

STATE OF CONNECTICUT

SECTION 403(B) PLAN



Amended and Restated as of January 1, 2015

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SECTION 403(B) PLAN**

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STATE OF CONNECTICUT

SECTION 403(b) PLAN

ARTICLE ONE

INTRODUCTION AND PURPOSE OF PLAN

1.01 ESTABLISHMENT OF PLAN.

The State of Connecticut (the "State"), a governmental entity under the Internal Revenue Code of 1986, as amended (the "Code"), established the State of Connecticut 403(b) Plan (the "Plan"). It is the intention of the State that the Plan meets the requirements of Code Section 403(b), and the regulations thereunder, and Connecticut General Statute Section 5-264, both as amended from time to time. The Plan shall be maintained for the exclusive benefit of Participants and their Beneficiaries.

Effective January 1, 2006, Plan contributions are made to the Custodial Account, and the rules and restrictions on such assets, and any other assets which the Participant directs into the Account (e.g., transfers from Discontinued Investment Funds and Rollover Contributions), are set forth in this Plan document. Prior to January 1, 2006, Plan contributions were made on behalf of Participants to Contracts, and were invested in Discontinued Investment Funds. Except as expressly provided otherwise herein, such Contracts may impose rules and restrictions that differ from the rules and restrictions set forth in this Plan document.

The written plan document was adopted effective January 1, 2009 in accordance with final regulations issued under Code Section 403(b). The Plan was subsequently amended, effective September 1, 2012, and is hereby amended and restated as of January 1, 2015.

1.02 PURPOSE OF THE PLAN.

The purpose of the Plan is to enable Eligible Employees who become covered under the Plan to enhance their retirement security by permitting them to enter into salary reduction agreements with the Employer to defer a portion of their compensation. Participation in this Plan shall not be construed to establish or create an employment contract between any Eligible Employee and the Employer.

ARTICLE TWO

DEFINITIONS

Whenever used in the Plan, the following terms shall have the meanings as set forth in this Article unless a different meaning is clearly required by the context.

2.01 ACCOUNT.

"Account" means the account maintained by the Third Party Administrator for each Participant, Beneficiary and Alternate Payee under the Plan that reflects the cumulative amount of contributions to the Plan on and after January 1, 2006, and earnings and/or losses thereon, and is also adjusted to reflect any distributions, transfers and rollovers. Said Account shall be invested in accordance with Article Eight.

The Account may be divided into sub-accounts which may include a Deferral Account, and, if applicable, a Roth 403(b) Contributions Account and a Rollover Contribution Account. Assets held in a Contract are not within the Account, but a Participant may elect to direct the transfer of such assets into the Account. An Account shall be maintained for the benefit of a Beneficiary, after a Participant's death, and for an Alternate Payee, pursuant to a qualified domestic relations order.

2.02 ALTERNATE PAYEE.

"Alternate Payee" means any spouse, former spouse, child or other dependent of a Participant who is recognized by a qualified domestic relations order as having a right to receive all, or a portion of, the Participant's Account under the Plan as determined in accordance with Section 11.07 of the Plan.

2.03 BENEFICIARY.

"Beneficiary" means any person, persons, or legal entity designated by a Participant, in accordance with the rules set forth in Article Seven, to receive all or any portion of the Participant's Account in the event of a Participant's death.

2.04 CODE.

"Code" means the Internal Revenue Code of 1986, as amended.

2.05 COMPENSATION.

"Compensation" means all cash compensation paid to a Participant for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Sections 125 (including, effective for Plan Years beginning after December 31, 1997, amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage), 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under this Plan).

2.06 COMPTROLLER.

"Comptroller" means the State's Comptroller or any person or group of persons authorized by the Comptroller in writing to act on the Comptroller's behalf in carrying out the Comptroller's duties and responsibilities under this Plan.

2.07 CONTRACT.

"Contract" means either: (i) a written contract, policy or certificate issued prior to January 1, 2006 by any insurance company with respect to annuity contracts, or (ii) a custodial agreement with a financial institution that was effective prior to January 1, 2006, that is not within the Account and, except as expressly provided otherwise herein, may impose rules and restrictions on assets that differ from the rules and restrictions set forth in this Plan document.

2.08 CUSTODIAL ACCOUNT.

"Custodial Account" means the custodial account established pursuant to Article Ten of the Plan.

2.09 CUSTODIAN.

"Custodian" means the custodian appointed by the Employer as provided in Article Ten.

2.10 DEFERRAL.

"Deferral" means the amount credited to a Participant's Deferral Account pursuant to a Salary Reduction Agreement as provided in Section 3.02, except for any such amounts that are distributed to a Participant as an excess deferral under Section 4.03.

2.11 DEFERRAL ACCOUNT.

"Deferral Account" means the sub-account established and maintained within an Eligible Employee's Account to which any Deferrals contributed at the Eligible Employee's election and any earnings and losses attributable thereon, are credited.

2.12 DISABLED.

"Disabled" refers to the definition of disability provided in Code Section 72(m)(7).

2.13 DISCONTINUED INVESTMENT FUND.

"Discontinued Investment Fund" means a previously available investment alternative under the Plan, including but not limited to an investment vehicle under a Contract. A Participant may neither direct contributions nor transfer funds from an Investment Fund into a Discontinued Investment Fund, nor transfer funds from a Discontinued Investment Fund to any investment vehicle other than an Investment Fund.

2.14 ELIGIBLE EMPLOYEE.

"Eligible Employee" means an Employee, other than a non-resident alien, of any of the following state agencies: (1) University of Connecticut, including the University of Connecticut Health Center; (2) State Universities, including the Board of Regents; (3) Community-Technical Colleges, including the Board of Regents; (4) Department of Higher Education; (5) Department of Education, including the Vocational-Technical High Schools; (6) Department of Correction, Unified School District No.1; (7) Department of Children and Families, Unified School District No. 2 and Riverview Hospital; (8) Department of Mental Retardation, Unified School District No. 3, (9) Board of Academic Awards and (10) Department of Mental Health and Addiction Services, Connecticut Valley Hospital, Greater Bridgeport Community Mental Health Center and CT Mental Health Center.

2.15 EMPLOYEE.

"Employee" means any common law employee of the Employer, including any individual performing services for the Employer either by appointment or election to an office to which an individual is elected or appointed but only if the individual has received training, or is experienced, in the field of education.

2.16 EMPLOYER.

"Employer" means the State.

2.17 INCLUDIBLE COMPENSATION.

"Includible Compensation" means wages, salaries and fees for services to the extent that such amounts are includible in gross income, and increased by any compensation reduction election under Code Sections 125 (including effective for Plan Years beginning after December 31, 1997, amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage), 132(f), 401(k), 403(b), or 457(b) (including an election to defer Compensation under this Plan), but subject to a maximum of \$245,000 (or such higher maximum as may apply under Code Section 401(a)(17)).

2.18 INVESTMENT FUND.

"Investment Fund" means an investment alternative authorized by the Plan Administrator and provided by the Third Party Administrator that conforms to the requirements of Connecticut General Statute Section 5-264 and is not a Discontinued Investment Fund.

2.19 PARTICIPANT.

"Participant" means an Eligible Employee or former Eligible Employee who has a balance in an Account in this Plan.

2.20 PARTICIPATING EMPLOYER.

"Participating Employer" means any political subdivision of the State that: (a) is a governmental entity within the meaning of Code Section 403(b)(1), and (ii) has adopted the Plan in accordance with the terms and conditions of Connecticut General Statute Section 5-264a(g) and Article 13.

2.21 PLAN.

"Plan" means the State of Connecticut Section 403(b) Plan, as it may be amended from time to time.

2.22 PLAN ADMINISTRATOR.

"Plan Administrator" means the Office of the State Comptroller, or its designee.

2.23 PLAN YEAR.

"Plan Year" means the twelve (12) month period beginning on January 1 and ending on December 31 of each year during which the Plan is in effect.

2.24 REEMPLOYMENT

A Participant's Severance from Employment status will cease upon re-employment by the State of Connecticut and the Participant will be considered actively employed, for purposes of this plan. Upon resumption of active employment status, the Participant will be subject to the active employee distribution rules under Article 5 of the plan.

2.25 REGULATIONS.

"Regulations" means the federal income tax regulations issued under the Code, as amended from time to time.

2.26 ROLLOVER ACCOUNT.

"Rollover Account" means the sub-account established and maintained within a Participant's Account to which any rollover contributions, and any earnings and losses attributable thereon, are credited in accordance with Section 3.13.

2.27 ROLLOVER CONTRIBUTIONS.

"Rollover Contributions" means the rollover contributions, if any, described in Section 3.13.

2.28 ROTH 403(b) CONTRIBUTIONS.

"Roth 403(b) Contributions" means the amount credited to a Participant's Roth 403(b) Contributions Account pursuant to a Salary Reduction Agreement as provided in Section 3.02, except for any such amounts that are distributed to a Participant as an excess deferral under Section 4.03, that (i) qualifies as a "designated Roth contribution" within the meaning of Code Section 402A, (ii) is irrevocably designated by the Participant at the time of the election as a Roth deferral that is being made in lieu of all or a portion of the Deferrals the Participant is otherwise eligible to make under the Plan, and (iii) is treated by the Employer as includible in the Participant's income at the time the Participant would have received that amount in cash if the Participant had not made a cash or deferred election.

2.29 ROTH 403(b) CONTRIBUTIONS ACCOUNT.

"Roth 403(b) Contributions Account" means the sub-account established and maintained within an Eligible Employee's Account to which any Roth 403(b) Contributions at the Employee's election and any earnings and losses attributable thereon, are credited.

2.30 SALARY REDUCTION AGREEMENT.

"Salary Reduction Agreement" means the agreement between the Eligible Employee and the Employer to defer receipt by the Eligible Employee of Compensation. Such agreement shall state the Deferral and/or Roth 403(b) Contributions amount to be withheld from an Eligible Employee's paycheck.

2.31 SEVERANCE FROM EMPLOYMENT.

"Severance from Employment" means, with respect to an Employee, the severance of his or her employment with the State, including retirement or death. Any Employee who is granted a leave of absence by the State will not be treated as having incurred a Severance from Employment as long as the State approves such leave of absence. If, without resumption of the employment relationship, the State terminates an approved leave of absence, the Employee shall be treated as having incurred a Severance from Employment under this Plan as of the date of termination of such leave.

A Severance from Employment will be deemed to have occurred when both parties consider the employment relationship to have terminated and neither party anticipates any future employment of the Participant by the Employer. For purposes of this Plan Severance of Employment does not include:

- (a) A transition from full-time employment to part-time status;
- (b) A scheduled break between semesters, sabbatical leave, vacation period or holiday recess;

(c) A transition to retirement for the purpose of initiating a pension payment or commencing retiree health benefits while continuing employment with the State of Connecticut in the same or similar capacity, with or without a reduction in hours; or

(d) A transfer to another State agency or position whose members are not eligible to participate in this Plan.

2.32 STATE.

"State" means the State of Connecticut.

2.33 THIRD PARTY ADMINISTRATOR.

"Third Party Administrator" means ING Life Insurance and Annuity Company, and/or ING Financial Advisers, LLC and their respective successors and assigns.

ARTICLE THREE

PARTICIPATION IN THE PLAN

3.01 ELIGIBILITY.

Each Eligible Employee shall become eligible to participate in the Plan and defer Compensation hereunder upon becoming employed by, or performing services for, the Employer. His or her participation shall commence in accordance with the terms of Section 3.02.

3.02 ELECTION REQUIRED FOR PARTICIPATION.

An Eligible Employee may become a Participant by making a written election to defer a portion of his or her Compensation and filing it with the Plan Administrator. This participation election shall be made on the Salary Reduction Agreement or any other forms required by the Plan Administrator under which the Eligible Employee agrees to be bound by all the terms and conditions of the Plan. Such election shall become effective as soon as administratively practicable following the Plan Administrator's receipt of the election. The Plan Administrator may establish an annual minimum deferral amount no higher than \$200, and may change such minimum to a lower amount from time to time.

3.03 ROTH 403(b) CONTRIBUTIONS.

For each Plan Year, each Participant may elect on the Salary Reduction Agreement to designate all or a portion of the contributions as Roth 403(b) Contributions. Such contributions will be allocated to the Participant's Roth 403(b) Contributions Account.

3.04 INFORMATION PROVIDED BY THE PARTICIPANT

Each Eligible Employee who elects to participate in the Plan will be requested to provide to the Plan Administrator any information necessary or advisable for the Plan Administrator to administer the Plan.

3.05 CONTRIBUTIONS MADE PROMPTLY.

Deferrals and/or Roth 403(b) Contributions by the Participant under the Plan shall be transferred to the Custodial Account, within a period that is not longer than is reasonable for the proper administration of the Plan, and credited to such Participant's Deferral Account or Roth 403(b) Contributions Account, as applicable.

3.06 AMENDMENT OF DEFERRAL ELECTION OTHER THAN A REDUCTION TO ZERO.

A Participant may at any time amend his or her Salary Reduction Agreement to change the amount of his or her Deferrals and/or Roth 403(b) Contributions. Unless the Salary Reduction Agreement specifies a later effective date, a change in the amount of the Deferrals and/or Roth 403(b) Contributions, shall take effect as soon as administratively practicable thereafter.

3.07 AMENDMENT OF DEFERRAL ELECTION TO ZERO.

A Participant may at any time terminate his or her deferral election by notifying the Plan Administrator in writing. Unless the Salary Reduction Agreement specifies a later effective date, such termination shall take effect as soon as administratively practicable. Notwithstanding this Section 3.07, the Participant's Account under the Plan shall be paid only as provided in Articles Six and Seven.

3.08 SUSPENSION OF DEFERRAL ELECTION.

A Participant will not be permitted to defer Compensation for a period of six months, commencing as of the first payroll following the date on which a distribution due to hardship under this Plan, or an unforeseeable emergency under the State of Connecticut's 457(b) Plan, is approved. In the event that a Participant defers the maximum amount permitted under Section 4.01 during a Plan Year his or her election shall be suspended for the remainder of said Plan Year; said election shall again become operative as of the first day of the immediately following Plan Year unless the Participant modifies the election in accordance with Section 3.06, terminates the election in accordance with Section 3.07, or the election otherwise terminates in accordance with Section 3.09.

3.09 DEEMED TERMINATION OF DEFERRAL ELECTION.

Except as provided in Section 3.11, upon a suspension or cessation of deferrals under the Plan for any reason other than due to having deferred the maximum amount permitted under Section 4.01 during a Plan Year (including but not limited to (i) receipt of an Unforeseeable Emergency distribution (in accordance with Section 6.02 of the State of Connecticut 457(b) Plan, and (ii) receipt of a hardship distribution under Section 5.02 of this Plan), a Participant shall be deemed to have terminated his or her election. In order to recommence Deferrals and/or Roth 403(b) Contributions, the Participant must complete a new Salary Reduction Agreement in accordance with Section 3.02, which shall not be effective prior to the date on which Deferrals and/or Roth 403(b) contributions would otherwise be permitted to recommence under the Plan and applicable law.

3.10 DURATION OF DEFERRAL ELECTION.

Once a deferral election has been made by a Participant, the election shall continue in effect until the Participant's Severance from Employment, unless the Participant modifies the election in accordance with Section 3.06, terminates the election in accordance with Section 3.07, or the election otherwise terminates in accordance with Section 3.09.

3.11 LEAVE OF ABSENCE.

Unless the Salary Reduction Agreement is otherwise amended, if a Participant is absent from work by leave of absence (including a leave of absence while performing qualified military service), Deferrals and/or Roth 403(b) Contributions under the Plan shall continue to the extent that he or she continues to have Compensation paid by the Employer from which to make contributions to the Plan and has not had a Severance from Employment. In the event that Deferrals and/or Roth 403(b) Contributions cease due to a lack of Compensation, Deferrals and/or Roth 403(b) Contributions shall recommence upon the termination of the leave of absence without further action by the Participant.

3.12 TRANSFER CONTRIBUTIONS.

(a) The Plan does not accept transfer contributions from a Code Section 403(b) plan maintained by another employer.

(b) A Participant may elect to direct the transfer of assets held in a Contract to an Investment Fund. Such assets will be credited to the Participant's Deferral Account and be subject to the applicable restrictions.

3.13 ROLLOVER CONTRIBUTIONS TO THE PLAN.

(a) A Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Plan Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code Section 402(c)(8)(B).

(b) For purposes of this Section, an eligible rollover distribution means any distribution of all or any portion of an account balance under another eligible retirement plan, except that an eligible rollover distribution does not include: (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an Unforeseeable Emergency or other distribution which is made upon hardship of the employee, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code Section 401(a)(9). In addition, an eligible retirement plan means the pre-tax portion of an individual retirement account described in Code Section 408(a) or an individual retirement annuity described in Code Section 408(b), a qualified trust described in Code Section 401(a), or an annuity plan described in Code Section 403(b), including a Roth 403(b), that permits the eligible rollover distribution.

(c) Any eligible rollover distribution paid to the Plan shall be credited to the Participant's Rollover Account. A sub-account within the Rollover Account shall be established to track Roth 403(b) rollovers into the Plan and any earnings and losses attributable thereon.

ARTICLE FOUR

LIMITATIONS ON CONTRIBUTIONS

4.01 MAXIMUM DEFERRAL.

(a) Primary Limitation. The maximum amount of a Participant's Deferrals and/or Roth 403(b) Contributions made on such Participant's behalf under the Plan for any calendar year shall not exceed the lesser of: (i) the Applicable Dollar Amount, or (ii) the Participant's Includible Compensation

for the calendar year. The Applicable Dollar Amount is the amount established under Section 402(g)(1)(B) of the Code, which is \$18,000 for 2015, and is adjusted for cost-of-living thereafter to the extent provided under the Code.

(b) Age 50 Catch-up Contributions. A Participant who will attain age 50 or older by the end of the calendar year is permitted to elect an additional amount of Deferrals and/or Roth 403(b) Contributions, up to the maximum Age 50 Catch-up Contribution dollar amount for the year. The maximum dollar amount of the Age 50 Catch-up Contributions is \$6,000 for 2015, and is adjusted for cost-of-living thereafter to the extent provided under the Code.

4.02 SPECIAL RULE FOR A PARTICIPANT COVERED BY ANOTHER 403(b) PLAN.

If the Participant is or has been a participant in one or more other plans under Code Section 403(b), or any other plan that permits elective deferrals under Code Section 402(g), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of Section 4.01. A Participant who participates in one or more other such plans shall be responsible for complying with the limitations of Section 4.01.

4.03 CORRECTION OF EXCESS DEFERRALS.

If the Deferrals and/or Roth 403(b) Contributions made to the Plan on behalf of a Participant for any calendar year exceed the applicable limitation described in Section 4.01 above, or such amount exceeds the limitation described above when combined with other amounts deferred by the Participant under another Code Section 403(b) plan, or any other plan that permits elective deferrals under Section 402(g) of the Code, for which the Participant provides information that is accepted by the Plan Administrator, then the Deferrals and/or Roth 403(b) Contributions, to the extent in excess of the applicable limitation in Section 4.01 (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant. In the event that such Participant defers an amount in excess of the limitations described in Section 4.01, the Participant shall notify the Plan Administrator so that such amount may be distributed as soon as practicable.

4.04 DEFERRAL OF SICK, VACATION OR BACK PAY AFTER SEVERANCE FROM EMPLOYMENT.

A Participant may elect to defer payments of his or her accumulated bona fide sick, vacation or back pay, if any, which are payable by the later of: (i) two and a half (2½) months after severance from employment or (ii) the end of the calendar year that includes the date of severance from employment, if he or she: enters into a new Salary Reduction Agreement before the amounts would otherwise be paid or made available, and would otherwise have been able to use the leave if his or her employment had continued.

4.05 PROTECTION OF PARTICIPANTS WITH QUALIFIED MILITARY SERVICE.

A Participant whose employment is interrupted by qualified military service, as defined in Code Section 414(u), may elect to make additional Deferrals and/or Roth 403(b) Contributions upon resumption of employment with the Employer equal to the maximum amount of Deferrals and/or Roth 403(b) Contributions that the Participant could have elected during that period if the Participant's employment with the Employer had continued (at the same level of Compensation) without the interruption, reduced by the Deferrals and/or Roth 403(b) Contributions, if any, actually made during the period of the interruption. This right applies for the lesser of: five years following the resumption of

employment, or, a period equal to three times the period of the interruption. The Plan Administrator may require such documentation as it considers necessary to confirm that a Participant is eligible to make additional Deferrals and/or Roth 403(b) Contributions under this Section.

ARTICLE FIVE

DISTRIBUTION OF BENEFITS

5.01 ELIGIBILITY FOR PAYMENT.

Except as otherwise provided in this Article 5, distribution of an Account shall not be made before the earliest of the following distributable events: (i) the Participant's Severance from Employment, (ii) the Participant's death, (iii) the date the Participant becomes Disabled as defined in Section 2.12, (iv) the date on which the Participant incurs a financial hardship, or (v) the date the Participant attains age 59 ½. Notwithstanding the preceding, a Participant shall be permitted to receive an in-service distribution of his or her Account under the Plan as provided in, and subject to the conditions of, Section 5.02.

5.02 HARDSHIP WITHDRAWAL.

(a) Participant may request a distribution due to a severe financial hardship by submitting a written request, on a form approved by the Plan Administrator, accompanied by evidence to demonstrate that the circumstances being experienced qualify as a hardship. No hardship distributions can be taken from a Discontinued Investment Fund. The Plan Administrator shall have the authority to require such evidence as it deems necessary to determine if such a distribution is warranted. If an application for a hardship withdrawal is approved, the distribution shall be limited to an amount sufficient to meet the immediate and heavy financial need as set forth in subsection (b) below and § 1.401(k)-1(d)(3)(iii)(B) of the Income Tax Regulations.

(b) Deemed Immediate and Heavy Financial Need. A distribution is deemed to be on account of an immediate and heavy financial need of the Employee if the distribution is for:

(i) Expenses for medical care that would be deductible under Section 213(d) (determined without regard to whether the expenses exceeds 7.5% of the adjusted gross income);

(ii) Costs directly related to the purchase of a principal residence for the Employee (excluding mortgage payments);

(iii) Payment of tuition, related educational fees and room and board expenses, for up to the next 12 months of post-secondary education for the Employee, or the Employee's spouse, children, or dependents;

(iv) Payments necessary to prevent the eviction of the Employee from the Employee's principal residence or foreclosure on the mortgage on that residence;

(v) Payments for burial or funeral expenses for the Employee's deceased parent, spouse, child or dependents; or

(vi) Expenses for the repair of damage to the Employee's principal residence that would qualify for the casualty deduction under Section 165 (determined without regard to whether the loss exceeds 10% adjusted gross income).

5.03 COMMENCEMENT OF DISTRIBUTION FOLLOWING SEVERANCE FROM EMPLOYMENT.

A Participant who has incurred a complete Severance from Employment, as defined in Section 2.31, may elect, on a form approved by the Plan Administrator, a distribution of his or her Account balance. Such distribution may commence as soon as administratively practicable following such Severance from Employment, but in no event later than April 1 of the calendar year following the calendar year in which he or she attains age 70 ½. Such distribution shall be in a lump sum unless the Participant elects an optional form of payment pursuant to Section 6.02.

5.04 LATEST DATE FOR COMMENCEMENT OF DISTRIBUTION.

(a) Distribution of a Participant's Account balance must commence no later than his or her required beginning date, which shall be the first day of April following the calendar year in which the later of the Participant's Severance from Employment or attainment of age seventy and one-half (70 ½) occurs.

(b) During the Participant's lifetime, the minimum amount to be distributed for each distribution calendar year consistent with Code Section 401(a)(9) and the Regulations thereunder shall be the lesser of:

- (i) the quotient obtained by dividing the Participant's Account balance as of the December 31 of the preceding distribution calendar year by the distribution period in the Uniform Lifetime Table set forth in Regulation Section 1.401(a)(9)-9, A-2, using the Participant's age as of his or her birthday in the distribution calendar year; or
- (ii) If the Participant's sole, primary Beneficiary is the Participant's spouse and such spouse is ten (10) or more years younger than the Participant for the distribution calendar year, the quotient obtained by dividing the Participant's Account balance as of the December 31 of the preceding distribution calendar year by the factor in the Joint and Last Survivor Table set forth in Regulation Section 1.401(a)(9)-9, A-3, using the Participant's and his or her spouse's attained ages as of their respective birthdays in the distribution calendar year.

(c) Required minimum distributions will be determined under this Section 5.04 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death. If the Participant dies before receiving the minimum distribution payable for the distribution calendar year in the year of the Participant's death, such amount shall be distributed to the Beneficiary.

(d) For purposes of this Section 5.04, "distribution calendar year" means the calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date, as defined in subsection (a). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(e) Notwithstanding the foregoing, payments made in accordance with Code Section 401(a)(9) to an Alternate Payee must begin at the Participant's required beginning date, as defined in subsection (a). In determining the minimum amount to be distributed in a distribution calendar year under subsection (b), such payment will be based on the Participant's life expectancy, and, if applicable under subsection (b)(ii), the Alternate Payee's life expectancy, treating the Alternate Payee who is a spouse or former spouse as the Participant's spouse for purposes of Code Section 401(a)(9).

(f) For any year, a Participant can elect distribution of a greater amount (not to exceed the amount of the remaining Account balance) in lieu of the amount calculated under this Section 5.04.

5.05 DEATH DISTRIBUTION PROVISION.

(a) In general. If a Participant dies before distribution of his or her Account has commenced, then such Participant's Account shall be paid to his or her Beneficiary in the form determined under Section 6.02. Payment of a Participant's Account to the Beneficiary shall begin as soon as administratively practicable following the Plan Administrator's receipt of the Beneficiary's election to commence payment.

(b) Compliance with Code Section 401(a)(9). Notwithstanding any provision of this Plan to the contrary, payments under this Section 5.05 are intended to, and shall comply with Code Section 401(a)(9) and the Regulations thereunder.

(c) If minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant and the designated Beneficiary is not the Participant's surviving spouse, death benefit payments must, at the election of the Beneficiary,:

- (i) begin to be distributed to the designated Beneficiary no later than the December 31 of the calendar year immediately following the calendar year of the Participant's death, payable over a period not to exceed the life expectancy of the Beneficiary; or
- (ii) be distributed no later than the December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(d) If the designated Beneficiary is the Participant's surviving spouse and minimum payments under Code Section 401(a)(9) have not begun upon the death of a Participant, minimum payments must begin, at the election of the Beneficiary, by the later of the:

- (i) December 31 of the calendar year immediately following the calendar year in which the Participant dies, or
- (ii) December 31 of the calendar year in which the Participant would have attained age 70 ½.

The payments to the surviving spouse as the designated Beneficiary must be made over a period not to exceed the surviving spouse's life expectancy. For purposes of this subsection, an Alternate Payee who is a spouse or former spouse will be treated as a Participant's surviving spouse.

(e) If the Participant dies before distribution of his or her Account has commenced and the Beneficiary satisfies the special rule set forth in Section 7.02(a) but dies before payments begin, the Participant's entire interest will be distributed to the Beneficiary's estate in a single cash lump sum within 60 days of the date on which the Plan Administrator receives notice of the Beneficiary's death.

(f) If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, distributions shall be based on the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Beneficiary.

(g) Life expectancy calculations will be computed using the factors in the Single Life Table set forth in Regulation Section 1.401(a)(9)-9, A-1, as follows:

- (i) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (ii) If the Participant's surviving spouse is the Participant's sole, primary Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (iii) If the Participant's surviving spouse is not the Participant's sole, primary Beneficiary, the Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (iv) If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(h) For any year, a Beneficiary can elect distribution of a greater amount (not to exceed the amount of the remaining Account balance) in lieu of the amount calculated using this formula.

5.06 PERMISSIVE SERVICE CREDIT TRANSFERS.

(a) If a Participant, Alternate Payee or Beneficiary is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers, then he or she may elect to have any portion of his or her Account balance in the Plan transferred to the defined benefit governmental plan. A transfer under this Section 5.06(a) may be made before the Participant has had a Severance from Employment. All assets that are required to effectuate a permissive service credit transfer shall be transferred to an investment designated by the Employer.

(b) A transfer may be made under Section 5.06(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

ARTICLE SIX

FORM OF PARTICIPANT'S BENEFIT DISTRIBUTION

6.01 ELECTION.

A Participant or, if applicable, Beneficiary or Alternate Payee, may elect the form of distribution of his or her Account or may revoke that election prior to the commencement of benefits (and with or without a new election) by notifying the Plan Administrator in writing on a form approved by the Plan Administrator; provided, however, an election of an annuity pursuant to Section 6.02(c) may not be revoked after payments have commenced. Notwithstanding any provision of this Plan to the contrary, all forms of distribution hereunder shall comply with Code Section 401(a)(9) and the Regulations thereunder.

6.02 FORMS OF DISTRIBUTION.

Distributions may be made in accordance with one of the following payment options, as elected by the Participant or, if applicable, the Beneficiary or Alternate Payee:

- (a) a lump sum;
- (b) (systematic withdrawals) monthly, quarterly, semi-annual, or annual installment payments over a specified period; provided, however, that such period shall not exceed the distribution period determined in accordance with Section 5.04 or 5.05, as applicable; and, provided, further, that if the Participant and his or her Beneficiary die before the end of such period, the remaining balance shall be paid in a lump sum to the estate of the last to die of the Participant and his or her Beneficiary as soon as practicable after the date of such death. Upon a Participant's re-employment and resumption of active employment status with the State all systematic withdrawal payments initiated by the Participant following a Severance of Employment will cease unless the Participant is age 59 ½ or older.
- (c) annuity payments (payable on an annual, quarterly or monthly basis) for the accountholder's lifetime, or for the lifetime of the accountholder and the accountholder's Beneficiary; provided, however, that such payments shall not be made over a period that exceeds the distribution period determined in accordance with Section 5.04 or 5.05, as applicable;
- (d) a partial lump sum payment of a designated amount, with the balance payable as described in paragraph (a), (b) or (c); or
- (e) such other form as may be permitted by the Plan Administrator.

6.03 DIRECT ROLLOVER DISTRIBUTIONS

(a) A Participant or a Beneficiary who is the Participant's surviving spouse (or a Participant's former spouse who is an Alternate Payee) who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Plan Administrator, to have all or any portion of the distribution paid directly to an eligible retirement plan in a direct rollover.

(b) For purposes of this Section, an eligible rollover distribution means any distribution of all or any portion of an Account, except that an eligible rollover distribution does not include (i) any installment payment under Section 6.02 for a period of ten (10) years or more (ii) any hardship

withdrawal made under Section 5.02, or (iii) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code Section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), a qualified trust described in Code Section 401(a), an annuity plan described in Code Sections 403(a) or 403(b), or an eligible governmental plan described in Code Section 457(b), that accepts the eligible rollover distribution.

(c) A direct rollover of a distribution by a non-spousal Beneficiary who is not the Participant's surviving spouse (or a Participant's former spouse who is an Alternate Payee) is permitted under the Plan, provided that such rollover is a direct trustee-to-trustee transfer to an IRA established by such non-spouse Beneficiary that is treated as an "inherited IRA" within the meaning of Code Section 408(d)(3)(C). Such a direct rollover is a rollover of an eligible retirement distribution only for purposes of Code Section 402(c).

6.04 FAILURE TO MAKE ELECTION.

If a Participant or Beneficiary fails to elect a form of distribution after becoming eligible to receive a distribution pursuant to Section 5.01, then the Account shall remain in the Plan until an election is made at a later date, subject to the requirements of Sections 5.03 and 5.04.

ARTICLE SEVEN

BENEFICIARY INFORMATION

7.01 DESIGNATION.

A Participant shall have the right to designate a Beneficiary or Beneficiaries with respect to his or her Account, and to amend or revoke such designation at any time, in writing on a form approved by the Plan Administrator. Such designation, amendment or revocation shall be effective upon receipt by the Plan Administrator provided such written designation is in good order. Except to the extent provided under Section 6.02, an Alternate Payee or a Beneficiary shall not have the right to designate a Beneficiary.

7.02 SPECIAL RULES.

(a) To the extent that any portion of a Participant's interest in the Plan remains invested in a Contract, the rules applicable to naming a Beneficiary shall be determined pursuant to the terms of the applicable Contract.

(b) The designated Beneficiary or Beneficiaries must survive the Participant for a period of 30 days or more in order to receive a benefit under the Plan.

(c) Participants may designate one or more primary and contingent Beneficiaries. A contingent Beneficiary will become entitled to a distribution of any remaining balance of the Participant's Account only in the event all primary Beneficiaries fail to satisfy the requirements of subsection (b).

(d) A person, trustee, estate or other legal entity may be designated as a Beneficiary.

(e) If a Beneficiary has not been designated, or if the Plan Administrator determines that a designation is ineffective due to the death of all Beneficiaries prior to the death of the Participant or for any other reason, then the Participant's Account shall be paid to his or her estate.

ARTICLE EIGHT

PLAN ADMINISTRATION AND INVESTMENTS

8.01 PLAN ADMINISTRATOR.

The Plan Administrator shall have responsibility for the operation and administration of the Plan and shall direct payment of Plan benefits. The Plan Administrator shall administer the Plan for the exclusive benefit of the Participants and their Beneficiaries. The Plan Administrator may appoint such agents, attorneys, actuaries, accountants, auditors and other persons or entities as the Plan Administrator deems necessary or desirable in connection with the administration of the Plan.

The Plan Administrator shall administer the Plan in accordance with its terms and shall have the power and sole discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination by the Plan Administrator shall be conclusive and binding upon all persons. The Plan Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the requirements of Connecticut General Statute Section 5-264 and Code Section 403(b), and the terms of the Regulations issued pursuant thereto.

The Plan Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan, including, but not limited to, the power to:

- (a) determine all questions relating to the eligibility of Employees to participate, or remain a Participant hereunder, and to receive benefits under the Plan;
- (b) determine the amounts to be contributed to each Account;
- (c) authorize and direct the Custodian with respect to all disbursements to which a Participant, Beneficiary or Alternate Payee is entitled under the Plan;
- (d) maintain all necessary records for the administration of the Plan;
- (e) maintain practices and procedures necessary to administer the Plan as are consistent with the terms hereof;
- (f) determine which investment alternatives shall be available under the Plan; and
- (g) assist any Participant, Beneficiary or Alternate Payee regarding his or her rights, benefits, or elections available under the Plan.

8.02 INVESTMENT DIRECTIONS.

Each Participant shall be allowed to direct the manner in which his or her Account will be invested among the Investment Funds, and to change the manner in which future contributions and/or existing balances will be invested among such Investment Funds. A Participant shall be permitted to invest such contributions in any Investment Fund or combination of Investment Funds, as determined pursuant to his or her investment elections. Initial investment elections must be made in writing and filed with the Plan Administrator. Subsequent investment elections must be made in accordance with the Third

Party Administrator's standard procedures. A change in the investment direction shall take effect as soon as administratively practicable.

The Plan Administrator, or a named fiduciary designated by the Plan Administrator, shall have sole responsibility for selecting the Investment Funds that are available for investment of assets in the Plan. The Plan Administrator may discontinue or add Investment Funds at any time without the consent of any Participant. On and after the effective date of a determination by the Plan Administrator that an investment vehicle shall be discontinued, no Participant will be permitted to invest Plan Contributions in such Discontinued Investment Fund, and no Participant will be permitted to transfer funds from an Investment Fund to such Discontinued Investment Fund.

The Plan Administrator may liquidate a Participant's interest in a Discontinued Investment Fund, and "map" the proceeds to an Investment Fund(s) having substantially similar characteristics as the Discontinued Investment Fund, as determined by the Plan Administrator; provided, however, prior to the liquidation of a Participant's interest in a Discontinued Investment Fund held under a Contract, the Participant shall be given notice of the proposed liquidation, and a reasonable opportunity to elect not to have his or her interest in said Discontinued Investment Fund liquidated and mapped.

8.03 ALTERNATE PAYEES AND BENEFICIARIES.

(a) An Alternate Payee who is entitled to receive payment from an Account shall be permitted to direct the investment of such Account among the Investment Funds in accordance with the rules and procedures established by the Plan Administrator.

(b) A Beneficiary who is entitled to receive payment from an Account shall be permitted to direct the investment of such Account among the Investment Funds in accordance with the rules and procedures established by the Plan Administrator.

8.04 INVESTMENT DIRECTION RESPONSIBILITY OF PARTICIPANTS

(a) Notwithstanding any provisions of the Plan or custody agreement, the Custodian, Employer and Plan Administrator shall not have any authority, discretion, responsibility or liability with respect to the Participant's selection of an Investment Fund(s) in which his or her Account will be invested. The Participant shall have the entire authority, discretion and responsibility for the investment of his or her Account.

(b) Investment directions shall be communicated by the Participant in accordance with reasonable procedures established by the Plan Administrator.

8.05 INVESTMENT RESTRICTIONS.

All Investment Funds available under the Plan shall be subject to any issuer imposed restrictions or limitations. Other restrictions or limitations may be imposed by the Plan Administrator including, but not limited to, equity wash rules as promulgated from time-to-time to restrict the transfer of such portion of a Participant's Account that is invested in a restricted Investment Fund from being reinvested in another Investment Fund emphasizing fixed income investments.

ARTICLE NINE

AMENDMENT OR TERMINATION OF PLAN

9.01 AMENDMENT OF PLAN.

The Employer, by written instrument, shall have the right to amend the Plan, in whole or in part, at any time and retroactively if deemed necessary or appropriate; provided, however, that no such amendment shall be made that has the effect of impairing the right of any Participant, Alternate Payee or Beneficiary to amounts credited to his or her Account, unless such an amendment is required under the Code.

9.02 TERMINATION/CESSATION OF CONTRIBUTIONS.

Although the Employer has established the Plan with the intention and expectation to maintain the Plan indefinitely, the Employer may terminate or discontinue the Plan in whole or in part at any time without any liability for such termination or discontinuance. Upon Plan termination or discontinuance, all Deferrals and/or Roth 403(b) Contributions shall cease, no further Rollover Contributions shall be accepted into the Plan and Accounts shall be distributed in accordance with the terms of the Plan.

ARTICLE TEN

THE CUSTODIAL ACCOUNT

10.01 ESTABLISHMENT OF A CUSTODIAL ACCOUNT.

The Employer shall establish a Custodial Account and appoint a Custodian, pursuant to such terms and conditions as are set forth in a custody agreement or other governing document to be entered into between the Employer and the Custodian, which agreement shall constitute a part of the Plan. All amounts of Deferrals, Roth 403(b) Contributions and Rollover Contributions made on or after January 1, 2006, all proceeds from the liquidation or transfer from a Discontinued Investment Fund(s), all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Custodial Account in accordance with this Plan and the custody agreement. (Except as expressly provided otherwise herein, to the extent that any portion of a Participant's interest in the Plan is invested in a Contract, such assets shall be invested pursuant to the terms of the applicable Contract.) Prior to the satisfaction of all liabilities to Participants and Beneficiaries, no portion of the Custodial Account shall be used for, or diverted to, purposes other than the exclusive benefit of Participants and Beneficiaries.

ARTICLE ELEVEN

MISCELLANEOUS

11.01 LIMITATIONS OF RIGHTS.

Neither the establishment of this Plan nor any modification hereof, nor the creation of any fund or account under the Plan, nor the payment of any benefits under the Plan, shall be construed as giving to any Participant or Eligible Employee or any other person any legal or equitable right against the Employer or any officer or employee thereof, except as provided by law or by any Plan provision.

11.02 NO CONTRACT OF EMPLOYMENT.

Nothing in this Plan shall be deemed to be an agreement, consideration, inducement or condition of employment, nor shall the rights or obligations of the Employer or any employee employed by the Employer to continue or terminate employment at any time be affected hereby.

11.03 LIMITATION ON ASSIGNMENT.

A Participant, Alternate Payee or Beneficiary may not assign, sell, transfer, or encumber his or her Account in any way, and any attempt to do so shall be void. A Participant's, Alternate Payee's or Beneficiary's interest in benefits under the Plan shall not be subject to his or her debts or liabilities of any kind and shall not be subject to attachment, garnishment or other legal process. Notwithstanding the foregoing, all or a portion of a Participant's Account may be paid in accordance with a qualified domestic relations order pursuant to Section 11.07 below, or paid pursuant to an IRS levy in accordance with Section 11.08 below.

11.04 SEVERABILITY.

If a court of competent jurisdiction holds any provisions of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

11.05 APPLICABLE LAW.

This Plan shall be construed in accordance with applicable federal law and, to the extent not preempted by applicable federal law, the laws of the State of Connecticut.

11.06 LITIGATION.

In any action or judicial proceeding affecting the Plan, it shall be necessary to join as a party only the Employer. Except as may be otherwise required by law, no Participant or Beneficiary shall be entitled to any notice or service of process, and any final judgment entered in such action shall be binding on all persons interested in, or claiming under, the Plan.

11.07 QUALIFIED DOMESTIC RELATION ORDERS.

Notwithstanding Section 11.03, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of an Alternate Payee is made pursuant to the domestic relations law of any State ("domestic relations order") and the Plan Administrator has determined that such judgment, decree or order is a "qualified domestic relations order" that satisfies the requirements of Code Section 414(p), then the Participant's Account shall be paid at the time and in the manner so directed in the qualified domestic relations order to the Alternate Payee. The Plan Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the qualified domestic relations order.

11.08 IRS LEVY.

Notwithstanding Section 11.03, the Plan Administrator may pay from a Participant's or Beneficiary's Account the amount that the Plan Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

11.09 PAYMENTS TO MINORS AND INCOMPETENTS.

If a Participant, Beneficiary or Alternate Payee entitled to receive distribution of all or any portion of an Account in this Plan is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Plan Administrator, benefits will be paid to such person's legal guardian or custodian for the benefit of such individual. Such payments shall be considered a payment to such Participant, Beneficiary or Alternate Payee and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

11.10 LIMITATION OF LIABILITY.

The State, the Comptroller, a Participating Employer and any official, employee or agent of the State or a Participating Employer shall not incur any liability individually or on behalf of any other individuals or on behalf of the State or any Participating Employer for any act or failure to act, made in good faith in relation to the Plan or the custody agreement, to the extent permitted under applicable law.

11.11 HEART ACT.

(a) In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

(b) An individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), from the Employer shall be treated as an Employee of the Employer. Such differential wage payment shall be treated as Compensation, and the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

ARTICLE TWELVE

LOANS FROM THE PLAN

12.01 LOAN POLICY.

The Plan Administrator may establish, amend or terminate a policy for making plan loans to actively employed Participants; provided, however, that no such loan may include assets from the Roth 403(b) Contributions Account or assets from Discontinued Investment Funds. If the Plan Administrator adopts a loan policy, the loan policy must be nondiscriminatory and must be in writing. Such a loan policy is part of the Plan, except that the Plan Administrator may amend or terminate the policy without regard to Section 9.01.

12.02 MAXIMUM LOAN AMOUNT.

No loan to a Participant under the Plan may exceed the lesser of:

- (a) Fifty-thousand dollars, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Plan Administrator (not taking into account any payments made during such one-year); or
- (b) One-half of the value of the Participant's Account balance (as of the valuation date immediately preceding the date on which such loan is approved by the Plan Administrator).

ARTICLE THIRTEEN

PARTICIPATION BY A POLITICAL SUBDIVISION

13.01 ADOPTION OF PLAN.

With the consent of the Comptroller, a political subdivision of the State may become a Participating Employer under the Plan pursuant to Connecticut General Statute Section 5-264a by (a) taking such action as shall be necessary to adopt the Plan, (b) filing with the State an executed copy of the Participating Employer Agreement adopted by such Participating Employer evidencing the Participating Employer's intention to adopt the Plan and custody agreement, (c) becoming, if necessary, a party to the custody agreement establishing the Custodial Account, and (d) taking such other action as may be necessary or desirable, as determined in the sole discretion of the Comptroller, to put the Plan into effect with respect to such political subdivision. A Participating Employer shall participate pursuant to the terms of the Plan and custodial agreement, as amended from time-to-time.

13.02 PLAN CONTRIBUTIONS.

All contributions made by a Participating Employer shall be paid to and held by the Custodian for the exclusive benefit of the Employees of such Participating Employer and the Beneficiaries of such Employees, subject to all the terms and conditions of this Plan.

13.03 DELEGATION OF AUTHORITY.

Each Participating Employer who adopts the Plan delegates to the State the right to name the Plan Administrator and Custodian of the Plan. Each political subdivision which shall become a Participating Employer pursuant to Section 13.01 shall be deemed to have appointed the State as its agent to exercise on its behalf all of the powers and authorities hereby conferred upon the Employer by the terms of the Plan, including, but not by way of limitation, the power to amend and terminate the Plan. The authority of the State to act as such agent shall continue unless and until the portion of the Custodial Account held for the benefit of Employees of the particular Participating Employer and their Beneficiaries is set aside in a separate custodial account.

13.04 WITHDRAWAL FROM PARTICIPATION.

Any Participating Employer may withdraw from participation in the Plan at any time by filing with the State a duly certified copy of a resolution or other duly authorized action of its governing body to that effect and giving notice of its intended withdrawal to the Employer and the Custodian prior to the effective date of the withdrawal.

Any termination of the Plan or discontinuance of contributions by any one Participating Employer shall operate with regard only to the Participants employed by that Participating Employer.

In the event any Participating Employer terminates its participation in this Plan, the Custodial Account shall be allocated by the Custodian, in accordance with the direction of the Plan Administrator, into separate funds. The amount to be allocated to the custodial account of the terminating Participating Employer shall be equal to the value of Account balances of its Participants as of the effective date of such termination.

IN WITNESS WHEREOF, the State has caused this Plan to be adopted effective as of January 1, 2015.

**OFFICE OF THE STATE COMPTROLLER OF
THE STATE OF CONNECTICUT, ON BEHALF
OF THE STATE OF CONNECTICUT**

By: /s/ Kevin Lembo
Kevin Lembo

Title: STATE COMPTROLLER

Date: January 2015

PARTICIPATING EMPLOYER AGREEMENT

In accordance with Section 13.01 of the State of Connecticut Section 403(b) Plan (the “Plan”), the political subdivision identified below (the “Political Subdivision”) hereby adopts the Plan and executes this Participating Employer Agreement (the “Agreement”) evidencing the acceptance by the Political Subdivision of the terms and provisions of the Plan and custodial agreement. Upon execution of this Agreement, and such supplemental terms and conditions as the Comptroller may impose pursuant to Connecticut General Statute Section 5-264 (c), the Political Subdivision shall become and be known as a Participating Employer under the Plan effective as of the date shown below. The Participating Employer is hereby a party to the custodial agreement.

Name of Participating Employer _____

Effective Date of Participation _____

IN WITNESS WHEREOF, the undersigned duly authorized official of the Political Subdivision affixes his or her signature.

By _____ Dated _____
Its: