

## SECURE 2.0 Amendment 2025 Test Company Two 401(k) Plan

The following changes are made to the Test Company Two 401(k) Plan effective as of the dates listed; however, if no date is listed for a given item, such change will be effective as of the date of execution, or if earlier, the date required by applicable law. This Amendment is intended as a good faith effort to comply with the requirements of Division T of the Consolidated Appropriations Act, 2023, also known as SECURE 2.0. This Amendment is to be construed in accordance with guidance issued by the Internal Revenue Service and Employee Benefits Security Administration. Both this "Amendment" and applicable law will supersede any inconsistent Plan provisions.

### OPTIONAL PROVISIONS

For each item below, the *italicized* provisions will apply to the extent not overwritten by options selected.

#### **1. Employer Contributions made on a Roth basis**

*The Plan does not permit Employer Contributions to be made on a Roth basis.*

- a.  Effective \_\_\_\_\_, the Plan allows Participants to direct Matching Contributions to be made on a Roth basis.
- b.  Effective \_\_\_\_\_, the Plan allows Participants to direct Non-elective Contributions to be made on a Roth basis.
- c.  The following terms apply to this subsection: \_\_\_\_\_.

#### **2. Eligibility, Entry, and Vesting for Military Spouses**

*The Plan's provisions regarding eligibility, entry, and vesting remain unchanged with regard to Military Spouses.*

- a.  Effective \_\_\_\_\_, the Plan allows Military Spouses to enter the Plan and receive Employer Contributions equal to Employer Contributions that a similarly situated Employee Participant who is not a Military Spouse would receive as of the earlier of the date that is two months following the Military Spouse's date of hire or the entry date that would otherwise apply under the Plan's existing terms. Such Employer Contributions made to Military Spouses shall be 100% vested.
- b.  The following terms apply to this subsection: \_\_\_\_\_.

#### **3. Matching Qualified Student Loan Payments**

*The Plan does not permit matching contributions to be based on Qualified Student Loan Payments.*

- a.  Effective \_\_\_\_\_, Qualified Student Loan Payments are included in the definition of "Matched Employee Contribution".
- b.  The following terms apply to this Section: \_\_\_\_\_.

#### **4. Emergency Personal Expense Distributions**

*The Plan does not permit Emergency Personal Expense Distributions to be made and does not allow re contribution of said distributions.*

- a.  Effective \_\_\_\_\_, Employees eligible to make Rollover Contributions may re contribute all or a portion of Emergency Personal Expense Distributions to the Plan. Such re contributions shall be subject to the same provisions governing Rollover Contributions and such re contributions may only be made within a three-year period beginning on the day after such distribution is received and shall be treated as Rollover Contributions. In order to be eligible for repayment, the distribution may originate from:
  - i.  this Plan.
  - ii.  any eligible retirement plan (as defined in Code section 402(c)(8)(B)).
- b.  Effective \_\_\_\_\_, Participants may receive Emergency Personal Expense Distributions.
- c.  The following terms apply to this Section: \_\_\_\_\_.

#### **5. Auto-Portability Transactions**

*The Plan does not accept contributions nor allow distributions made via Automatic Portability Transaction.*

- a.  Effective \_\_\_\_\_, the Plan may receive Rollover Contributions via Automatic Portability Transaction.
- b.  Effective \_\_\_\_\_, the Plan may distribute assets via Automatic Portability Transaction.
- c.  The following terms apply to this subsection: \_\_\_\_\_.

#### **6. Involuntary force-out limit increase**

*The maximum vested account balance subject to involuntary force-out is unchanged.*

- a.  Effective January 01, 2026, the maximum vested account balance subject to involuntary force-out is increased to \$7,000.
- b.  Effective \_\_\_\_\_, the minimum Account balance for the Qualified Joint and Survivor Annuity Consent requirements increases to \$\_\_\_\_\_.
- c.  The following terms apply to this Section: \_\_\_\_\_.

#### **7. Top-Heavy Rules applicable to Otherwise Excludable Employees**

*The top-heavy provisions of the Plan (insofar as a top-heavy minimum contribution may be required) apply without regard to status as an Otherwise Excludable Employee.*

- a.  Effective January 01, 2026, Participants who do not meet the age or service requirements under Code section 410(a)(1) (without regard to subparagraph (B) thereof) ("Otherwise Excludable Employees") for a given Plan Year shall not be entitled to a top-heavy minimum contribution otherwise provided for under the terms of the Plan or Code section 416(c)(2)(A) or (B). In any Plan Year on or

after the effective date (of this provision) in which the Plan is top-heavy and for which top-heavy minimum contributions would otherwise be allocated to Otherwise Excludable Employees but for the prior sentence, the Employer may, in its sole discretion, elect to provide a Non-Elective Contribution to any Otherwise Excludable Employee who remains employed as of the last day of the Plan Year. The amount of such non-elective contribution shall not exceed the top-heavy minimum contribution to which the Otherwise Excludable Employee would have otherwise been entitled (but for the application of section 310 of SECURE 2.0 and the first sentence of this Section). Such Non-Elective Contributions shall be subject to the same vesting schedule as would apply to top heavy minimum contributions under the terms of the Plan.

b.  The following terms apply to this subsection: \_\_\_\_\_.

## **8. Domestic Abuse Distributions**

*The Plan does not permit distributions to be made on account of Domestic Abuse and does not allow re contribution of said distributions.*

a.  Effective \_\_\_\_\_, Employees eligible to make Rollover Contributions may re contribute all or a portion of distributions received on account of Domestic Abuse to the Plan. Such re contributions shall be subject to the same provisions governing Rollover Contributions and such re contributions may only be made within a three-year period beginning on the day after such distribution is received and shall be treated as Rollover Contributions. In order to be eligible for repayment, the distribution may originate from:

- i.  this Plan.
- ii.  any eligible retirement plan (as defined in Code section 402(c)(8)(B)).

b.  Effective \_\_\_\_\_, Participants may receive distributions on account of Domestic Abuse.

c.  No Domestic Abuse Distributions to a Participant may exceed \$\_\_\_\_\_.

d.  No Domestic Abuse Distributions to a Participant may exceed \_\_\_\_\_% of the present value of that Participant's nonforfeitable accrued benefit under the Plan.

e.  The following terms apply to this Section: \_\_\_\_\_.

## **9. Re contribution of distributions to Terminally-Ill Participants**

*The Plan does not allow Terminally-Ill Participants to re contribute distributions made on account of terminal illness.*

a.  Effective \_\_\_\_\_, the Plan permits Terminally-Ill Participants who are eligible to make a rollover contribution to the Plan to re contribute to the Plan distributions on account of terminal illness. Such re contributions may only be made within a three-year period beginning on the day after such distribution is received and shall be treated as Rollover Contributions. In order to be eligible for repayment, the distribution may originate from:

- i.  this Plan.
- ii.  any eligible retirement plan (as defined in Code section 402(c)(8)(B)).

b.  The following terms apply to this Section: \_\_\_\_\_.

## **10. Qualified Disaster-Related Loans**

*Loan terms are not modified for Participants who reside within a Qualified Disaster Area.*

a.  Effective \_\_\_\_\_, the dollar-based maximum loan amount that applies to loans that are Qualified Disaster-Related Loans is the lesser of

- i. \$\_\_\_\_\_, reduced by the greater of
  - A. the outstanding balance on any loan from the Plan to the Participant on the date the loan is made and
  - B. 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 period), and
- ii. \_\_\_\_\_ of the value of the Participant's vested Account (as of the Valuation Date immediately preceding the date on which such loan is approved by the Plan Administrator).

b.  Effective \_\_\_\_\_, if a loan is outstanding on or after the first day of an Incident Period of its Qualified Disaster, the due date for any repayment with respect to such loan that is due during the period beginning on the first day of the Incident Period, and ending on the date which is 180 days after the last day of the Incident Period, will be delayed under the Plan for one year. The period of delay will be disregarded in determining the term of the loan and the level of amortization under Code sections 72(p)(2)(B) and (C). Any payments after the suspension period will be adjusted to reflect the delay and interest accruing during the delay.

c.  The following terms apply to this Section: \_\_\_\_\_.

## **11. Qualified Disaster Recovery Distributions and repayment of Qualified Home Purchase Distributions**

*The Plan does not permit Qualified Disaster Recovery Distributions to be made and does not allow re contribution of either Qualified Disaster Recovery Distributions or Qualified Home Purchase Distributions.*

a.  Effective \_\_\_\_\_, Employees eligible to make Rollover Contributions may re contribute all or a portion of Qualified Disaster Recovery Distributions to the Plan. Such re contributions shall be subject to the same provisions governing Rollover Contributions and may only be made within a three-year period beginning on the day after such distribution is received. In order to be eligible for repayment, the distribution may originate from:

- i.  this Plan.
- ii.  any eligible retirement plan (as defined in Code section 402(c)(8)(B)).

b.  Effective \_\_\_\_\_, Participants may receive Qualified Disaster Recovery Distributions.

- c.  Effective \_\_\_\_\_, Participants are permitted to repay Qualified Home Purchase Distributions within a three-year period beginning on the day after such distribution is received that are made from:
  - i.  this Plan.
  - ii.  any eligible retirement plan (as defined in Code section 402(c)(8)(B)).
- d.  The following terms apply to this Section: \_\_\_\_\_.

**12. Long-Term Part-Time Employees ("LTPT Employees")**

*The default LTPT provisions in Section L of the Standard Provisions will apply to the extent they are not overwritten by options selected in this Section.*

- a.  Effective \_\_\_\_\_, when calculating LTPT Employee status, Eligibility Computation Periods will switch to Plan Year.
- b.  Effective \_\_\_\_\_, Section L of the Standard Provisions is modified so that age 21 is replaced with \_\_\_\_\_.
- c.  Effective \_\_\_\_\_, the following entry dates shall apply to LTPT Employee participation: \_\_\_\_\_.
- d.  Effective \_\_\_\_\_, LTPT Employees who are Participants in the Plan are eligible to make Catch-up Contributions.
- e.  Effective \_\_\_\_\_, LTPT Employees who are Participants in the Plan are eligible to make Roth Elective Deferrals.
- f.  Effective \_\_\_\_\_, LTPT Employees who are Participants in the Plan are eligible to make Rollover Contributions.
- g.  Effective \_\_\_\_\_, LTPT Employees shall be automatically enrolled in the Plan for purposes of making Elective Deferrals according to the provisions selected in the Adoption Agreement and outlined in the Basic Plan Document. The automatic contribution arrangement for LTPT Employees is intended to qualify as:
  - i.  an EACA;
  - ii.  a QACA.
- h.  Effective \_\_\_\_\_, LTPT Employees may apply for a loan from the Plan according to the same terms as other Participants.
- i.  Effective \_\_\_\_\_, LTPT Employees are included for purposes of determining whether the Plan satisfies the vesting and benefit requirements of Code sections 416(b) and (c).
- j.  Effective \_\_\_\_\_, LTPT Employees who have entered the Plan will be
  - i. included for purposes of determining whether the Plan satisfies the following:
    - A. the nondiscrimination requirements of Code section 401(a)(4);
    - B. the ADP test of Code section 401(k)(3);
    - C. the ADP safe harbor provisions of Code sections 401(k)(12) and (13);
    - D. the ACP test of Code section 401(m)(2);
    - E. the ACP safe harbor provisions of section 401(m)(11) and (12);
    - F. the minimum coverage requirements of section 410(b); and
  - ii. Subject to the following as of the effective date listed for each subsection:
    - A.  effective \_\_\_\_\_, LTPT Employees are eligible to make Voluntary Contributions (after-tax contributions) and shall enter the Plan for such purposes under the terms selected in the Adoption Agreement or Participation Agreement, subject to the following terms: \_\_\_\_\_;
    - B.  effective \_\_\_\_\_, LTPT Employees are eligible to receive Safe Harbor \_\_\_\_\_ Contributions and shall enter the Plan for such purposes under the terms selected in the Adoption Agreement or Participation Agreement, subject to the following terms: \_\_\_\_\_;
    - C.  effective \_\_\_\_\_, LTPT Employees are eligible to receive Fixed Employer Matching Contributions and shall enter the Plan for such purposes under the terms selected in the Adoption Agreement or Participation Agreement, subject to the following terms: \_\_\_\_\_;
    - D.  effective \_\_\_\_\_, LTPT Employees are eligible to receive Discretionary Employer Matching Contributions and shall enter the Plan for such purposes under the terms selected in the Adoption Agreement or Participation Agreement, subject to the following terms: \_\_\_\_\_;
    - E.  effective \_\_\_\_\_, LTPT Employees are eligible to receive Employer Non-Elective Contributions and shall enter the Plan for such purposes under the terms selected in the Adoption Agreement or Participation Agreement, subject to the following restrictions subject to the following terms: \_\_\_\_\_;
    - F.  effective \_\_\_\_\_, LTPT Employees are eligible to receive prevailing wage contributions and shall enter the Plan for such purposes under the terms selected in the Adoption Agreement, Participation Agreement, or any applicable Prevailing Wage Addendum, subject to the following terms: \_\_\_\_\_.
- k.  Effective \_\_\_\_\_, the following terms apply to this Section: \_\_\_\_\_.

**13. Pension-Linked Emergency Savings Accounts**

*The Plan does not provide Pension-Linked Emergency Savings Accounts.*

- a.  Effective \_\_\_\_\_,
- i.  Pension-Linked Emergency Savings Accounts are allowed, and
- ii.  instead of the minimum listed in the Standard Provisions, Participants may take a minimum of \_\_\_\_\_ distributions from their Pension-Linked Emergency Savings Accounts each month.
- b.  The Account balance limitation for Pension-Linked Emergency Savings Accounts is modified as follows:

- i.  the overall Account balance limit on Pension-Linked Emergency Savings Accounts is reduced to \$\_\_\_\_\_.
- ii.  the Account balance limit is adjusted to include earnings on contributions to the Account.
- c.  Effective \_\_\_\_\_, Participants who are Nonhighly Compensated Employees shall automatically defer \_\_\_\_\_% of Plan Compensation into the Account on a Roth basis.
- d.  The following terms apply this Section: \_\_\_\_\_.

**14. Self-certification of hardship criteria**

*In determining whether a distribution is upon the hardship of an employee, a Plan Administrator may rely on Participants' written self-certification that the distribution meets the safe harbor hardship withdrawal requirements under the Plan*

- a.  Effective \_\_\_\_\_, a Plan Administrator may not rely on Participants' written self-certification that the distribution meets the safe harbor hardship withdrawal requirements under the Plan.
- b.  The following terms apply this Section: \_\_\_\_\_.

**15. Mandatory Roth Catch-Up Contributions**

*When determining Highly-Paid Individual status, only wages paid by a Participant's common-law employer will be counted.*

- a.  For purposes of determining Highly-Paid Individual status, in addition to counting wages paid by a Participant's common-law employer, wages will be counted if paid by:
  - i.  effective \_\_\_\_\_, a common paymaster, as defined under Code section 3121(s), used by the employer;
  - ii.  effective \_\_\_\_\_, an entity related to the employer under Code sections 414(b), (c), (m), or (o); and
  - iii.  effective \_\_\_\_\_, if the common-law employer is a successor employer on account of an asset purchase in accordance with Treasury Regulation section 31.3121(a)(1)-(1)(b), the predecessor employer.
  - iv.  effective \_\_\_\_\_, the following entities: \_\_\_\_\_.
- b.  Effective \_\_\_\_\_, the following Participants are prohibited from making Catch-up Contributions:
  - i.  Highly Compensated Employees;
  - ii.  Highly Paid Individuals.
- c.  The following terms apply this Section: \_\_\_\_\_.

**16. Higher Catch-up Contribution limit for ages 60 - 63**

*To the extent the Plan permits Catch-up Contributions, the Enhanced Catch-up Limit applies to Employees eligible to make Catch-up Contributions as of the later of January 1, 2025, and the date Catch-up Contributions are so permitted.*

- a.  Effective \_\_\_\_\_, the Enhanced Catch-up Limit does not apply to the following Participants:
  - i.  All Employees.
  - ii.  Union Employees,
  - iii.  Non-Resident Aliens, and
  - iv.  LTPT Employees.
- b.  The following terms apply to this Section: \_\_\_\_\_.

**17. Higher Elective Deferral Limits for SIMPLE 401(k) Plans**

*If the Plan is a SIMPLE 401(k), the limit on Elective Deferrals provided in the SIMPLE 401(k) provisions of the Basic Plan Document shall not increase by 110%.*

- a.  Effective \_\_\_\_\_, the following selected limits applicable to SIMPLE 401(k) plans that are listed in the Basic Plan Document shall increase by 110%:
  - i.  The limit on Elective Deferrals other than Catch-up Contributions
  - ii.  The limit on Catch-up Contributions other than Enhanced Catch-up Contributions.
- b.  Effective \_\_\_\_\_, the increase shall only apply for any year during which the Employer is a Small Employer.
- c.  The following terms apply this Section: \_\_\_\_\_.

**18. Qualified Long-Term Care Distributions**

*Qualified Long-Term Care Distributions are not permitted.*

- a.  Effective \_\_\_\_\_, Qualified Long-Term Care Distributions are permitted.
- b.  The following terms apply to this Section: \_\_\_\_\_.

**19. Additional effective dates**

*No additional effective dates apply to this Amendment.*

- a.  Additional effective dates apply as follows: \_\_\_\_\_.

**STANDARD PROVISIONS**

**A. Qualified Birth or Adoption Distribution Repayment**

If Qualified Birth or Adoption Distributions are permitted, Qualified Birth or Adoption Distributions made after December 29, 2022, may only be recontributed to the Plan within the three years following the day after such a distribution is received, and subject to any future contrary order issued by a court of competent jurisdiction or guidance issued by the Secretary of the Treasury, Qualified Birth or Adoption Distributions made on or before December 29, 2022, may only be recontributed at any time before January 1, 2026.

**B. Employer Contributions made on a Roth basis**

1. All types of compensation (e.g., Plan Compensation) shall be determined without regard to Employer Contributions made on a Roth basis.
2. Amounts that are subject to an in-Plan Roth transfers and in-Plan Roth Rollovers that are associated with Employer Contributions shall be so moved to designated Roth Accounts of the same type of Employer Contribution instead of to a Roth Elective Deferral Account.

**C. Qualified Student Loan Payments**

"Qualified Student Loan Payment" means a payment made by a Participant on any indebtedness incurred by the taxpayer solely to pay the cost of attendance (as defined in section 472 of the Higher Education Act of 1965, as in effect on the day before the date of the enactment of the Taxpayer Relief Act of 1997) at an eligible educational institution (as defined in Code section 221(d)(2)) if

1. Such costs
  - a. Were incurred on behalf of the Participant, the Participant spouse, or any person who was a dependent of the Participant as of the time the indebtedness was incurred;
  - b. Were paid or incurred within a reasonable period of time before or after the indebtedness was incurred; and
  - c. Are attributable to education furnished during a period where the person on whose behalf the indebtedness occurred was an "Eligible Student" (as defined in Code section 25A(b)(3)); and
2. The Participant certifies at least annually that such payments have been made.

**D. Military Spouses**

"Military Spouse" means any individual other than a Highly Compensated Employee who is married, as defined by Code section 7703, as of the first date that the Employee is employed by the Employer to an individual who is a member of the uniformed services, as defined in 10 U.S. Code section 101(a)(5), serving on active duty. An Employer may rely on an Employee's certification that such Employee's spouse is a member of the uniformed services if such certification provides the name, rank, and service branch of such spouse.

**E. Emergency Personal Expense Distributions**

"Emergency Personal Expense Distribution" means a distribution that is made from this Plan for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The Plan Administrator may rely on the Participant's written self-certification that the Participant satisfies the prior sentence. A distribution to a Participant may only qualify as an Emergency Personal Expense Distributions once per calendar year. Additionally, if a Participant takes an Emergency Personal Expense Distributions under this Plan, the Participant is prohibited from taking other Emergency Personal Expense Distributions from this Plan during the immediately following three calendar years unless the distribution is fully repaid or the aggregate amount of Elective Deferrals made to the Plan on behalf of the Participant subsequent to the date the distribution is made at least equals the amount of said distribution. No such distribution may exceed \$1,000 minus an individual's total nonforfeitable accrued benefit under the Plan, determined as of the date of such distribution.

**F. Auto-Portability Transactions**

"Automatic Portability Transaction" means a transfer of assets made as follows:

1. From an individual retirement plan which is established on behalf of an individual and to which amounts were transferred under Code section 401(a)(31)(B)(i);
2. To an employer-sponsored retirement plan described in clause (iii), (iv), (v), or (vi) of Code section 402(c)(8)(B) (other than a defined benefit plan) in which such individual is an active participant; and
3. After such individual has been given advance notice of the transfer and has not affirmatively opted out of such transfer.

**G. Distributions made on account of Domestic Abuse**

1. "Domestic Abuse" means physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household.
2. "Domestic Abuse Distribution" means a distribution made on account of Domestic Abuse.
3. A distribution is considered to have been made on account of Domestic Abuse if made during a 1-year period beginning on any date that the Participant is a victim of Domestic Abuse by a spouse or domestic partner. The Plan Administrator may rely on an individual's self-certification that the individual was a victim of Domestic Abuse on a certain day or during a specified period of time.
4. Unless indicated otherwise in applicable Optional Provisions, no Domestic Abuse Distribution to a Participant may exceed 50% of the present value of that Participant's nonforfeitable accrued benefit under the Plan nor \$10,000, as adjusted for inflation under Code section 72(t)(2)(K)(vii) and associated regulations.

**H. Loans and distributions related to natural disasters**

1. "Qualified Disaster" means any disaster with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
2. "Qualified Disaster Area" means with respect to any Qualified Disaster is the area with respect to which the major disaster was declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
3. "Incident Period" means the period specified by the Federal Emergency Management Agency as the period during which a Qualified Disaster occurred.
4. "Qualified Disaster-Related Loan" means a loan made to a Participant whose principal place of abode was within a Qualified Disaster Area during the related Qualified Disaster's Incident Period and who sustained an economic loss by reason of such Qualified Disaster.

5. "Applicable Date" means, for any Qualified Disaster, the later of
  - a. The first day of that Qualified Disaster's Incident Period or
  - b. The date that Qualified Disaster was declared to be a major disaster.
6. "Qualified Disaster Recovery Distribution" means a distribution where the following conditions are met:
  - a. the distribution is made
    - i. on or after the first day of the Incident Period and
    - ii. before the date that is 180 days after Applicable Date;
  - b. the Participant's principal place of abode was within the Qualified Disaster Area at any time during the period specified in Subsection (2);
  - c. the Participant sustained an economic loss by reason of such disaster; and
  - d. the sum of the distribution and all prior Qualified Disaster Recovery Distributions made to the Participant across all qualified retirement plans does not exceed \$22,000 with respect to the same Qualified Disaster, with no fiduciary having responsibility to determine if the Participant has exceeded this limit by taking such distributions from plans other than plans maintained by the Employer or held responsible for a breach of this limit, if the limit could have been satisfied within all plans maintained by the Employer at the time of the distribution.
7. Unless indicated otherwise in applicable Optional Provisions, if Qualified Disaster-Related Loans are allowed, the limits applicable to such loans are increased from
  - a. \$50,000 to \$100,000 and
  - b. one-half of the present value of the non-forfeitable accrued benefit of the Participant under the Plan to the present value of the nonforfeitable accrued benefit of the Participant under the Plan.
8. "Qualified Home Purchase Distribution" means any qualified distribution (as defined in either Code section 72(t)(8)(F) or section 402(c)(13)(B)).

#### **I. Distributions to Terminally-III Participants**

A person is considered to be "Terminally-III" if the person is afflicted with a physician-certified illness or physical condition reasonably expected to result in death within 84 months of the date of certification who has furnished evidence of such affliction to the Plan Administrator.

#### **J. Pension-Linked Emergency Savings Accounts**

1. "Pension-Linked Emergency Savings Account" means an individual, short-term savings account maintained as part of the Plan that is a Roth Account. Such Account shall
  - a. not have a minimum contribution or balance requirement and either be held as cash, held in an interest-bearing deposit account, or held in an investment product designed to maintain over the term of the investment, the dollar value that is equal to the amount invested in the product, preserve principal, and provide a reasonable rate of return (whether or not such return is guaranteed, consistent with the need for liquidity), and offered by a State or federally-regulated financial institution;
  - b. separately accounts for contributions and applicable earnings made to such Account;
  - c. only accept contributions from Participants who are not Highly Compensated Employees; and
  - d. unless indicated otherwise in applicable Optional Provisions, not accept a contribution to the extent such contribution would cause the portion of the Account's balance attributable to Participant contributions without accounting for earnings to exceed \$2,500, as modified by the cost-of-living adjustment provided under ERISA section 801(d) and associated regulations.
2. Participants may take at least one withdrawal from their Pension-Linked Emergency Savings Account each month.
3. No charge or fee may be applied to the first four withdrawals made each Plan Year by a Participant from the Participant's Pension-Linked Emergency Savings Account solely on the basis of withdrawal itself.
4. Distributions may be made from Pension-Linked Emergency Savings Accounts at any time and for any reason.
5. Participants with a balance in a Pension-Linked Emergency Savings Account may direct all or a portion of their balances to be transferred to one of their other, if any, Roth Accounts under the Plan, upon removal of Pension-Linked Emergency Savings Accounts from the Plan or termination of employment. Amounts that are not transferred according to this section shall be made available to the Participants and may be classified as Rollover Distributions.
6. Upon Plan Termination, balances associated with a Pension-Linked Emergency Savings Account shall be made available to the Participants and may be classified as Rollover Distributions.
7. The definition of "Matched Employee Contribution" shall include Elective Deferrals contributed to a Pension-Linked Emergency Savings Account to the extent Matching Contributions made on account of contributions to the Pension-Linked Emergency Savings Account in a Plan Year do not exceed the Pension-Linked Emergency Savings Account balance limitation for that Plan Year.

#### **K. Mandatory Eligible Automatic Contribution Arrangements**

1. Regardless of selections made in the Optional Provisions, Covered Employees must be automatically enrolled according to the Eligible Automatic Contribution Arrangement rules laid out in the Basic Plan Document as modified by the Adoption Agreement or Participation Agreement, at a rate of least 3% of Plan Compensation during their Initial Periods, with such rate increasing by at least one full point each period until reaching a rate of at least 10% but not more than 15% of Plan Compensation unless one of the following exceptions applies.
  - a. An Employee has affirmatively elected to contribute a set amount of Plan Compensation as Elective Deferrals, including

elections to defer 0% of Plan Compensation.

- b. The Plan
  - i. is subject to the Simple 401(k) provisions listed in the Basic Plan Document;
  - ii. qualifies as a church plan under Code section 414(e); or
  - iii. qualifies as a governmental plan under Code section 414(d).
- c. The Employee's employer:
  - i. adopted the cash or deferral arrangement before December 29th, 2022;
  - ii. has existed for less than 3 years;
  - iii. normally employees no more than 10 Employees; or
  - iv. ceased employing less than 11 Employees during a tax year that closed within the last year.

- 2. "Covered Employees" has the meaning selected in the Adoption Agreement. If no selection is made, "Covered Employees" means only Eligible Employees who have not made an Elective Deferral election.

## **L. Long-Term Part-Time Employees**

- 1. Effective for Plan Years beginning after December 31, 2024, the definition of "LTPT Employee" is changed to mean any Employee who meets all the following requirements:
  - a. The Eligible Employee has not entered the Plan for purposes other than participating in a qualified cash or deferred arrangement by meeting the requirements of (b) and (c) below, as modified by the Optional Provisions.
  - b. The Eligible Employee has attained the lesser of age 21 or the age requirement specified in the Optional Provisions of the Adoption Agreement.
  - c. Beginning with Eligibility Computation Periods starting after December 31, 2020, the Eligible Employee has completed 500 Hours of Service in each of either three consecutive Eligibility Computation Periods or, for a series of Eligibility Computation Periods concluding before the start of the 2025 Plan Year, two consecutive Eligibility Computation Periods. A series of Eligibility Computation Periods shall not qualify under this Subsection unless the age requirement of (b) is met before the close of the final ECP.
- 2. Effective for Plan Years beginning after December 31, 2020, unless otherwise specified in the Optional Provisions, LTPT Employees who are not eligible to receive or make Voluntary Contributions or Employer Contributions are excluded from the following:
  - a. Nondiscrimination requirements of Code section 401(a)(4);
  - b. ADP test of Code section 401(k)(3);
  - c. ADP safe harbor provisions of Code sections 401(k)(12) and (13);
  - d. The ACP test of Code section 401(m)(2);
  - e. The ACP safe harbor provisions of section 401(m)(11) and (12);
  - f. The minimum coverage requirements of section 410(b);
  - g. The application of the vesting and benefit requirements of Code section 416(b) and (c); and
  - h. If the exclusions listed in Subsections (a)-(g) apply, then receiving a Top-Heavy minimum allocation.
- 3. Subject to the selections made in the Optional Provisions:
  - a. the only contributions LTPT Employees are permitted to make to the Plan are Pre-Tax Elective Deferrals that are not Catch-up Contributions;
  - b. when calculating LTPT Employee status, Eligibility Computation Periods do not switch to Plan Year after the first Eligibility Computation Period;
  - c. The entry date for LTPT Employees shall be the first day of the first and seventh months of the Plan Year; and
  - d. If LTPT Employees are exempt from the mandatory automatic enrollment provisions that apply to non-LTPT Employees, LTPT Employees shall not be automatically enrolled.

## **M. Qualified Long-Term Care Distributions**

- 1. "Qualified Long-Term Care Distribution" means so much of a distribution that
  - a. is associated with a Long-Term Care Premium Statement (as defined in Code Section 401(a)(38)(E)(ii)) that has been filed with the Plan and
  - b. does not exceed the lesser of the following, as modified by the cost-of-living adjustment provided under Code section 401(a)(39)(B)(ii):
    - i. the amount paid by or assessed to the Employee during the year for or with respect to Certified Long-Term Care Insurance for the Employee, Employee's spouse, or other persons included by the Secretary of the Treasury now or at a later date;
    - ii. \$2,500; and
    - iii. 10% of the present value of the Employee's nonforfeitable accrued benefit under the Plan.
- 2. "Certified Long-Term Care Insurance" means any of the following that provide meaningful financial assistance in the event the insured needs home-based or nursing home care, as required under Code section 401(a)(38)(C):
  - a. a qualified long-term care insurance contract (as defined in Code section 7702B(b)) covering qualified long-term care services (as defined in Code section 7702B(c));

- b. coverage of the risk that an insured individual would become a chronically ill individual (within the meaning of Code section 101(g)(4)(B)) under a rider or other provision of a life insurance contract which satisfies the requirements of Code section 101(g)(3) (determined without regard to subparagraph (D) thereof); or
- c. coverage of qualified long-term care services (as defined in Code section 7702B(c)) under a rider or other provision of an insurance or annuity contract which is treated as a separate contract under Code section 7702B(e) and satisfies the requirements of Code section 7702B(g).

**N. Mandatory Roth Catch-up Contributions**

- 1. "Highly-Paid Individual" means an individual who received FICA wages for purposes of Code sections 3101(a) and 3111(a) from an employer that is an Adopting Entity that exceed \$145,000, as modified by the cost-of-living adjustment provided under Code section 414(v)(7)(E), in the prior calendar year.
- 2. Effective as of the taxable year beginning on or after December 31, 2025, pre-tax Elective Deferrals made by Highly-Paid Individuals may be recharacterized as Roth Catch-up Contributions, and each Highly-Paid Individual shall be deemed to have consented to such a recharacterization. Catch-up Contributions made by Highly-Paid Individuals must be either:
  - a. made on a Roth basis,
  - b. recharacterized as having been made on a Roth basis through any method allowed under applicable IRS regulations, including but not limited to allowing In-Plan Roth Rollovers and In-Plan Roth Transfers for such Participants even if not otherwise allowed under the Plan, provided such method is consistent among similarly situated Participants in any given Plan Year, or
  - c. treated as a failure under Code section 414(v)(1) and distributed to the applicable Highly-Paid Individuals or corrected in another manner specified by Treasury regulations.

**O. Enhanced Catch-up Contributions**

- 1. "Enhanced Catch-up Limit" means 150% of allowable Catch-up Contributions listed in the Basic Plan Document, excluding any modifications made under Section 17 of the Optional Provisions, as described in Code section 414(v)(2)(B) and modified by the cost-of-living adjustments provided under Code section 414(v)(2)(C).
- 2. Subject to modifications made in the Optional Provisions, for any taxable year, the amount of allowable Catch-up Contributions for any Participant who has attained at least age 60 but not age 64 by the end of said year shall increase to the Enhanced Catch-up Limit.

**P. Required minimum distributions**

- 1. The definition of "Required Beginning Date" is changed to mean April 1 of the calendar year following the later of the calendar year in which the Participant attains the Applicable Age or the calendar year in which the Participant retires, except that benefit distributions to a More Than 5% Owner must commence by April 1 of the calendar year following the calendar year in which the Participant attains the Applicable Age. The Adoption Agreement may provide that for a Participant other than a More Than 5% Owner the Required Beginning Date is April 1 of the calendar year following the calendar year in which the Participant attains the Applicable Age or the Participant may elect to begin receiving distributions by April 1 of the calendar year following the calendar year in which the Participant either attains the Applicable Age or retires.
- 2. "Applicable Age" means
  - a. Age 70-1/2 for people born before July 1, 1949;
  - b. Age 72 for people born after June 30, 1949; and
  - c. Effective January 1, 2023, age 73 for people born after the year 1950.
- 3. As stated in Code section 402A(d)(5), which is hereby incorporated by reference, the required distribution rules associated with Code section 401(a)(9) do not apply to designated Roth Accounts.

**Q. Starter 401(k)**

- 1. Subsections (2) and (3) apply to the Plan for any Plan Year beginning after December 31, 2023 during which all of the following are true:
  - a. only Elective Deferrals, Rollover Contributions, recontributed distributions treated as Rollover Contributions, contributions made pursuant to a governmental correction program, and amounts credited to such Accounts as contributions are allowed;
  - b. excluding Catch-up Contributions, no Participant makes Elective Deferrals that exceed the calendar year limit of \$6,000 as modified by the cost-of-living adjustment provided under Code section 401(k)(16)(D)(ii);
  - c. no Participant makes Catch-up Contributions that exceed the calendar year limit of \$1,000 as modified by the cost-of-living adjustment provided under Code section 219(b)(5)(C)(iii);
  - d. automatic enrollment provisions in the Adoption Agreement apply uniformly to all Eligible Employees who have satisfied the age and service requirements for Elective Deferrals;
  - e. an automatic enrollment rate is provided in the Adoption Agreement for all Employees who are Participants in the Plan for Elective Deferral purposes that is
    - i. at least 3% of Plan Compensation and
    - ii. does not exceed 15% of Plan Compensation;
  - f. excluding contributions made to the Plan, contributions made pursuant to the terms of this Plan, and benefits accrued pursuant to the terms of this Plan, no Eligible Employee receives a contribution or accrues a benefit under a contract, pension, or trust described in Code section 219(g)(5)(A) that is maintained by an Employer unless such other arrangement only covers Union

- Employees; and
- g. the definition of Eligible Employee selected in the Adoption Agreement does not exclude any class of Employees of the Employer other than Union Employees.

2. The ADP and ACP tests described in the Basic Plan Document are treated as satisfied.
3. The Plan shall not be considered Top-Heavy.

#### **R. Contribution Limit for SIMPLE 401(k) Plans**

1. "SIMPLE Employer" means, with respect to any calendar year, an Employer that either
  - a. had no more than 100 Employees who received at least the amount of Compensation, as defined in the SIMPLE 401(k) provisions of the Basic Plan Document, from the Employer specified in the Adoption Agreement for the preceding year where all Employees of controlled groups of corporations under Code section 414(b), of trades or businesses (whether incorporated or not) under common control under Code section 414(c), of affiliated service groups under Code section 414(m), and leased employees required to be treated as the Employer's Employees under Code section 414(n), are taken into account elected to offer a SIMPLE 401(k) Plan for the calendar year; or
  - b. had more than 100 such Employees in the preceding year, elected to offer a SIMPLE 401(k) Plan for the calendar year, and satisfied the requirements of (a) within the prior two (2) years, provided that if the reason for having more than 100 such Employees during the preceding year was due to any acquisition, disposition, or similar transaction involving the Employer, the provisions of Code section 410(b)(6)(C)(i) are satisfied.
2. "Small Employer" means a SIMPLE Employer with no more than 25 Employees who received at least the amount of Compensation from the Employer specified in the Adoption Agreement during the preceding year. In applying the preceding sentence, all Employees of controlled groups of corporations under Code section 414(b), all Employees of trades or businesses (whether incorporated or not) under common control under Code section 414(c), all Employees of affiliated service groups under Code section 414(m), and leased employees required to be treated as the Employer's Employees under Code section 414(n), are taken into account.
3. Contributions may be made to another plan on behalf of Eligible Employees during the same year contributions are made to this Plan if, during such transition year:
  - a. the Plan is terminated;
  - b. the Plan is replaced with another plan meeting the requirements of Code section 401(k)(11), (12), (13), or (16) the day after the Plan is terminated; and
  - c. Employees combined Elective Deferrals across both the Plan and replacement plan do not exceed the average statutory limit on Elective Deferrals applicable to each plan, with such average being weighted according to how many days each plan was effective during such transition year.
4. Sections 4.11(c)(2)(A) and (B) of the Basic Plan Document are replaced with the following:
  - a. Matching Contributions. Each year, the Employer will contribute a Matching Contribution to the Plan on behalf of each Employee who makes a salary reduction election under Subsection (1) above. The amount of the Matching Contribution for a year will be equal to the Employee's salary reduction contribution up to a limit of
    - i. 3% of the Employee's Compensation for the full year for Small Employers or Employers other than Small Employers who elect in the Optional Provisions to not increase the Elective Deferral limit by 110% or
    - ii. 4% of the Employee's Compensation for the full year for all other Employers.
  - b. Non-Elective Contributions.
    - i. For any year, instead of a Matching Contribution, the Employer may elect to contribute a Non-Elective Contribution for each Eligible Employee who received at least the amount of Compensation from the Employer specified in the Adoption Agreement for the year in an amount equal to
      - A. 2% of Compensation for the full year for Small Employers or Employers other than Small Employers who elect in the Optional Provisions to not increase the Elective Deferral limit by 110% or
      - B. 3% of Compensation for the full year for all other Employers.
    - ii. For Plan Years beginning on or after January 1, 2024, an additional Non-Elective Contribution may be made to each Employee of the Plan in a uniform percentage of Compensation that may not exceed the lesser of 10 percent of Compensation or \$5,000, as adjusted for inflation under Code section 408(p)(2)(G).

#### **S. Difficulty of Care Payments**

Earned Income and Section 415 Compensation shall include difficulty of care payments as defined under Code section 131(c)(1)(A) that are otherwise excludable from income.