  - Management
  - Public Safety Employees
  - General Employees
- Other Employees (specify the group(s) of eligible employees):

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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.

**IV. LOANS**

Loans are allowed under the plan.

- Yes
- No (Default)

If you select "Yes" above, you must also complete and return the Loan Guidelines Agreement in the Loan Implementation Package for 457/401 Plan Sponsors.

**V. DISTRIBUTIONS**

a. In-service distributions while employed with the Employer are permitted after a participant attains (select one of the options):

Age 70½ (Default)

Not permitted at any age

To adopt an in-service withdrawal age of 59 1/2, please complete the SECURE Act Election form.

b. In-service distributions of rollovers are allowed at any time:

Yes

No (Default)

c. Tax-free distributions for the payment of qualifying insurance premiums for eligible retired public safety officers are available under the plan.

Yes

No (Default)

d. Unforeseeable emergency withdrawals are permitted.

Yes (Default)

No

In applying the rules for unforeseeable emergency withdrawals, the determination of any unforeseen emergency shall include circumstances applying to a Primary Beneficiary.

Yes (Default)

No

**VI. ROTH PROVISIONS**

a. The plan will offer Designated Roth Accounts as described in Article IX.

Yes

No (Default)

[If No is selected, skip the remainder of this Section VI.]

b. The plan will allow In-Plan Roth Conversions as provided in Section 9.05.

Yes (Default)

No

c. Designated Roth Accounts will be available as a source for loans under the plan.

Yes

No or N/A (Default)

**VII. AUTOMATIC ENROLLMENT**

The plan will offer automatic enrollment.

Yes

No (Default)

If you select "Yes" above, further steps are required to implement this feature, including completing implementation forms. We will contact you.

**VIII. DEFERRAL OF SICK PAY, VACATION AND BACK PAY (CHOOSE ANY/ALL THAT APPLY)**

Participants may elect to defer:

Accumulated Sick Pay

Accumulated Vacation Pay

Back Pay

Note: If no election is made, a Participant will not be able to defer any of these.

The Participant's election to defer accumulated sick pay, accumulated vacation pay, or back pay must be made before the beginning of the month in which these amounts would otherwise be paid or made available to the employee.

**IX. EMPLOYER MATCH**

Employer will match Elective Deferrals and Default Elective Deferrals ("Deferrals"), beginning with the first payroll period occurring 91 days after a Participant's first Deferral.

Yes                                   No (Default)

[If No is selected, skip the remainder of Section IX. IF YES, COMPLETE ALL THAT APPLY].

**Employer Percentage Match of Deferrals**

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 Deferrals made on behalf of the Participant for the Plan Year (not including Deferrals exceeding \_\_\_\_\_ % of Earnings or \$ \_\_\_\_\_);

Plus \_\_\_\_\_ % of the Deferrals made on behalf of the Participant for the Plan Year in excess of those included in the above paragraph (but not including Deferrals 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 (CHOOSE ONE) more less.

**Employer Dollar Match of Deferrals**

The Employer shall contribute on behalf of each Participant an amount determined as follows (subject to the limitations of Article V of the plan):

\$ \_\_\_\_\_ for each \_\_\_\_\_ % of Earnings or \$ \_\_\_\_\_ that the Employer contributes on behalf of the Participant as Deferrals for the Plan Year (not including Deferrals exceeding \_\_\_\_\_ % of Earnings or \$ \_\_\_\_\_);

Plus \$ \_\_\_\_\_ for each \_\_\_\_\_ % of Earnings or \$ \_\_\_\_\_ that the Employer contributes on behalf of the Participant as Deferrals for the Plan Year in excess of those included in the above paragraph (but not including Deferrals 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 (CHOOSE ONE) more less.

**X. MILITARY SERVICE ELECTIONS**

- a. Plan contributions shall be made under the plan for differential wage payments (i.e., payments made by the employer to an individual performing military service that represents all or a portion of the wages he/she would have received).

Yes (Default)                       No

If yes is selected, this is effective beginning January 1, 2009 (or if later, the effective date of the Plan), unless another effective date is filled in here:

\_\_\_\_\_

- b. A participant shall be deemed to have a severance from employment for purposes of eligibility for a distribution during any period of military service for more than 30 days.

Yes                                       No (Default)

- c. A participant who dies or becomes Disabled (as defined in the plan) while performing qualified military service shall receive plan contributions as if the individual had resumed employment on the day preceding death or disability and then terminated employment on the actual date of death or disability.

Yes                                       No (Default)

If yes is selected, this is effective for participants who died or became disabled while performing military service on or after January 1, 2007 (or if later, the effective date of the plan), unless another effective date is filled in here:

\_\_\_\_\_ (date cannot be prior to January 1, 2007)

**XI. SPOUSAL CONSENT (APPLIES ONLY TO COMMUNITY PROPERTY STATES)**

If your state is not a community property state, skip the remainder of Section XI.

Where spousal consent is required, it will apply to:

- Only to persons who are married (Default)

A person who is married, who is a domestic partner under state law, or who is a person in a civil union or other formally recognized personal partnership

A person who is married or who is a domestic partner under state law

A person who is married or is a person in a civil union or other formally recognized personal partnership

Note: This election applies only for plans in community property states requiring the consent of a spouse to name someone other than the spouse as a beneficiary, and only for determining who is treated as a "spouse" for this purpose and not for any other plan purposes.

**XII. SUMMARY OF CHANGES**

If you are making changes to an existing plan, please summarize the changes along with the effective dates of the changes below and identify the applicable Optional Provisions Election Form section number. If you are establishing a new plan, please skip this section.

- a. Add 457 Roth Provisions - Sect VI.      Effective Date: 01 / 01 / 2024
- b. \_\_\_\_\_      Effective Date:     /    /
- c. \_\_\_\_\_      Effective Date:     /    /
- d. \_\_\_\_\_      Effective Date:     /    /

**XIII. EMPLOYER SIGNATURE**

By signing, Employer confirms he or she is authorized to make the elections specified on this form.

Employer hereby appoints MissionSquare Retirement as the non-discretionary Plan Administrator in accordance with the terms and conditions of the MissionSquare Retirement Corporation 457 Governmental Deferred Compensation Plan and Trust.

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.

Employer acknowledges that applicable state law may or may not allow for the addition of an Automatic Enrollment Feature in their 457(b) plan administered by MissionSquare Retirement, and Employer assumes full responsibility for the decision to add such a feature to their plan.

Employer Signature: *Linda Horton*

Date (mm/dd/yyyy): 12 / 11 / 2023

Name (Please Print): Linda Horton

Title: Mayor

Preferred Phone Number: (\_\_\_\_) \_\_\_\_\_

Email Address: khorton@lexingtonky.gov

Plan Number: 300302

<b>This form can be returned by email, fax, or mail using the information below.</b>	
<p>Online: Submit through secure messaging to: <a href="http://www.employers.msqplanservices.org">www.employers.msqplanservices.org</a></p> <p>Fax to: MissionSquare Plan Services (844) 677-3297</p>	<p>Mail to: MissionSquare Plan Services P.O. Box 219320 Kansas City, MO 64121-9320</p>

- The purpose of this agreement is to establish the terms and conditions under which the Employer will grant loans to participants. You should consider each option carefully before making your selections because your selections will apply to all loans made while the selection is in effect. If you later change any provision, the changes will apply only to loans made after the change is adopted. Loans in existence at the time of any future changes will continue to operate under the guidelines that were in effect at the time the loan was originally made.
- Please read the instructions and carefully complete all sections of this agreement.

New Loan Program    **OR**     Amendment to Loan Program

**1 EMPLOYER PLAN INFORMATION**

Name of Plan (Enter the complete Employer name, including state): Lexington Fayette Urban County Government

Plan Type:     457(b) Deferred Compensation Plan     401(a) Money Purchase Plan     401(a) Profit-Sharing Plan     403(b) Retirement Plan

MissionSquare Plan Number(s): 300302

**2 ELIGIBILITY & LOAN SOURCE**

Loans are available to all active employees, except those with an existing loan in default.

**401(a)/403(b) Plans** – If your 401(a)/403(b) plan is funded by a combination of Employer and Employee contributions, you must specify whether one or both of the following can be used as a source for participant loans. (Select one or both options below)

- Employer Contribution Account (vested balances only)
- Participant Contribution Accounts (pre- and post-tax, if applicable, including Employee Mandatory, Employee Voluntary, Employer Roll-In, and Portable Benefits Accounts, but excluding the Deductible Employee Contribution/Qualified Voluntary Employee Contribution Account)

**Roth Assets (if applicable)** – If your 457(b), 403(b), or 401(a)(k) plan allows Roth contributions, a participant's Designated Roth Account balance will be included when calculating the amount a participant is eligible to borrow. However, you must specify whether or not a participant's Designated Roth Account can be used as a source for participant loans. (Select one option below)

- A participant's Designated Roth Account will not be available as a source for loans under the plan (default option)
- A participant's Designated Roth Account will be available as a source for loans under the Plan.

**Note:** If Roth assets are available as a source for loans, a loan that is deemed distributed will not satisfy the requirements for a qualified (tax-free) distribution of Roth assets. This may result in participants paying taxes on assets that would otherwise be available tax-free.

**3 LOAN PURPOSE**

Loans are available for the following purposes and must be requested in the corresponding method (select one):

- All Purposes** – With this option, participants can request a loan for any reason. Participants will be able to request new loans or refinance existing loans using the Online Loans option.
- Other Purposes** – With this option, loans shall only be granted for reasons that are defined and approved by the plan. Participants will be able to request new loans or refinance existing loans using the Online Loans option. Please define purposes below and attach additional pages if needed.

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#### **4 APPLICATION PROCESS**

The loan application process will vary depending on the option you selected in Section 3 above (Loan Purpose).

**(A) All Purposes**

- Participants can request a new loan or to refinance an existing loan using the MissionSquare website at: [www.icmarc.org](http://www.icmarc.org)
- The participant agrees to the terms of the loan during the online loan request process.
- MissionSquare sends the loan documents and the loan proceeds (via check or ACH) to the participant.

**(B) Other Purposes**

- Participants can request a new loan or to refinance an existing loan using the MissionSquare website at: [www.icmarc.org](http://www.icmarc.org)
- The participant agrees to the terms of the loan during the online loan request process.
- The Employer must review and approve the loan via EZLink.
- If approved, MissionSquare sends the loan documents and the loan proceeds (via check or ACH) to the participant.

The loan amount will generally be redeemed from the employee's account on the same day as either MissionSquare receipt of a loan request/application (complete and in good order), if it is submitted prior to market close on a business day. If not, the loan amount will be redeemed on the next business day following submission. The loan proceeds for an all purpose loan is generally issued on the next business day following redemption, and will be sent to the participant based on their option during the loan application process.

#### **5 MAXIMUM NUMBER OF LOANS (SELECT ONE)**

Participants may receive one loan per time period defined in the plan document (e.g., calendar or plan year). Please specify whether participants may have only one (1) or up to five (5) loans outstanding at one time. Maximum number of loans is one (1) by default. If you want to allow a different amount, enter a value of 1 through 5 in the Other Section.

- One (1).** Participants may have only one (1) outstanding loan at a time (default).
- Other.** Participants may have up to \_\_\_\_\_ (enter 2, 3, 4, or 5) loans outstanding at one time.
- Other 403(b) ONLY.** Participants with outstanding legacy loans may have one outstanding loan other than the legacy loans.

#### **6 LOAN AMOUNT**

**Maximum:** The maximum amount of all loans to a participant from the Plan and all other plans of the Employer that are either eligible deferred compensation plans described in section 457(b)(b) of the Code or qualified employer plans under Section 72(p)(4) of the Code (e.g., 401(a)/403(b) plans) shall not exceed the lesser of:

- (1) \$50,000, or
- (2) One-half of the value of the Participant's interest in all of his or her Accounts under this Plan.

When calculating the maximum amount a participant is eligible to borrow from his/her account, the lesser value of (1) or (2) above must be reduced by the participant's highest outstanding loan balance over the past 12 months.

**Minimum:** The minimum loan amount is \$1,000.

A loan cannot be issued for more than the maximum amount. The participant's requested loan amount is subject to downward adjustment without notice due to market fluctuation between the time of application and the time the loan is issued.

Loan amounts will be taken pro-rata from all of a participant's investments.

**7 LENGTH OF LOAN**

Loans must be repaid in substantially equal installments of principal and interest over a period that does not exceed five (5) years.

**Principal Residence Loans**

If the participant will be using the loan to purchase a principal residence, the five (5) year time limit may not apply. Participants can repay a principal residence loan over a period of up to 30 years. Please specify the maximum repayment period for principal residence loans from your plan below.

Maximum repayment period for principal residence loans = 5 (Enter a number of years, up to 30)

**8 LOAN REPAYMENT PROCESS**

Specify the repayment method(s) and repayment frequency your plan will use. Note that loan amounts plus interest, minus applicable fees paid to MissionSquare, are repaid to participant accounts and not to MissionSquare. You can allow repayments to be made via payroll deduction or ACH payments from a participant's bank account. Loan repayments must be made at least monthly [457(b)] or quarterly [401(a)/403(b)].

**Repayment Method (Select One):**

For 457(b) and 401(a) or (k) plans:  ACH **OR**  Payroll Deduction

403(b) plans loan repayments can only be paid by ACH.\*

*\*ACH Payment Rejected Fee – If a loan repayment scheduled to be paid via ACH debit is rejected due to insufficient funds, invalid bank account information, or account closure, a fee will be charged to the participant's account. The fee is \$20 for the first occurrence and \$50 for each subsequent occurrence.*

**Repayment Frequency:**

**For Payroll Deduction:** Repayments through payroll deduction will be sent via check, wire or ACH debit by the Employer to MissionSquare on the following cycle (Select One):

- Weekly (52 per year)     Bi-weekly (26 per year)     Semi-monthly (24 per year)     Monthly (12 per year)  
 Quarterly (4 per year) – Available to 401(a) only.

**For ACH (Select One):**  Monthly (12 per year)     Bi-weekly (26 per year)

Next two payroll dates: MM/DD/YYYY \_\_\_\_\_ and MM/DD/YYYY \_\_\_\_\_

**Initiating Repayments:** ACH debits from the employee's designated bank account will begin approximately one month following the date the loan is processed by MissionSquare.

Payroll deduction should begin within two payroll cycles following the date the loan is processed by MissionSquare. Employees using this method must notify the Employer immediately so that repayments will begin as soon as practicable, on a date determined by the Employer's payroll cycle. Failure to begin payroll deduction in a timely manner could lead to the employee's loan entering delinquency status.

**Investment of Loan Repayments:** All loan repayments are invested according to the instructions the participant has on file for the investment of contributions to his/her account.

**Additional Loan Repayments and Early Pay-Off:** A participant may pay off all of the principal and interest early without penalty or additional fee. If a loan is paid in full prior to the end of the term of the loan, no further interest will accrue. Please note that no payment date may be "skipped" even if the employee has made a large payment or submitted multiple payments.

**Loans in Default:** Participants using the ACH repayment option may default on their loans for lack of repayment more frequently than those using the payroll deduction method. For this reason, you may choose to require that certain participants use the payroll deduction repayment method.

**Multiple Loans:** If a participant has multiple loans outstanding from the plan, each loan repayment must be separately reported to MissionSquare.



**8 LOAN REPAYMENT PROCESS (CONTINUED)**

**Former Employees and Leave of Absence:** Former employees and employees on a leave of absence must repay their loans on the same schedule that would have applied had they continued employment.

Your plan may allow terminated employees to continue to repay their loans either through ACH, or by giving/sending you a check each repayment period (see the Acceleration section). If you allow terminated employees to repay loans by giving/sending you a check, you will include the repayment amounts in your next regular employee contribution remittance to MissionSquare.

In certain situations, employers may suspend loan repayments for a period of time for employees on a leave of absence or military leave. Please refer to Treasury Regulation section 1.72(p)-1, Q&A-9 for more information.

**Repayments Must Continue:** In implementing a loan program you should be aware that some employers have had to contend with the inability of some participants to repay their loan(s). You should be aware that you may not stop taking loan repayments from the employee's paycheck – even if the employee asks that repayments be stopped. Failure to payroll-deduct loan repayments on schedule could both jeopardize the eligibility or qualification of the entire plan as well as create a taxable event for the participant. Likewise, if an employee is repaying the loan through ACH debit of his/her bank account, and the employee fails to make payments, this could jeopardize the eligibility of your retirement plan. Employers are ultimately responsible for ensuring that loans are repaid according to the loan terms.

MissionSquare will notify both you and the employee if a payment has not been received.

**9 LOAN INTEREST RATE**

The loan interest rate is set for all loans at the prime rate plus 0.5%. The interest rate for new loans will change when the prime rate changes.

When a new loan is approved, the interest rate is locked in and remains constant throughout the life of the loan.

**10 SECURITY/COLLATERAL**

At the time a loan is taken, 50 percent of the participant's account balance or the amount of the loan, whichever is less, will be used as collateral for the loan.

**11 ACCELERATION (SELECT ONE)**

Please specify whether participants who have separated from service will be able to continue loan repayments until they have withdrawn their entire account balance from the plan, or if outstanding loans will be due and payable at the time the participant separates from service.

All outstanding loans shall be due and payable by a participant upon:

- Separation from service.** All loan repayments must stop following an employee separating from service.
- Distribution of his/her entire account balance.** Employees can continue making loan repayments until they have withdrawn their entire account balance.

Outstanding loan balances that are not repaid will be reported as distributions to the participant. See the Deemed Distributions section for additional information.

## 12 REAMORTIZATION

Reamortization changes the terms of an outstanding loan (e.g., repayment period, interest rate, frequency of repayments). Any outstanding loan may be reamortized.

Reamortization cannot extend the repayment period beyond five (5) years from the date the loan was originally issued. Or, in the case of Principal Residence Loans, beyond (the number of years specified in Section 7) years from the date the loan was originally issued.

Participants can use a loan reamortization form to request that an outstanding loan be reamortized. Upon processing the request, a new disclosure statement will be sent to the employer for endorsement by the participant and approval by the employer. The executed disclosure statement must be returned to the plan administrator within 10 calendar days from the date it is signed. The new disclosure statement is considered an amendment to the original promissory note; therefore a new promissory note will not be required.

*Note: A loan reamortization will not be considered a new loan for purposes of calculating the number of loans outstanding or the one loan per calendar year limit.*

## 13 REFINANCE

Refinancing involves a new loan replacing an employee's outstanding loan. The refinanced loan must be repaid over a period that does not exceed five (5) years from the date when the original loan was issued.

Actively employed participants may elect to refinance an outstanding loan for an additional amount, subject to the loan amount limitations outlined in Section 6, provided that the participant has not yet taken out a loan during the calendar year. Participants no longer employed are not eligible to refinance an existing loan.

*Note: Principal residence loans are not eligible for refinance.*

## 14 REDUCTION OF LOAN

If a participant dies prior to full repayment of the outstanding loan(s), the outstanding loan balance(s) will be deducted from the account prior to distribution to the beneficiary(ies). The unpaid loan amount is a taxable distribution and may be subject to early withdrawal penalties. The participant's estate is responsible for taxes and penalties on the unpaid loan amount, if any. A beneficiary is responsible for taxes due on the amount he or she receives. A Form 1099 will be issued to both the beneficiary and the estate for tax reporting purposes.

## 15 DEEMED DISTRIBUTIONS

A loan will be deemed distributed when a scheduled payment is still unpaid at the end of the calendar quarter following the calendar quarter in which the payment was due. When a loan is deemed distributed, the principal balance and any accrued interest is reported to the IRS as a taxable distribution. However, since the participant received the loan amount previously, no money is actually paid to the participant as part of a deemed distribution.

The loan is deemed distributed for tax purposes, but it is not an actual distribution and therefore remains an asset of the participant's account. Interest continues to accrue. The outstanding loan balance and accrued interest are reported on the participant's account statements.

Repayment of a deemed distribution will not change or reverse the taxable event.

The loan continues to be outstanding, and to accrue interest, until it is repaid or offset using the participant's account balance. An offset can occur only if the participant is eligible to receive a distribution from the plan as outlined in the plan document. Participants are required to repay any outstanding loan which has been deemed distributed before they can be eligible for a new loan. The deemed distribution and any interest accrued since the date it became a taxable event is taken into account when determining the maximum amount available for a new loan. New loans must be repaid through payroll deduction.

**Important Note:** The employer is obligated by federal regulation to comply with the loan guideline requirements applicable to participant loans, and to ensure against deemed distribution by monitoring loan repayments, regardless of the method of repayment, and by advising employees if loans are in danger of being deemed distributed. The tax-qualified status or eligibility of the entire plan may be revoked in cases of frequent repayment delinquency or deemed distribution.

To assist plan sponsors whose plan options include loans, MissionSquare will provide reports of participants with payments delinquent by 30 to 89 days, 90 or more days but not yet deemed, and those whose loans have been deemed distributed. MissionSquare is committed to supporting employers who request assistance with their loan programs in order to reduce the number of delinquent loans and decrease the occurrence of deemed distributions.

**16 FEES**

Fees may be charged for various services associated with the application for and issuance of loans. All applicable fees will be debited from the participant's account balance and/or from the participant's loan repayments prior to crediting the repayment of principal and interest to the participant's account.

**17 SIGNATURES**

The Employer has the right to set other terms and conditions as it deems necessary for loans from the plan in order to comply with any legal requirements. Employer certifies that all terms and conditions will be administered in a uniform and non-discriminatory manner.

In Witness Whereof, the employer hereby caused these Guidelines to be executed  
this (Day of the Month) 11<sup>th</sup> day of (Month) December, 20 23 (Year).

**EMPLOYER**

By: Linda Gorton

Title: Mayor

Attest: MaKenzie Steel

This Agreement is not required if you have 1) only one 457(b) plan provider or 2) more than one plan provider each with its own plan document and provisions unique to each provider. The Agreement only applies if you have adopted a single 457(b) plan document under which MissionSquare Retirement and one or more other provider(s) must operate. Please refer to the Multiple Plans/Providers section of the Loan Guidelines Agreement Instructions for more details.

This Agreement shall serve as an Addendum to the Loan Guidelines established by the Employer identified below and as an Addendum to the Administrative Services Agreement (ASA) made by and between the MissionSquare Retirement (MissionSquare) and the Employer.

The Employer currently sponsors a section 457(b) deferred compensation plan administered by two or more providers (co-provider plan). In order to ensure the efficient administration of the loan program established by the Employer, the Employer hereby agrees and declares that

- (1) For purposes of issuing loans from the plan, that portion of the plan's assets administered by MissionSquare will be treated as though it were a separate and distinct plan.
- (2) The Employer shall calculate the amount a participant may borrow from the MissionSquare administered portion of the plan. No loan amount may exceed the lesser of (a) the maximum loan amount specified in Internal Revenue Code section 72(p)(2)(A) or (b) 50% of the participant's MissionSquare-administered account balance.
- (3) All loan repayments must be made to the participant's MissionSquare-administered account for the life of the loan.

AGREED as of the 11<sup>th</sup> day of December, 2023:

Name of Employer: Lexington Fayette Urban County Government

State: KY

Employer Plan Number: 30 0302

Authorized Official (Print Name): Linda Gorton

Signature of Authorized Official: *Linda Gorton*

Return all completed documents to MissionSquare.

Fax: MissionSquare Plan Services  
(844) 677-3297

Mail: MissionSquare Plan Services  
P.O. Box 219320  
Kansas City, MO 64121-9320

Online: Submit through secure messaging to:  
[www.employers.msqplanservices.org](http://www.employers.msqplanservices.org)

Use this form to adopt any of the provisions made available by The Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE 1.0), SECURE 2.0 Act of 2022, and related legislation. If you would like to add these provisions to more than one plan, please complete one form per plan.

## I. SECURE 2.0 Provisions

### A. ROTH Provisions

While not technically a SECURE 2.0 provision, 401(k), 457(b), and 403(b) plans must adopt the Roth Contribution Provision to continue to permit age-50 catch-up contributions starting in 2024. Roth is not available in 401(a) Profit sharing plans without the 401(k) feature, and is not available in 401(a) Money Purchase plans.

If your plan does not offer Roth Contributions, check here to add this provision:

The plan will permit in-plan Roth Conversions.

Yes  No

The Roth account will be an available source for loans.

Yes  No

**Note:** to adopt the Roth features, 401(k) plans will need to also review an Adoption Agreement and 457(b) plans will need to review an Optional Provision Election Form. Our plan design team will reach out to you with prepopulated versions of the applicable materials upon receipt of this form.

**B. Eliminate the "first date of the month" rule for 457(b) deferral changes.** The plan will permit all deferral initiation and change requests to transpire as soon as administratively feasible, but no later than on the earliest date the deferrals can reasonably be segregated from the employer's general assets, rather than the first pay period of the following month.

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

## II. SECURE 1.0 and Related Legislation Provisions

### C. In-Service Distributions at Age 59.5 (Available in 457(b), 403(b), and 401(a) Money Purchase Plans)

The Plan will permit in-service withdrawals at age 59.5 (NOTE: Not applicable to 401(a) Profit Sharing Plans, as this provision is already available in your plan. You can change the in-service distribution age by submitting a revised Adoption Agreement.)

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

### D. Qualified Birth and Adoption (Available in 457(b), 403(b), 401(a) Money Purchase, 401(a) Profit Sharing Plans)

The plan will permit participants to receive, upon written request, a distribution of up to \$5,000 per qualifying birth or adoption (not to exceed \$5,000 across all retirement accounts of the participant. (Note to 401(a) Money Purchase Plan Sponsors: such a withdrawal can only be undertaken if the participant meets the plan's existing in-service withdrawal criteria.)

*Such a distribution is exempt from the 10% early distribution tax penalty and is exempt from the mandatory 20% withholding; and can be repaid into the account within 3 years without regard to the usual 60-day time limit for rollovers if elected. A qualified adoption distribution would be limited to the adoption of children who are under age 18 or who are physically or mentally incapable of self-support.*

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

**Note:** If you elect to offer this provision, your plan may need to offer the ability for participants to roll assets into the plan.

**E. MissionSquare Retirement IncomeAdvantage In-Service Distribution (NOTE: only applicable to 457(b), 401(a) Money Purchase, 401(a) Profit Sharing Plans that have the MissionSquare Retirement IncomeAdvantage as an available investment option).**

In the event the MissionSquare Retirement IncomeAdvantage Fund is no longer an investment option under the plan, a Participant shall, upon written request, be permitted to roll these assets to another plan. Such a distribution can be undertaken regardless of the participants eligibility pertaining to in-service distributions.

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

By signing below, we intend to amend the plan to allow these provisions as of the date below or as soon as administratively feasible. Please submit one form per plan number.

Employer Plan Number: 300302 Employer Plan Name: Lexington Fayette Urban County Government

Signature of Authorized Plan Representative: *Linda Gorton*

Print Name: Linda Gorton Title: Mayor Date: 12/11/2023 (MM/DD/YYYY)

Email Address: khorton@lexingtonky.gov Phone Number: (859) 258-3066

<b>This form can be returned by secure message, fax, or mail using the information below.</b>	
<i>Online:</i> Submit through secure messaging to: <a href="http://www.employers.msqplanservices.org">www.employers.msqplanservices.org</a>	<i>Mail to:</i> MissionSquare Plan Services P.O. Box 219320 Kansas City, MO 64121-9320
<i>Fax to:</i> MissionSquare Plan Services (844) 677-3297	

## FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT

**THIS FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT** (“Amendment”), is made and entered into on 15<sup>th</sup> day of Dec, 2023, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (hereinafter referred to as "GOVERNMENT"), and **COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE, BOURBON, HARRISON and NICHOLAS COUNTIES, INC.** (hereinafter “Organization” and with the Government, the “Parties”) a Kentucky non-profit corporation pursuant to KRS Chapter 273, whose post office address is PO Box 11610, Lexington, Kentucky 40576 (hereinafter referred to as "SUBRECIPIENT");

**WHEREAS**, GOVERNMENT and SUBRECIPIENT entered into an Agreement dated June 29, 2022, (“Agreement”), in which the SUBRECIPIENT was allocated \$4,000,000.00 in federal funds (“Funds”) originally awarded to GOVERNMENT pursuant to the American Rescue Plan Act of 2021 (referred to hereinafter as “ARPA”);

**WHEREAS**, Section I of that Agreement, titled “STATEMENT OF PURPOSE,” Part B, titled “Budget and Use of Funds,” provided that SUBRECIPIENT agreed to use the Funds in accordance with an approved budget, which was identified as Exhibit 3 to the Agreement;

**WHEREAS**, the parties desire to make changes to the aforementioned budget, and all changes to the Agreement require a written amendment thereto;

**NOW, THEREFORE**, in consideration of the foregoing and mutually agreed upon promises, conditions and covenants hereinafter set forth, the parties hereto agree as follows:

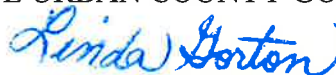
A. That the document titled “Exhibit 3” of the Agreement is replaced in its entirety with the document attached hereto as Exhibit 1.

B. That the parties agree all references within the Agreement to “Exhibit 3” shall be interpreted as referring to the budget attached hereto and identified in Section A of this Amendment.

C. In all other respects, except as specifically modified herein, the terms of the Agreement dated June 29, 2022, shall remain in full force and effect with respect to the provisions outlined therein.

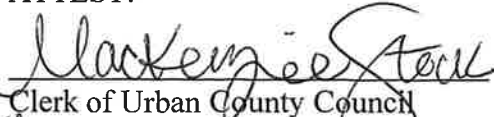
IN WITNESS WHEREOF, the parties executed this Agreement the day, month, and year above written.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT



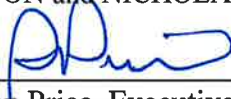
Linda Gorton, Mayor

ATTEST:

  
Clerk of Urban County Council

  
Deputy

COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE,  
BOURBON, HARRISON and NICHOLAS COUNTIES, INC.



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Sharon Price, Executive Director