

STATE OF CONNECTICUT
TIER IV DEFINED CONTRIBUTION PLAN

Established as of April 1, 2018

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ARTICLE I

PREAMBLE

1.01 Statement of Plan.

The State of Connecticut (the "State"), establishes the State of Connecticut Defined Contribution Tier IV Plan (the "Plan") as of April 1, 2018. Participation in the Plan, a defined contribution plan qualified under Internal Revenue Code section 401(a), is limited to those Eligible Employees as defined herein. It is the intention of the State that the Plan meet the requirements of the Internal Revenue Code of 1986 (the "Code") and the Connecticut General Statutes, both as amended from time to time. The Plan shall be maintained for the exclusive benefit of Participants and their Beneficiaries.

The Plan is intended to be a governmental retirement plan, as defined in Section 414(d) of the Internal Revenue Code ("Code"), and is intended to qualify as a defined contribution retirement plan under Section 401(a) of the Code. Plan Contributions are invested at the direction of each Participant in one or more Investment Funds available under the Plan. Required Employee Contributions are designated as "picked-up" by the Employer, so as not to be included in Participants' gross income for Federal tax purposes as provided by Code Section 414(h)(2).

1.02 Purpose of The Plan.

The purpose of the Plan is to provide retirement income to Eligible Employees who participate in the Plan pursuant to applicable provisions of state law. Participation in the Plan, a defined contribution plan, is a component of Tier IV of the State Employees Retirement Plan and is in lieu of coverage under any other Tier of the State Employees Retirement System, the Alternate Retirement Program or Teachers' Retirement System. Participation in this Plan shall not be construed to establish or create an employment contract between an Eligible Employee and the Employer.

ARTICLE II

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 for each Participant, Beneficiary and Alternate Payee under the Plan that reflects the cumulative amount of contributions to the Plan, earnings or losses thereon less any expense charges and distributions. Said Account shall be invested in accordance with Section 5.02. The Account may be divided into sub-accounts which may include an Employee Contribution Account, an Employer Contribution Account and a Rollover 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 12.06 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 Section 7.08, to receive all or any portion of the Participant's Account in the event of a Participant's death.

2.04 Commission.

"Commission" means the Connecticut State Employees Retirement Commission.

2.05 Compensation.

"Compensation", consistent with Connecticut General Statutes §5-154(h), means (1) any payment for state service made from a payroll submitted to the Comptroller, including longevity payments and payments for accrued vacation time under section 5-252; (2) the cash value of maintenance furnished by the State; and (3) fees received from the State in whole or in part in lieu of or in addition to item (1) above and established to the satisfaction of the Commission, to the extent that the Employee has made Employee Contributions on such fees.

Notwithstanding the above, Compensation shall include: (a) any amount which is contributed by the Employer pursuant to a salary reduction agreement that is not includible in the gross income of the Employee under Code Sections 125, 132(f)(4), 402(e)(3), or 402(h)(1)(B);

(b) amounts deferred under an eligible deferred compensation plan within the meaning of Code Section 457(b); and (c) Employee Contributions.

The annual compensation of each Participant taken into account in determining allocations shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). Annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If a determination period consists of fewer than 12 months the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12.

2.06 [Reserved]

2.07 Date of Employment or Date of Reemployment.

"Date of Employment" means, for a faculty member, the effective date of his or her initial appointment. For all other Eligible Employees, the Date of Employment is the first day upon which an hour of service for the Employer is completed for which the Employee is paid or entitled to payment by the Employer. "Date of Reemployment" means, that date after his or her Severance from Employment on which the Employee first works an hour for which he or she is paid or entitled to payment by the Employer.

2.08 [Reserved]

2.09 [Reserved]

2.10 Effective Date.

"Effective Date" means the effective date of this Plan, April 1, 2018.

2.11 Eligible Employee.

"Eligible Employee" means an Employee who was hired on or after July 31, 2017 and is also enrolled in Tier IV of the State Employees Retirement System (SERS).

2.12 Employee.

"Employee" means any person in State Service, either appointive or elective.

2.13 Employee Contribution Account.

"Employee Contribution Account" means an account established to evidence the Employee Contributions made on behalf of a Participant, together with accumulated earnings or losses on such amount, minus expenses and distributions.

2.14 Employee Contributions.

"Employee Contributions" means Participant contributions as required by Article IV, which are credited to the Employee Contribution Account. Employee Contributions are designated by the Employer as being made by the Employer in lieu of contributions by the Participant. Such "pick-up" amounts cannot be received directly by the Participant in accordance with Code Section 414(h)(1).

2.15 Employer.

"Employer" means the State of Connecticut.

2.16 Employer Contribution Account.

"Employer Contribution Account" means an account established to evidence Employer Contributions made on behalf of a Participant, together with any accumulated earnings or losses on such amount, minus expenses and distributions.

2.17 Employer Contributions.

"Employer Contributions" means Employer contributions, as required by Section 4.01, which are credited to the Employer Contribution Account.

2.18 Entry Date.

"Entry Date" means the first day of each pay period; provided however, that the first Entry Date shall be April 1, 2018.

2.19 Investment Fund.

"Investment Fund" means an investment alternative authorized by the Plan Administrator that conforms to the requirements of Connecticut General Statute Section 5-264a.

2.20 Limitation Year.

"Limitation Year" means a calendar year.

2.21 Normal Retirement Age.

“Normal Retirement Age” is age 65.

2.22 Participant.

"Participant" means an Eligible Employee or former Eligible Employee who became a Participant in accordance with Article III and who has a balance in an Account in this Plan.

2.23 Plan.

"Plan" means the State of Connecticut Tier IV Defined Contribution Plan.

2.24 Plan Administrator.

"Plan Administrator" means the Commission.

2.25 Plan Contributions.

"Plan Contributions" means Employee Contributions and Employer Contributions under this Plan, as required by Article IV.

2.26 Plan Year.

"Plan Year" means the twelve (12) consecutive month period beginning on January 1 and ending on December 31.

2.27 Rollover Account.

"Rollover Account" means an account established to evidence the rollover contributions made on behalf of a Participant, accumulated earnings or losses on such amount, minus expenses and distributions.

2.28 Rollover Contributions.

"Rollover Contributions" means the rollover contributions, if any, described in Section 4.07.

2.29 Severance from Employment.

“Severance from Employment” means, with respect to an Employee, the complete severance of his or her employment with the Employer, including retirement or death. Any Employee who is granted an approved leave of absence by the Employer will not be treated as having incurred a Severance from Employment. If, without resumption of the employment relationship, the Employer 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.

For purposes of this Plan "Severance of Employment" does not include:

- (a) A transition from full-time to part-time employment;
- (b) A scheduled break between semesters, sabbatical leave, vacation period or holiday recess;
- (c) A transition to retirement for the purpose of 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 position with a State agency whose members are not eligible to participate in this Plan.

2.30 State Service.

"State Service", as defined in Connecticut General Statute §5-154(m), means service with the State, either appointive or elective, for which a salary is paid, subject to the following rules: (1) "State Service" includes a period equivalent to accrued vacation time for which payment is made under section 5-252; (2) any teacher, as defined in section 10-183b, in state service who is employed for a full academic year, equivalent to ten months' credited service, shall be deemed to be employed for the entire year. Any such teacher who has completed the work obligations of such teacher's appointment period and who retires after May first, but before September first, shall receive, upon retirement, credit for the entire appointment year and the remaining biweekly payments due for the entire appointment year, together with any amounts held back previously.

2.31 Trust.

"Trust" means the trust fund established pursuant to Article XI of the Plan.

2.32 Trustee.

"Trustee" means the trustee or insurance company appointed by the Employer as provided in Article XI.

2.33 Year of Participation.

"Year of Participation" means any period of twelve (12) consecutive calendar months of State Service; provided, however, no months shall be counted in more than one year. The first such period shall commence on a Participant's Entry Date.

ARTICLE III

ELIGIBILITY FOR PARTICIPATION

3.01 Commencement of Participation.

An Eligible Employee will begin participation in this Plan on the Entry Date that is as soon as administratively practicable following enrollment in Tier IV of the State Employees Retirement System (SERS).

3.02 Terms and Conditions

Each Participant is entitled to the benefits and is bound by all of the terms, provisions, and conditions of this Plan, including any and all amendments which from time to time may be adopted.

3.03 Reemployment.

A Participant who has a Severance from Employment and is subsequently reemployed as an Eligible Employee will resume active participation on the Entry Date as soon as administratively practicable following his or her Date of Reemployment.

3.04 Cessation of Participation.

Plan Contributions on behalf of a Participant shall cease upon the earliest of the date:

- (a) he or she ceases to be an Eligible Employee;
- (b) he or she is retired or terminates employment with the Employer;
- (c) he or she transfers membership from this Plan to another plan; and
- (d) on which the Plan is terminated.

ARTICLE IV

PLAN CONTRIBUTIONS

4.01 Plan Contributions.

Plan Contributions will be made in accordance with the following schedule:

Plan Contributions as a Percentage of Compensation

<u>By the Participant*</u>	<u>By the Employer</u>	<u>Total</u>
1%	1%	2%

Provided, however, that for the period from April 1, 2018 to June 30, 2018, a Special Supplemental Plan Contribution shall also be made by the Participant and by the Employer for Participants who were hired on or after August 1, 2017 through March 31, 2018 in the following manner:

Special Supplemental Plan Contributions as a Percentage of Compensation

<u>Number of Paychecks Received Between August 1, 2017 and March 31, 2018</u>	<u>By the Participant*</u>	<u>By the Employer</u>
1	0.167%	0.167%
2	0.333%	0.333%
3	0.500%	0.500%
4	0.667%	0.667%
5	0.833%	1.833%
6	1.00%	1.00%
7	1.167%	1.167%
8	1.333%	1.333%
9	1.500%	1.500%
10	1.667%	1.667%
11	1.833%	1.8333%
12	2.00%	2.00%
13	2.167%	2.167%
14	2.333%	2.333%
15	2.500%	2.500%
16	2.667%	2.667%
17	2.833%	2.833%

*Such amounts are Employee Contributions as defined in Section 2.14

Plan contributions will generally be made on a payroll basis. During a paid leave of absence, Plan Contributions will continue to be made for a Participant on the basis of Compensation then being paid by the Employer.

4.02 Allocation of Plan Contributions.

Plan Contributions shall be forwarded to the Trustee to be invested in the Investment Funds selected by the Participant, in accordance with the procedures established by the Plan Administrator.

4.03 Reports.

Records for each Participant under this Plan are maintained on a calendar-year basis. Each Participant with an Account will periodically receive a report summarizing the status of his or her Account.

4.04 General Limitations.

Notwithstanding anything to the contrary contained in this Plan, the obligation of the Employer to make Plan Contributions is subject to the provisions of Article X relating to the amendment and termination of the Plan; provided, that no amendment or termination will affect any obligation of the Employer to make Plan Contributions with respect to Compensation earned by Participants prior to the date of amendment or termination.

4.05 Maximum Contribution.

(a) Participants Only in This Plan. If the Participant does not participate in, and has never participated in, another qualified plan or a welfare benefit fund, as defined in section 419(e) of the Code, maintained by the Employer, or an individual medical account, as defined by section 415(l)(2) of the Code, maintained by the Employer, which provides an Annual Addition, the amount of Annual Additions which may be credited to the Participant's Account for any Limitation Year will not exceed the lesser of the Maximum Permissible Amount or any other limitation contained in this Plan. If the Employer Contribution that would otherwise be contributed or allocated to the Participant's Account would cause the Annual Additions for the Limitation Year to exceed the Maximum Permissible Amount, the amount contributed or allocated will be reduced so that the Annual Additions for the Limitation Year will equal the Maximum Permissible Amount.

(b) Participants in Another Defined Contribution Plan. This Section applies if, in addition to this Plan, the Participant is covered under another qualified defined contribution plan maintained by the Employer, or a welfare benefit fund, as defined in section 419(e) of the Code, maintained by the Employer, or an individual medical account, as defined by section 415(l)(2) of the Code, maintained by the Employer, which provides an Annual Addition, during any Limitation Year. The Annual Additions which may be credited to a Participant's Account under this Plan for any such Limitation Year will not exceed the Maximum Permissible Amount

reduced by the Annual Additions credited to a Participant's Account under the other plans and welfare benefit funds for the same Limitation Year. If the Annual Additions with respect to the Participant under other defined contribution plans and welfare benefit funds maintained by the Employer are less than the Maximum Permissible Amount and the Employer contribution that would otherwise be contributed or allocated to the Participant's Account under this Plan would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the Annual Additions under all such plans and funds for the Limitation Year will equal the Maximum Permissible Amount. If the Annual Additions with respect to the Participant under such other defined contribution plans and welfare benefit funds in the aggregate are equal to or greater than the Maximum Permissible Amount, no amount will be contributed or allocated to the Participant's Account under this Plan for the Limitation Year.

(c) For purposes of clarification, the preceding shall be interpreted so that, notwithstanding any Plan provisions to the contrary, the maximum "annual addition" that may be credited to a Participant's Account for any limitation year shall not exceed the limitations determined in accordance with Code Section 415 and the regulations and guidance issued thereunder, which are hereby incorporated by reference.

(c) Definitions. For the purposes of this Article, the following definitions shall apply:

- Annual Additions. The sum of the following amounts credited to a Participant's Account for the Limitation Year:
 - (1) Employer Contributions;
 - (2) Forfeitures;
 - (3) Employee contributions; and
 - (4) Amounts allocated to an individual medical account, as defined in section 415(I)(2) of the Code, which is part of a pension or annuity plan maintained by the Employer, are treated as Annual Additions to a defined contribution plan.
 - (5) Allocations under a simplified employee pension.
- Compensation. A Participant's wages, salaries, and fees for professional services and other amounts received (without regard to whether an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Treas. Reg. section 1.62-2(c)), excluding the following:
 - (1) Employer Contributions to a plan of deferred compensation which are not includible in the Employee's gross income for the taxable year in which contributed, or Employer Contributions under a

simplified employee pension plan to the extent such contributions are deductible by the Employee, or any distributions from a plan of deferred compensation; and

- (2) Other amounts which received special tax benefits, or contributions made by the Employer (whether or not under a salary reduction agreement) towards the purchase of an annuity contract described in section 403(b) of the Code (whether or not the amounts are actually excludable from the gross income of the Employee).
- (3) Notwithstanding the above, Compensation shall include:
 - (a) any elective deferrals (as defined in section 402(g)(3) of the Code), and
 - (b) any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of section 125 (including any 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 (deemed section 125 compensation)) or section 457 of the Code.
- (4) Notwithstanding the above, for purposes of applying the limitations described in this Article IV of the Plan, Compensation paid or made available during such Limitation Years shall include elective amounts that are not includible in the gross income of the Employee by reason of section 132(f)(4) of the Code.

For purposes of applying the limitations of this Article, Compensation for a Limitation Year is the Compensation actually paid or made available during such year; provided, however, that Compensation for a Limitation Year shall include Compensation paid by the later of 2 ½ months after an Employee's Severance from Employment with the Employer maintaining the Plan or the end of the Limitation Year that includes the date of the Employee's Severance from Employment with the employer maintaining the Plan, if: (A) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Severance from Employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer; (B) the payment is for unused accrued bona fide sick, vacation or other leave that the Employee would have been able to use if

employment had continued; or (C) the payment is received by the Employee pursuant to a nonqualified unfunded deferred compensation plan and would have been paid at the same time if employment had continued, but only to the extent includible in gross income.

Any payments not described above shall not be considered Compensation for a Limitation Year if paid after Severance from Employment, even if they are paid by the later of 2½ months after the date of Severance from Employment or the end of the Limitation Year that includes the date of severance from employment, except, (1) payments to an individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Section 414(u)(1) of the Code) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service, or (2) compensation paid to a Participant who is permanently and totally disabled, as defined in Section 22(e)(3) of the Code, provided that salary continuation applies to all Participants who are permanently and totally disabled for a fixed or determinable period, or the Participant was not a highly compensated employee (as defined in Section 414(q) of the Code) immediately before becoming disabled.

- Defined Contribution Dollar Limitation. The annual dollar amount of combined Employer and Employee Contributions to the Plan that is allowable under the Code. For Limitation Years beginning after December 31, 2001, the maximum allowable amount is the lesser of one hundred (100%) percent of covered compensation or forty thousand dollars (\$40,000), as adjusted by the Commissioner of the Internal Revenue Service for increases in the cost of living.
- Limitation Year. A calendar year. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is amended to a different twelve (12) consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.
- Maximum Permissible Amount. The maximum Annual Addition that may be contributed or allocated to a Participant's Account under the Plan for any Limitation Year shall not exceed the lesser of:
 - (1) The Defined Contribution Dollar Limitation, or
 - (2) One hundred percent (100%) of the Participant's Compensation for the Limitation Year, effective for Limitation Years beginning after December 31, 2001.

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different twelve (12) consecutive month period, the Maximum Permissible Amount will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12}$$

4.06 Military Service Contributions.

Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u). A Participant whose employment is interrupted by qualified military service, as defined in Code Section 414(u), is entitled to Employer Contributions that are contingent on the making of Employee Contributions for such period only to the extent that the Participant makes payment to the Plan upon resumption of employment with the Employer equal to the amount of Employee Contributions that the Participant would have made 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 Employee Contributions, if any, actually made during the period of the interruption. No such payment may exceed the amount the Participant would have been required to contribute had he or she remained continuously employed by the Employer throughout the period of qualified military service. 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 receive benefits under this Section.

4.07 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 the (10) years or more, (2) any distribution made as a result of an Unforeseeable Emergency or other distribution which is made upon hardship of the employee, (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code Section 401(a)(9), or (4) the portion, if any, of the distribution that is attributable to after-tax contributions or Roth contributions. 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 permits the eligible rollover distribution.

ARTICLE V

INVESTMENTS

5.01 Investment Funds.

Each Participant shall direct the manner in which his or her Account will be invested among the Investment Funds and may change the manner in which future Plan Contributions and/or existing balances will be invested among the Investment Funds, subject to the provisions of the Plan and such procedures and rules as may be established by the Plan Administrator for making or changing investment choices.

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 liquidate, discontinue or add Investment Funds at any time without the consent of any Participant.

5.02 Investment Direction Responsibility of Participants.

(a) Notwithstanding any provisions of the Plan or trust agreement, the Trustee, Employer and Plan Administrator shall not have any authority, discretion, responsibility or liability with respect to the Participant's investment of amounts in his or her Account. 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.

5.03 Default Investments

In the absence of any investment election by a Participant, contributions received on behalf of such Participant shall be invested in the Investment Fund designated by the Plan Administrator from time to time ("the default fund"). A Participant has the right to transfer out of the default fund, subject to such procedures and rules as may be established by the Plan Administrator for making or changing investment choices.

5.04 Investment Restrictions.

Investment Funds may be subject to issuer and Plan Administrator imposed restrictions or limitations on trading or liquidation including, but not limited to frequent trader restrictions and limitations as may be promulgated from time to time to restrict the transfer of such portion of a Participant's Account that is invested in certain fixed income vehicles from being reinvested in another vehicle that also emphasizes fixed income investments.

5.05 Alternate Payees and Beneficiaries.

An Alternate Payee or Beneficiary who is entitled to receive payment from an Account shall be permitted to direct the investment of such Account in accordance with the rules and procedures established by the Plan Administrator.

ARTICLE VI

VESTING

6.01 Employee Contributions.

Amounts attributable to Employee Contributions shall at all times be nonforfeitable.

6.02 Employer Contributions.

Amounts attributable to Employer Contributions shall be nonforfeitable subject to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
1	0%
2	0%
3	100%

For the purpose of this Article VI, Year of Service shall mean any period of twelve consecutive calendar months of State Service in a position that is eligible for the State Employees Retirement System (SERS).

6.03 Vesting Upon Normal Retirement Age or Disability.

Notwithstanding Section 6.02, a Participant shall have a nonforfeitable interest in his or her Employer Contributions, to the extent that the balance of such Employer Contributions has not previously been forfeited pursuant to Section 6.05, if he or she is employed on or after his or her Normal Retirement Age. Notwithstanding Section 6.02, a Participant shall have a nonforfeitable interest in his or her Employer Contributions, to the extent that the balance of such Employer Contributions has not previously been forfeited pursuant to Section 6.05, if he or she is determined to be eligible for disability retirement benefits under Tier IV of the State Employees Retirement System (SERS).

6.04 Vesting Upon Plan Termination

Notwithstanding Section 6.02, a Participant shall have a nonforfeitable interest in his or her Employer Contributions, to the extent that the balance of such Employer Contributions has not previously been forfeited pursuant to Section 6.05, if the State terminates the Plan in accordance with Section 10.01.

6.05 Forfeitures

Except as provided in Sections 6.03 and 6.04, a Participant who separates from service prior to obtaining full vesting shall forfeit that portion of his or Employer Contributions which is not vested as of the date such Participant incurs a Break in Service of five (5) consecutive years or, if earlier, the date such Participant receives distribution of his or her Employee Contributions. When a Participant incurs a Break in Service of five (5) consecutive years, or, if earlier, takes a

distribution of his or her Employee Contributions, an amount equal to the Participant's balance in his or her Employer Contributions account shall be forfeited as soon as administratively practicable. Forfeitures shall be used to reduce the aggregate amount to be contributed by the Employer to the Plan or to defray Plan expenses. For purposes of this Section, a Break in Service is a period of severance of at least twelve (12) consecutive months. Notwithstanding the foregoing, a Participant who separates from service and later returns to service shall not forfeit his or her Years of Service earned prior to such separation for purposes of vesting under Section 6.02.

ARTICLE VII
BENEFITS

7.01 Retirement and Elective Commencement of Benefits.

A Participant who retires or who experiences a Severance from Employment any reason other than retirement may elect, by written notice to the Plan Administrator, to commence distribution of his or her Account. Subject to the requirements of Section 7.05, an Alternate Payee or Beneficiary may elect, by written notice to the Plan Administrator, to have the distribution of his or her Account commence at any time.

7.02 Optional Forms.

Distributions may be made in accordance with the payment options set forth below.

- (a) a lump sum;
- (b) monthly, quarterly, semi-annual, or annual installment payments over a specified period, not to exceed the applicable distribution period determined in accordance with Section 7.05 or 7.06, 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;
- (c) a partial lump sum payment of a designated amount, with the balance payable as described in paragraph (a), (b) or (c); or
- (d) such other form as may be permitted by the Plan Administrator.

7.03 Death Benefits.

(a) 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 elected by the Beneficiary from the options available under Section 7.02. 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, and shall comply with Section 7.06.

7.04 Application for Benefits.

(a) A Participant, Beneficiary or Alternate Payee who is eligible to receive a distribution may elect, on a form approved by the Plan Administrator, a distribution of all or a portion of his or her Account. A distribution to a Participant may commence as soon as administratively practicable, but in no event earlier than the first day of the month following satisfaction of the applicable requirements, or later than April 1 of the calendar year 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. Such distribution shall be in a lump sum unless the Participant, Alternate Payee or Beneficiary, as applicable, elects an optional form of payment pursuant to Section 7.02.

(b) If a Participant has made a rollover contribution into the Plan pursuant to Section 4.07, then he or she may, at any time, elect to receive a distribution of all or a portion of such Rollover Account.

7.05 Latest Date for Commencement of Distribution.

(a) Distribution of a Participant's Account must commence no later than his or her required beginning date, which shall be the April 1st of the calendar year following the calendar year in which the later of the Participant's termination of 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 sum of 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 sum of the Participant's Account balances 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 7.04 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 7.05, "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 sum of the remaining Account balance) in lieu of the amount calculated under this Section 7.05.

7.06 Death Distribution Provision.

(a) Compliance with Code Section 401(a)(9). Notwithstanding any provision of this Plan to the contrary, payments under Section 7.03 are intended to and shall comply with Code Section 401(a)(9) and the regulations thereunder.

(b) 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 (5th) anniversary of the Participant's death.

(c) 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 seventy and one-half (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.

(d) If the Participant dies before distribution of his or her Account has commenced and the Beneficiary survives the Participant by thirty (30) or more days 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 sixty (60) days of the date on which the Plan Administrator receives notice of the Beneficiary's death.

(e) 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.

(f) 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 (1) 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 (1) 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 (1) for each subsequent year.

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

7.07 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) (the "Distributee") 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: (i) an "eligible rollover distribution" means any distribution of all or any portion of an Account, except that an eligible rollover distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the Distributee or the joint lives or joint life expectancies of the Distributee and the Distributee's designated beneficiary for a specified period of ten (10) years or more, and any distribution to the extent such distribution is required under Code Section 401(a)(9); and (ii) 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) As of the Effective Date, 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). A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury Regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the five-year rule or the life expectancy rule, pursuant to Treas. Reg. §1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

(d) For distributions made after December 31, 2007, a Participant may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code §408A(b).

(e) Effective January 1, 2007, a Participant may elect to transfer employee after-tax contributions by means of a direct rollover to a qualified plan or to a 403(b) plan that agrees to account separately for amounts so transferred (including interest thereon), including accounting separately for the portion of such distribution which is includible in gross income and the portion of such income which is not so includible.

7.08 Beneficiary Designation.

(a) A Participant shall have the right to designate a Beneficiary or Beneficiaries for 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 that the written designation is in good order. In determining the effectiveness of any designation, the Plan Administrator will honor the most recent designation form provided by and on file with the Plan's third party administrator with whom the Participant's account funds were held at the time of designation; if and only if no such designation exists, the Plan Administrator will honor a designation provided to and on file with the Retirement Services Division of the Office of the State Comptroller.

(b) The 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) Except to the extent provided in Sections 7.02 and 7.03, an Alternate Payee or a Beneficiary shall not have the right to designate a Beneficiary.

(d) A Participant 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 (c) above.

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

(f) If a Beneficiary has not been designated, or a designation is ineffective due to the death of all Beneficiaries prior to the death of the Participant, or the designation is ineffective for any other reason, then the Participant's Account shall be paid to (i) the Participant's spouse, or (ii) if no spouse survives the Participant, the Participant's children *per stirpes*, or (iii) if neither a spouse nor any children survives the Participant, the Participant's estate.

7.09 Mandatory Distributions.

In the event that the Plan were to provide for a mandatory distribution, account balances less than \$1,000 will be paid out as a lump sum cash distribution and for amounts greater than \$1,000 but less than \$5,000 where the Participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover, or to receive the distribution directly, the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator.

7.10 HEART Act.

(a) 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.

7.11 Missing Participant Procedures.

The Plan Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt may include but shall not be limited to: (a) the mailing by certified mail of a notice to the last known address shown on the Plan Administrator's records, (b) contacting the designated Beneficiary, or (c) consulting the Employer's other plans (i.e. health plan) for more recent contact information. If the Plan Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trust fund, at the Plan Administrator's option shall do any one of the following: (i) continue to hold the benefits due such person or (ii) escheat the funds to the state of the Participant's last known residence in accordance with the applicable state law.

ARTICLE VIII

NON-ALIENATION

8.01 Non-Alienation of Retirement Rights or Benefits.

No benefit under the Plan may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process to the fullest extent permitted by law. No person will have power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so will be void and of no effect. Notwithstanding the foregoing or anything herein to the contrary, all or a portion of a Participant's Account may be paid in accordance with a qualified domestic relations order pursuant to Section 12.06, or pursuant to an IRS levy in accordance with Section 12.07.

ARTICLE IX

ADMINISTRATION

9.01 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 Statutes and the applicable provisions of Code Section 401(a), and the regulations thereunder.

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 to remain Participants hereunder, and to receive benefits under the Plan;
- (b) determine the amounts to be contributed to each Account;
- (c) authorize and direct the Trustee 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;
- (g) assist any Participant, Beneficiary or Alternate Payee regarding his or her rights, benefits, or elections available under the Plan; and

- (h) correct qualification failures in accordance with the Employee Plans Compliance Resolution System, as set forth in Rev. Proc. 2016-51 (and any replacement thereof) and any other applicable guidance issued with respect to qualified plans.

ARTICLE X

AMENDMENT AND TERMINATION

10.01 Amendment and Termination.

While it is expected that this Plan will continue indefinitely the State may, except as otherwise provided in Section 10.02, amend, terminate or discontinue the Plan in whole or in part at any time without any liability for such amendment, termination or discontinuance. Upon termination or discontinuance, Plan Contributions shall cease and all accrued benefits will be nonforfeitable.

10.02 Limitation on Power to Amend.

Notwithstanding the provisions of Section 10.01, the following conditions and limitations apply:

- (a) No amendment will be made which will operate to recapture for the Employer any Plan Contributions previously made under this Plan. However, Plan Contributions made in contemplation of approval by the Internal Revenue Service may be returned to the Employer if the Internal Revenue Service fails to approve the Plan. In addition, Plan Contributions made based on a mistake of fact may be returned to the Employer within one (1) year of the date on which the Plan Contribution was made.
- (b) Except to the extent that it is necessary in order to comply with applicable law, no amendment will deprive, take away, or alter any then accrued right of any Participant insofar as Plan Contributions are concerned. Any determination or recommendation by the Internal Revenue Service or Commission's counsel with respect to the requirements of applicable law will be sufficient as to the necessity of the amendment.

ARTICLE XI

THE TRUST

11.01 Establishment of a Trust.

The State shall establish a Trust and appoint a Trustee, pursuant to such terms and conditions as are set forth in a trust agreement or other governing document to be entered into between the Employer and the Trustee, which agreement shall constitute a part of the Plan. All Plan Contributions, 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 Trust in accordance with this Plan and the trust agreement. Prior to the satisfaction of all liabilities to Participants and Beneficiaries, no assets of the Plan and no portion of the Trust shall be used for, or diverted to, purposes other than the exclusive benefit of Participants and Beneficiaries.

11.02 Expense Reimbursement Account.

The Plan Administrator may use assets of the Plan held under any “Expense Reimbursement Account” to pay outstanding expenses as they may occur from time to time. An Expense Reimbursement Account may contain assets provided to the Plan by a plan service provider and applicable amounts deducted from Participant accounts at the direction of the Employer and transferred to such account and shall be used only to pay reasonable and necessary expenses of Plan administration.

ARTICLE XII

MISCELLANEOUS

12.01 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, firm, or corporation, any legal or equitable right against the Employer, the Commission or any officer or employee thereof, except as provided by law or by any Plan provision.

12.02 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.

12.03 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.

12.04 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. In the event of any conflict between the provisions of this Plan and the provisions of the State Employees Retirement Act (the "Act"), the Act shall control.

12.05 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.

12.06 Qualified Domestic Relation Orders.

Notwithstanding Section 8.01, 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.

12.07 IRS Levy.

Notwithstanding Section 8.01, the Plan Administrator may pay from a Participant's, Alternate Payee'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, Alternate Payee 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.

12.08 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.

12.09 Conflict of Interest.

Any Eligible Employee acting on behalf of the Commission or the Employer shall be eligible to participate in the Plan, but such person shall not be entitled to participate in discretionary decisions under the Plan relating to such person's participation in the Plan.

12.10 Limitation of Liability.

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


12.11 Merger, Consolidation, or Transfer of Plan Assets.

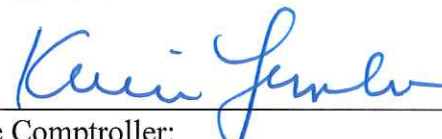
The Plan shall not be merged into or consolidated with any other plan, nor shall any of its assets or liabilities be transferred into any such other plan, unless each Participant in the Plan would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer that is equal to or greater than the benefit he or she would have been entitled to receive prior to the merger, consolidation or transfer (if the Plan had then terminated).

IN WITNESS WHEREOF, the State has caused this Plan to be executed and its seal to be affixed hereto.

**CONNECTICUT STATE
EMPLOYEES RETIREMENT
COMMISSION**

**OFFICE OF THE STATE COMPTROLLER
OF THE STATE OF CONNECTICUT, ON
BEHALF OF THE STATE OF
CONNECTICUT AND THE CONNECTICUT
STATE EMPLOYEES RETIREMENT
COMMISSION**

By: 
Chairman:
Date: 3-15-18

By: 
State Comptroller:
Date: 3/21/18