

**SUMMARY PLAN DESCRIPTION
FOR**

**Retirement Accumulation Plan for the
Employees of Placer County**

6-25-2018

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Retirement Accumulation Plan for the Employees of Placer County

SUMMARY PLAN DESCRIPTION

ARTICLE 1 INTRODUCTION

County of Placer has adopted the Retirement Accumulation Plan for the Employees of Placer County (the "Plan") to help its employees save for retirement. If you are an employee of County of Placer and satisfy the Plan's conditions for participation you are entitled to participate in the Plan.

This Summary Plan Description ("SPD") is designed to help you understand the retirement benefits provided under the Plan and your rights and obligations with respect to the Plan. This Summary Plan Description contains a summary of the major features of the Plan, including the conditions you must satisfy to participate under the Plan, the benefits you may be entitled to as a Plan participant, when you may receive distributions from the Plan, and other helpful information about the Plan. We encourage you to read this SPD and contact the Plan Administrator if you have any questions regarding your rights and obligations under the Plan. (See Article 2 below for the name and address of the Plan Administrator.)

This SPD does not replace the formal Plan document, which contains all of the legal and technical requirements applicable to the Plan. The SPD is only an attempt to explain the terms, conditions and features of the Plan in a non-technical manner. If the language under this SPD and the language under the Plan document conflict, the Plan document always governs. If you have any questions regarding the provisions contained in this SPD or if you wish to receive a copy of the legal Plan document, please contact the Plan Administrator.

The Plan document may be amended or modified due to changes in law, to comply with pronouncements by the Internal Revenue Service (IRS) or due to other circumstances. If the Plan is amended or modified in a way that changes the provisions under this SPD, you will be notified of such changes.

This SPD does not create any contractual rights to employment nor does it guarantee the right to receive benefits under the Plan.

ARTICLE 2 GENERAL PLAN INFORMATION AND KEY DEFINITIONS

This Article 2 contains information regarding the day-to-day administration of the Plan as well as the definition of key terms used throughout this Summary Plan Description.

Plan Name: Retirement Accumulation Plan for the Employees of Placer County

Plan Number: 101

Employer:

Name: County of Placer

Address:

145 Fulweiler Avenue, Suite 200

Auburn, CA 95603-4536

Telephone number: (530)889-4060

Employer Identification Number (EIN): 94-6000527

Plan Administrator:

The Plan Administrator is responsible for the day-to-day administration and operation of the Plan. For example, the Plan Administrator maintains the Plan records, provides you with forms necessary to request a distribution from the Plan, and directs the payment of your vested benefits when required under the Plan. The Plan Administrator may designate another person or persons to perform the duties of the Plan Administrator. The Plan Administrator or its delegate, as the case may be, has full discretionary authority to interpret the Plan, including the authority to resolve ambiguities in the Plan document and to interpret the Plan's terms, including who is eligible to participate under the Plan and the benefit rights of participants and beneficiaries. All interpretations, constructions and determinations of the Plan Administrator or its delegate shall be final and binding on all persons, unless found by a court of competent jurisdiction to be arbitrary and capricious. The Plan Administrator also will allow you to review the formal Plan document and other materials related to the Plan.

The Employer listed above is acting as Plan Administrator. The Plan Administrator may designate other persons to carry on the day-to-day operations of the Plan. If you have any questions about the Plan or your benefits under the Plan, you should contact the Plan Administrator or other Plan representative.

At this time, the Employer has delegated the day-to-day administration of the Plan to Lincoln Financial. You can contact Lincoln Financial via their website LincolnFinancial.com or by phone at 800-234-3510.

Trustee:

All amounts contributed to the Plan are held by the Plan Trustee in a qualified Trust. The Trustee is responsible for the safekeeping of the trust funds and must fulfill all Trustee duties in a prudent manner and in the best interest of you and your beneficiaries. The Employer has designated a separate Trustee to hold the assets under the Plan. The trust established on behalf of the Plan will be the funding medium used for the accumulation of assets from which Plan benefits will be distributed.

The following is the name and address of the Plan Trustee:

- **Name:** Lincoln Financial Group Trust Company
Address: ATTN: PO Box 7892, 1300 South Clinton Street, Fort Wayne, IN 46802

Service of Legal Process:

Service of legal process may be made upon the Employer. In addition, service of legal process may be made upon the Plan Trustee or Plan Administrator.

Effective Date of Plan:

This Plan was established and originally effective 1-1-1985. The Plan was last amended and restated effective as of 6-25-2018.

Plan Year:

Many of the provisions of the Plan are applied on the basis of the Plan Year. For this purpose the Plan Year is the calendar year running from January 1 – December 31.

Plan Compensation:

In applying the contribution formulas under the Plan (as described in Section 4 below), your contributions may be determined based on Plan Compensation earned during the Plan Year. However, in determining Plan Compensation, no amount will be taken into account to the extent such compensation exceeds the compensation dollar limit set forth under IRS rules. For 2018, the compensation dollar limit is \$275,000. Thus, for plan years beginning in 2018, no contribution may be made under the Plan with respect to Plan

Compensation above \$275,000. For subsequent plan years, the contribution dollar limit may be adjusted as provided by the IRS for cost-of-living increases.

For purposes of determining Plan Compensation, your total taxable wages or salary is taken into account, including any Salary Deferrals you make to this 401(k) plan and any pre-tax salary reduction contributions you may make under any other plans we may maintain, which may include any pre-tax contributions you make under a medical reimbursement plan or “cafeteria” plan. Plan Compensation also includes compensation for services that is paid after termination of employment, as long as such amounts are paid by the end of the year or within 2½ months following termination of employment, if later. However, Plan Compensation does not include certain payments from an unfunded deferred compensation plan that is paid after severance of employment.

Generally, all includible compensation you earn will be taken into account for purposes of determining Plan Compensation, including any compensation you earn while you are not a participant in the Plan. However, for purposes of determining the amount of the following Plan contributions, Plan Compensation will only be taken into account to the extent you earn the compensation while you are eligible for such contributions under the Plan.

➤ Salary Deferrals

Thus, any compensation you earn while you are not eligible for a particular contribution described above will not be taken into account in determining your Plan Compensation for purposes of determining the amount of such contribution. Article 3 below describes the various contributions that are authorized under the Plan.

Normal Retirement Age:

You will reach Normal Retirement Age under the Plan when you turn age 59 1/2.

**ARTICLE 3
PLAN CONTRIBUTIONS**

Type of Plan. This Plan is a special type of retirement plan commonly referred to as a 401(k) plan.

The Plan provides for the contributions listed below. Article 4 discusses the requirements you must satisfy to receive the contributions described in this Article 3. Article 6 describes the vesting rules applicable to your plan benefits. Special rules also may apply if you leave employment to enter qualified military service. See your Plan Administrator if you have questions regarding the rules that apply if you are on military leave.

Salary Deferrals

If you have satisfied the conditions for participating under the Plan (as described in Article 4 below) you are eligible to make Salary Deferrals to the Plan. To begin making Salary Deferrals, you must complete a Salary Deferral election requesting that a portion of your compensation be contributed to the Plan instead of being paid to you as wages. Any Salary Deferrals you make to the Plan will be invested in accordance with the Plan’s investment policies.

Pre-Tax Salary Deferrals. Under the Plan, you may elect to have a portion of your salary deposited directly into a 401(k) account on your behalf. This pre-tax contribution is called a “Salary Deferral.” As a pre-tax

contribution, you do not have to pay any income tax while your Salary Deferrals are held in the Plan, and any earnings on your Salary Deferrals are not taxed while they stay in the Plan.

Consider the following examples:

- If you earn \$30,000 a year, are in the 15% tax bracket, are eligible to participate in the Plan and you elect to save 3% (or \$900) of your salary under the 401(k) Plan this year, you would save \$135 in Federal income taxes (15% of \$900 = \$135).
- If you earn \$30,000 a year, are in the 15% tax bracket, are eligible to participate in the Plan, and you elect to save 5% (or \$1,500) of your salary under the 401(k) Plan this year, you would save \$225 in Federal income taxes (15% of \$1,500 = \$225).
- If you earn \$30,000 a year, are in the 15% tax bracket, are eligible to participate in the Plan and you elect to save 8% (or \$2,400) of your salary under the 401(k) Plan this year, you would save \$360 in Federal income taxes (15% of \$2,400 = \$360).

Roth Deferrals. Effective 6-25-2018, you also may be able to avoid taxation on earnings under the Plan by designating your Salary Deferrals as Roth Deferrals. Roth Deferrals are a form of Salary Deferral but, instead of being contributed on a pre-tax basis, you must pay income tax currently on such deferrals. However, if you satisfy the distribution requirements applicable to Roth Deferrals (as discussed in Article 7 below), you will not have to pay any income taxes at the time you withdraw your Roth Deferrals from the Plan, including earnings you accrue on the Roth Deferrals. Thus, if you take a qualified distribution (as described in Article 7) your entire distribution may be withdrawn tax-free. You should discuss the relative advantages of pre-tax Salary Deferrals and Roth Deferrals with a financial advisor before deciding how much to designate as pre-tax Salary Deferrals and Roth Deferrals.

Salary Deferral election. You may not begin making Salary Deferrals under the Plan until you enter into a Salary Deferral agreement and make an election designating how much you wish to defer under the Plan and whether you wish to do so on a pre-tax or post-tax basis.

Change of election. You can increase or decrease the amount of your Salary Deferrals as of a designated election date. Generally, you may revoke an existing Salary Deferral election and stop making Salary Deferrals at any time. Any change you make to a Salary Deferral election will become effective as of the next designated election date, and will remain in effect until modified or canceled during a subsequent election period. The following dates apply for determining the designated election dates for purposes of changing a deferral election under the Plan: A Participant may change or resume a deferral election in accordance with dates prescribed by the Plan Administrator.

Matching Contributions

The Plan provides a Matching Contribution on behalf of certain eligible Plan participants. If you satisfy all of the eligibility requirements for the Matching Contribution described in Article 4 below for Matching Contributions and you make Salary Deferrals to the Plan, you will receive a Matching Contributions, in accordance with the matching formula described below. If you do not satisfy all of the eligibility requirements for receiving a Matching Contribution, you will not receive a Matching Contributions made to the Plan for the period for which you do not satisfy the eligibility requirements. In addition, if you satisfy all of the eligibility requirements for receiving a Matching Contribution but do not make Salary Deferrals to the Plan, you will not share in any Matching Contributions made to the Plan for the period for which you do not make a Salary Deferral.

Any Matching Contributions you may be entitled to will be contributed to your Matching Contribution account under the Plan at such time as we deem appropriate. Any Matching Contributions we make will be made in accordance with the following Matching Contribution formula.

- **Fixed Matching Contribution formula.** We will make a fixed Matching Contribution on behalf of eligible participants who make Salary Deferrals to the Plan. The Matching Contribution will equal 25% of Salary Deferrals you make during each payroll period.

Limit on Matching Contributions. In addition to the overall limit on total contributions described in Article 5 below, the Plan imposes special limits on the amount a participant may receive as a Matching Contribution under the Plan for each payroll period.

- **Limit on Eligible Contributions.** In determining the amount of Matching Contributions you are entitled to under the Plan, only a certain amount of your contributions are taken into account. For this purpose, any contributions you make above \$3,000.00 will not be eligible for a Matching Contribution. Thus, if you make contributions in excess of \$3,000.00, you will not receive a Matching Contribution with respect to those contributions.
- **Limit on total Matching Contribution.** In determining the amount of Matching Contributions you are entitled to under the Plan, the total Matching Contribution for any participant will never exceed \$750.00. Thus, the total Matching Contribution you may receive for any period will not exceed \$750.00, regardless of the amount you contribute under the Plan.

Rollover Contributions

If you have an account balance in another qualified retirement plan or an IRA, you may move those amounts into this Plan, without incurring any tax liability, by means of a “rollover” contribution. You are always 100% vested in any amounts you contribute to the Plan as a rollover from another qualified plan or IRA. This means that you will always be entitled to all amounts in your rollover account. Rollover contributions will be affected by any investment gains or losses under the Plan.

You may accomplish a rollover in one of two ways. You may ask your prior plan administrator or trustee to directly rollover to this Plan all or a portion of any amount which you are entitled to receive as a distribution from your prior plan. Alternatively, if you receive a distribution from your prior plan, you may elect to deposit into this plan any amount eligible for rollover within 60 days of your receipt of the distribution. Any rollover to the Plan will be credited to your Rollover Contribution Account. See Article 7 below for a description of the distribution provisions applicable to rollover contributions.

Generally, the Plan will accept a rollover contribution from another qualified retirement plan or IRA. The Plan Administrator may adopt separate procedures limiting the type of rollover contributions it will accept. For example, the Plan Administrator may impose restrictions on the acceptance of After-Tax Contributions or Salary Deferrals (including Roth Deferrals) or may restrict rollovers from particular types of plans. In addition, the Plan Administrator may, in its discretion, accept rollover contributions from Employees who are not currently participants in the Plan. You also must be a current Employee to make a Rollover Contribution to the Plan. Any procedures affecting the ability to make Rollover Contributions to the Plan will not be applied in a discriminatory manner.

If you have questions about whether you can rollover a prior plan distribution, please contact the Plan Administrator or other designated Plan representative.

ARTICLE 4 ELIGIBILITY REQUIREMENTS

This Article sets forth the requirements you must satisfy to participate under the Plan. To qualify as a participant under the Plan, you must be an Eligible Employee. Workers who are not considered common law employees for example, independent contractors, are not Employees under the plan and therefore cannot be Eligible Employees under the Plan.

Eligible Employee

To participate under the Plan, you must be an Eligible Employee. For this purpose, you are considered an Eligible Employee if you are an employee of County of Placer, provided you are not otherwise excluded from the Plan.

Excluded Employees. For purposes of determining whether you are an Eligible Employee, the Plan excludes from participation certain designated employees. If you fall under any of the excluded employee categories, you will not be eligible to participate under the Plan (until such time as you no longer fall into an excluded employee category). [See below for a discussion of your rights upon changing to or from an excluded employee classification.]

The following categories of employees are not eligible to participate in the Plan:

Leased employees

- Certain temporary employees (as defined under the Plan)

For purposes of Salary Deferrals and Matching Contributions: (1) extra help Employees (2) Golden Sierra Employees.

For purposes of Matching Contributions: (1) Employees who are working in a designated classification other than Management & Confidential.

Minimum Age and Service Requirements

The Plan does not have a minimum age or service requirement that a participant must satisfy in order to participate in the Plan.

Entry Date. Eligible Employees will be eligible to participate under the Plan on your Entry Date. For this purpose, your Entry Date is your date of employment. Thus, you will be eligible to participate immediately upon your date of hire, provided you are an Eligible Employee.

Eligibility upon rehire or change in employment status.

If you are not an Eligible Employee on your Entry Date, but you subsequently change status to an eligible class of Employee, you will be eligible to enter the Plan immediately (provided you have already satisfied the minimum age and service requirements). If you are an Eligible Employee and subsequently become ineligible to participate in the Plan, all contributions under the Plan will cease as of the date you become ineligible to participate. However, all service earned while you are employed, including service earned while you are ineligible, will be counted when calculating your vested percentage in your account balance.

Allocation Conditions

Participants are entitled to share in the contributions described in Article 3, provided the Participant satisfies the allocation conditions described below.

Salary Deferrals. You do not need to satisfy any additional allocation conditions to make Salary Deferrals under the Plan. If you satisfy the eligibility conditions described above, you will be eligible to make Salary

Deferrals, regardless of how many hours you work during the year or whether you terminate employment during the year. However, you may not continue to make Salary Deferrals after you terminate employment.

Matching Contributions. You will be entitled to share in any Matching Contributions we make to the Plan if you satisfy the eligibility conditions described above. You do not need to satisfy any additional allocation conditions to receive a Matching Contribution. You will receive your share of the Matching Contributions regardless of how many hours you work during the year or whether you terminate during the year.

ARTICLE 5 LIMIT ON CONTRIBUTIONS

The IRS imposes limits on the amount of contributions you may receive under this Plan, as described below.

IRS limits on Salary Deferrals. The IRS imposes limits on the amount you can contribute as Salary Deferrals during a calendar year. For 2018, the maximum deferral limit is \$18,500. For years after 2018, the maximum deferral limit may be adjusted annually for cost-of-living increases. The Plan Administrator will provide you with information regarding the adjusted deferral limits beginning after 2018. In addition, if you are at least age 50 by December 31 of the calendar year, you also may make a special catch-up contribution in addition to the maximum deferral limit described above. For 2018, the catch-up contribution limit is \$6,000. For years after 2018, the catch-up contribution limit may be adjusted annually for cost-of living increases. The Plan Administrator will provide you with information concerning the catch-up contribution limit for years after 2018.

Example. If you are at least age 50 by December 31, 2018, the maximum Salary Deferral you may make for the 2018 calendar year would be \$24,500 [i.e., \$18,500 maximum deferral limit plus \$6,000 catch-up contribution limit].

The IRS deferral limit applies to all Salary Deferrals you make in a given calendar year to this Plan or any other cash or deferred arrangement (including a cash or deferred arrangement maintained by an unrelated employer). For this purpose, cash or deferred arrangements include 401(k) plans, 403(b) plans, simplified employee pension (SEP) plans or SIMPLE plans. (Note: If you participate in both this Plan and a 457 eligible deferred compensation plan, special limits may apply under the 457 plan. You should contact the Plan Administrator of the 457 plan to find out how participation in this Plan may affect your limits under the 457 plan.)

If you make Salary Deferrals for a given year in excess of the deferral limit described above under this Plan or another plan maintained by the Employer (or any other employer maintaining this Plan), the Plan Administrator will automatically return the excess amount and associated earnings to you by April 15. If you make Salary Deferrals for a given year in excess of the deferral limit described above because you made Salary Deferrals under this Plan and a plan of an unrelated employer not maintaining this Plan, you must ask one of the plans to refund the excess amount to you. If you wish to take a refund from this Plan, you must notify the Plan Administrator, in writing, by March 1 of the next calendar year so the excess amount and related earnings may be refunded by April 15. The excess amount is taxable for the year in which you made the excess deferral. If you fail to request a refund, you will be subject to taxation in two separate years: once in the year of deferral and again in the year the excess amount is actually paid to you.

IRS limit on total contributions under the Plan. The IRS imposes a maximum limit on the total amount of contributions you may receive under this Plan. This limit applies to all contributions we make on your behalf, all contributions you contribute to the Plan, and any forfeitures allocated to any of your accounts during the year. Under this limit, the total of all contributions under the Plan cannot exceed a specific dollar amount or 100% of your annual compensation, whichever is less. For 2018, the specific dollar limit is \$55,000. (For years after 2018, this amount may be increased for inflation.) For purposes of applying the 100% of compensation limit, your annual compensation includes all taxable compensation, increased for any Salary Deferrals you may make under a 401(k) plan and any pre-tax contributions you may make to any other plan we may maintain, such as a cafeteria health plan.

Example: Suppose in 2018 you earn compensation of \$45,000 (after reduction for pre-tax 401(k) plan contributions of \$5,000). Your compensation for purposes of the overall contribution limit is \$50,000 (\$45,000 + \$5,000 of pre-tax deferrals). The maximum amount of contributions you may receive under the Plan for 2018 is \$50,000 (the lesser of \$55,000 or 100% of \$50,000).

ARTICLE 6 DETERMINATION OF VESTED BENEFIT

Vested account balance. When you take a distribution of your benefits under the Plan, you are only entitled to withdraw your *vested* account balance. For this purpose, your *vested* account balance is the amount held under the Plan on your behalf for which you have earned an ownership interest.

The following describes the vesting schedule applicable to contributions under the Plan.

- **Salary Deferrals.** You are always 100% vested in your Salary Deferrals. In other words, you have complete ownership rights to your Salary Deferrals under the Plan.
- **Matching Contributions.** You are always 100% vested in your Matching Contributions. Thus, you have complete ownership rights to your Matching Contributions immediately after such amounts are contributed to the Plan on your behalf.
- **Rollover Contributions.** If you rollover amounts from an IRA or another qualified plan to this Plan, you will be 100% vested in such amounts. Thus, you will never lose your rollover contributions once they are rolled over to this Plan. If your rollover contribution account decreases because of investment losses, you will only be entitled to the amount in your rollover contribution account at the time of distribution.

While you may not be able to immediately withdraw your vested account balance from the Plan due to the distribution restrictions described under Article 7 below, you generally will not lose your right to your Salary Deferrals and any Matching Contributions that have vested. However, it is possible that your vested account balance under the Plan will decrease as a result of investment losses or other applicable fees. If the amount you have an ownership in decreases because of investment losses or other applicable fees, you will only be entitled to the adjusted vested amount in your account at the time of distribution.

ARTICLE 7 PLAN DISTRIBUTIONS

The Plan contains detailed rules regarding when you request a distribution of your benefits from the Plan. As discussed in Article 6 above, if you qualify for a Plan distribution, you will only receive your vested benefits. This Article 7 describes when you may request a distribution and the tax effects of such a distribution.

Distribution upon termination of employment. When you terminate employment, you may be entitled to a distribution from the Plan. The form of distribution available to you under the Plan depends on the amount of your vested account balance.

- **Vested account balance in excess of \$5,000.**

If your total vested benefit exceeds \$5,000.00, no distribution will be made from the Plan without your consent unless the Plan is required to do so by law. If your total vested account balance exceeds \$5,000 as of the distribution date, you may receive a distribution from the Plan as soon as administratively feasible following your termination of employment. If you do not consent to a distribution of your vested account balance, your balance will remain in the Plan.

You may elect to take your distribution in any of the following forms. Prior to receiving a distribution from the Plan, you will receive a distribution package that will describe the distribution options that are available to you. If you have any questions regarding your distribution options under the Plan, please contact the Plan Administrator.

- **Lump sum.** You may elect to take a distribution of your entire vested account balance in a lump sum. In addition, if permitted by the Plan Administrator, you may take a partial distribution of a portion of your vested account upon termination of employment. If you take a lump sum distribution, you may elect to rollover all (or any portion) of your distribution to an IRA or to another qualified plan. See the *Special Tax Notice*, which you may obtain from the Plan Administrator, for more information regarding your ability to rollover your plan distribution.
- **Installment payments.** You may elect to receive a distribution in the form of a series of installment payments. If you elect distribution in the form of installments, your vested benefit will be paid out in equal annual installments over a set number of years. If the installment period is 10 years or greater, you may not rollover any of the installment payments into an IRA or into another qualified plan. The Plan Administrator will provide you with forms necessary to elect an installment distribution under the Plan.

Vested account balance of \$5,000 or less. If your total vested account balance under the Plan is \$5,000 or less as of the distribution date, you will be eligible to receive a distribution of your entire vested account balance in a lump sum as soon as administratively feasible following your termination of employment. You may elect to receive your distribution in cash or you may elect to rollover your distribution to an IRA or to another qualified plan. If your total vested benefit under the Plan is \$5,000.00 or less as of the distribution date and you do not make an election, your vested benefit will be automatically rolled over to an IRA selected by the Plan Administrator. .

If your benefit is automatically rolled over to an IRA selected by the Plan Administrator, such amounts will be invested in a manner designed to preserve principal and provide a reasonable rate of return. Common types of investment vehicles that may be used include money market accounts, certificates of deposit or stable value funds. Reasonable expenses may be charged against the IRA account for expenses associated with the establishment and maintenance of the IRA. Any such expenses will be no greater than similar fees charged for other IRAs maintained by the IRA provider. For further information regarding the automatic rollover requirements, including further information regarding the IRA provider and the applicable fees and expenses associated with the automatic rollover IRA, please contact the Plan Administrator or other designated Plan representative.

In-service distributions. You may withdraw vested amounts from the Plan while you are still employed with us, but only if you satisfy the Plan's requirements for in-service distributions. Different in-service distribution options apply depending on the type of contribution being withdrawn from the Plan.

- **Salary Deferrals.** You may withdraw amounts attributable to Salary Deferrals while you are still employed upon any of the following events:
 - You are at least age 59½ at the time of the distribution.
 - You have incurred a hardship, as described below.
 - You become disabled (as defined in the Plan).
 - As a Qualified Reservist Distribution

No in-service distribution of Salary Deferrals may be made prior to age 59½ (other than a distribution on account of hardship or disability). Thus, regardless of any in-service distribution provisions under the Plan, you may not request an in-service distribution of amounts attributable to your Salary Deferrals under the Plan prior to attaining age 59½ (other than a distribution on account of hardship or disability).

- **Matching Contributions.** You may withdraw amounts attributable to Matching Contributions while you are still employed upon any of the following events:
 - You are at least age 59½ at the time of the distribution.
 - You have incurred a hardship, as described below.
 - You become disabled (as defined in the Plan).
- **Rollover Contributions.** If you have rolled money into this Plan from another qualified plan or IRA, you may take an in-service distribution of your Rollover Contribution account at any time.

Age 59 1/2 distribution. You may request a distribution upon attaining age 59 1/2 or older. This distribution is available even if you remain employed with the County of Placer. To obtain more information about age 59 1/2 distributions or to request an age 59 1/2 distribution, please contact Lincoln Financial via their website at LincolnFinancial.com or by phone at 800-234-3500.

Hardship distribution. To receive a distribution on account of hardship, you must demonstrate one of the following hardship events.

- (1) You need the distribution to pay unpaid medical expenses for yourself, your spouse or any dependent.
- (2) You need the distribution to pay for the purchase of your principal residence. You must use the hardship distribution for the *purchase* of your principal residence. You may not receive a hardship distribution solely to make mortgage payments.
- (3) You need the distribution to pay tuition and related educational fees (including room and board) for the post-secondary education of yourself, your spouse, your children, or other dependent. You may take a hardship distribution to cover up to 12 months of tuition and related fees.
- (4) You need the distribution to prevent your eviction or to prevent foreclosure on your mortgage. The eviction or foreclosure must be related to your principal residence.
- (5) You need the distribution to pay funeral or burial expenses for your deceased parent, spouse, child or dependent.
- (6) You need the distribution to pay expenses to repair damage to your principal residence (provided the expenses would qualify for a casualty loss deduction on your tax return, without regard to 10% adjusted gross income limit).

Before you may receive a hardship distribution, you must provide the Plan Administrator with sufficient documentation to demonstrate the existence of one of the above hardship events. The Plan Administrator will provide you with information regarding the documentation it deems necessary to sufficiently document the existence of a proper hardship event.

In addition, if you have other distributions or loans available under this Plan (or any other plan we may maintain) you must take such distributions or loans *before* requesting a hardship distribution. Upon receiving a hardship distribution, you will be suspended from making any further Salary Deferrals for six months following the receipt of your hardship distribution.

You may not receive a hardship distribution of more than you need to satisfy your hardship. In calculating your maximum hardship distribution, you may include any amounts necessary to pay federal, state or local income taxes or penalties reasonably anticipated to result from the distribution. To request a hardship or additional information about hardship distributions please contact Lincoln Financial via their website at [Lincoln Financial.com](http://LincolnFinancial.com) or by phone at 800-234-3500 .

Qualified Reservist distribution. A "qualified reservist distribution" is a distribution of elective deferral made to a participant who was ordered or called to active duty in the Reserves or National Guard for a period exceeding 179 days, or an indefinite period; and made during the period beginning on the date of the call-up order and ending at the close of the active duty period. To request a additional information about qualified reservist distributions or to request one, please contact Lincoln Financial via their website at [Lincoln Financial.com](http://LincolnFinancial.com) or by phone at 800-234-3500 .

Required distributions. If you have not begun taking distributions before you attain your Required Beginning Date, the Plan generally must commence distributions to you as of such date. For this purpose, your Required Beginning Date is April 1 following the end of the calendar year in which you attain age 70½ or terminate employment, whichever is later.

Once you attain your Required Beginning Date, the Plan Administrator will commence distributions to you as required under the Plan. The Plan Administrator will inform you of the amount you are required to receive once you attain your Required Beginning Date. If you fail to timely take a required minimum distribution, the IRS will impose upon you an excise tax equal to 50% of the amount of your required minimum distribution.

Distribution upon disability. If you should terminate employment because you are disabled, you will be eligible to receive a distribution of your vested account balance under the Plan's normal distribution rules. You will be considered to be disabled for purposes of applying the Plan's distribution rules if you are unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Plan Administrator may establish reasonable procedures for determining whether you are disabled for purposes of applying the distribution provisions of the Plan.

Distributions upon death. If you should die before taking a distribution of your entire vested account balance, your remaining benefit will be distributed to your beneficiary or beneficiaries, as designated on the appropriate designated beneficiary election form. If you are unable to access a beneficiary designation form online, you may request a designated beneficiary election form from the Plan Administrator.

If you are married, your spouse generally is treated as your beneficiary, unless you and your spouse properly designate an alternative beneficiary to receive your benefits under the Plan. The Plan Administrator will provide you with information concerning the availability of death benefits under the Plan and your rights (and your spouse's rights) to designate an alternative beneficiary for such death benefits. For purposes of determining your beneficiary to receive death distributions under the Plan, any designation of your spouse as beneficiary is automatically revoked upon a formal divorce decree unless you re-execute a new beneficiary designation form or enter into a valid Qualified Domestic Relations Order (QDRO).

Default beneficiaries. If you do not designate a beneficiary to receive your benefits upon death, your benefits will be distributed first to your spouse. If you have no spouse at the time of death, your benefits will be distributed equally to your children. If you have no children at the time of your death, your benefits will be distributed to your estate.

Taxation of distributions. Generally, you must include any Plan distribution in your taxable income in the year you receive the distribution. More detailed information on tax treatment of Plan distributions is contained in the "Special Tax Notice" which you may obtain from the Plan Administrator.

- **Roth Deferrals.** If you make Roth Deferrals under the Plan, you will not be taxed on the amount of the Roth Deferrals taken as a distribution (because you pay taxes on such amounts when you contribute them to the Plan). In addition, you will not pay taxes on any earnings associated with the Roth Deferrals, provided you take the Roth Deferrals and earnings in a qualified distribution. For this purpose, a qualified distribution occurs only if you have had your Roth Deferral account in place for at least 5 years and you take the distribution on account of death, disability, or attainment of age 59½. If you have made both pre-tax Salary Deferrals and Roth Deferrals under the Plan, you may designate the extent to which a distribution of Salary Deferrals is taken from your pre-tax Salary Deferral Account or your Roth Deferral Account. Any distribution of Salary Deferrals (including Roth Deferrals) must be authorized under the Plan distribution provisions.

If you take a distribution that does not qualify as a qualified distribution, you will be taxed on the earnings associated with the Roth contributions. (You will never be taxed on the Roth contributions distributed since those amounts are taxed at the time you make the Roth contributions or Roth conversion.)

Distributions before age 59½. If you receive a distribution before age 59½, you generally will be subject to a 10% penalty tax in addition to regular income taxation on the amount of the distribution that is subject to taxation. You may avoid the 10% penalty tax by rolling your distribution into another plan or IRA. Certain exceptions to the penalty tax may apply. For more information, please review the “Special Tax Notice,” which may be obtained from the Plan Administrator.

Rollovers and withholding. You may “roll over” most Plan distributions to an IRA or another qualified plan and avoid current taxation. You may accomplish a rollover either directly or indirectly. In a direct rollover, you instruct the Plan Administrator that you wish to have your distribution deposited directly into another plan or an IRA. In an indirect rollover, the Plan Administrator actually makes the distribution to you and you may rollover that distribution to an IRA or another qualified plan within 60 days after you receive the Plan distribution.

If you are eligible to directly rollover a distribution but choose not to, the Plan Administrator must withhold 20% of the taxable distribution for federal income tax withholding purposes. The Plan Administrator will provide you with the appropriate forms for choosing a direct rollover. For more information, see the “Special Tax Notice,” which may be obtained from the Plan Administrator.

Certain benefit payments are not eligible for rollover and therefore will not be subject to 20% mandatory withholding. The types of benefit payments that are not “eligible rollover distributions” include:

- annuities paid over your lifetime,
- installments payments for a period of at least ten (10) years,
- minimum required distributions at age 70½
- hardship withdrawals, and
- Certain “corrective” distributions.

Note: All of the above distribution options may not be available under this Plan.

Non-assignment of benefits and Qualified Domestic Relations Orders (QDROs) Your benefits cannot be sold, used as collateral for a loan, given away, or otherwise transferred, garnished, or attached by creditors, except as provided by law. However, if required by applicable state domestic relations law, certain court orders could require that part of your benefit be paid to someone else—your spouse or children, for example. This type of court order is known as a Qualified Domestic Relations Order (QDRO). As soon as you become aware of any court proceedings that might affect your Plan benefits, please contact the Plan Administrator. You may request a copy of the procedures concerning QDROs, including those procedures governing the qualification of a domestic relations order, without charge, from the Plan Administrator.

ARTICLE 8 PLAN ADMINISTRATION AND INVESTMENTS
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Investment of Plan assets. You have the right to direct the investment of Plan assets held under the Plan on your behalf. The Plan Administrator will provide you with information on the amounts available for direction, the investment choices available to you, the frequency with which you can change your investment choices and other investment information. Periodically, you will receive a benefit statement that provides information on your account balance and your investment returns. If you have any questions about the investment of your Plan accounts, please contact the Plan Administrator or other Plan representative.

Although you have the opportunity to direct the investment of your benefits under the Plan, the Plan Administrator may decline to implement investment directives where it deems it is appropriate in fulfilling its role as a fiduciary under the Plan. The Plan Administrator may adopt rules and procedures to govern Participant investment elections and directions under the Plan.

Valuation Date. To determine your share of any gains or losses incurred as a result of the investment of Plan assets, the Plan is valued on a regular basis. For this purpose, the Plan is valued on a daily basis.

Thus, you will receive an allocation of gains or losses under the Plan at the end of each business day during which the New York Stock Exchange is open.

Plan fees. There may be fees or expenses related to the administration of the Plan or associated with the investment of Plan assets that will affect the amount of your Plan benefits. Any fees related to the administration of the Plan or associated with the investment of Plan assets may be paid by the Plan or by the Employer. If the Employer does not pay Plan-related expenses, such fees or expenses will generally be allocated to the accounts of Participants either proportionally based on the value of account balances or as an equal dollar amount based on the number of participants in the Plan. If you direct the investment of your benefits under the Plan, you will be responsible for any investment-related fees incurred as a result of your investment decisions. Prior to making any investment, you should obtain and read all available information concerning that particular investment, including financial statements, prospectuses, and other available information.

In addition to general administration and investment fees that are charged to the Plan, you may be assessed fees directly associated with the administration of your account. For example, if you terminate employment, your account may be charged directly for the pro rata share of the Plan's administration expenses, regardless of whether the Employer pays some of these expenses for current Employees. Other fees that may be charged directly against your account include:

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- Participant loan origination fees and annual maintenance fees.
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If you are permitted to direct the investment of your benefits under the Plan, each year you will receive a separate notice describing the fees that may be charged under the Plan. In addition, you will also receive a separate notice describing any actual fees charged against your account. Please contact the Plan Administrator if you have any questions regarding the fees that may be charged against your account under the Plan.

ARTICLE 9 PARTICIPANT LOANS

The Plan permits Participants to take a loan from the Plan. Thus, you may be eligible to take a loan from your vested benefits under the Plan. The Plan Administrator will develop procedures for administering Participant loans, including the establishment of procedures for applying for a loan and limits on the total amount of loan proceeds that may be outstanding at any time. For more information regarding the procedures for receiving a Participant loan, please contact the Lincoln Financial at LincolnFinancial.com or at 800-234-3500.

ARTICLE 10 PLAN AMENDMENTS AND TERMINATION

Plan amendments. The County of Placer has the authority to amend this Plan at any time. Any amendment, including the restatement of an existing Plan, including amendments that may increase, decrease or eliminate benefits on a prospective basis.

Plan termination. Although we expect to maintain this Plan indefinitely, the County of Placer has the ability to terminate the Plan at any time. For this purpose, termination includes a complete discontinuance of contributions under the Plan or a partial termination. If the Plan is terminated, all amounts credited to your account shall remain 100% vested. In the event of the termination of the Plan, you are entitled to a distribution of your entire vested benefit. Such distribution shall be made directly to you or, at your direction, may be transferred directly to another qualified retirement plan or IRA. If you do not consent to a distribution of your benefit upon termination of the Plan, the Plan Administrator will transfer your vested benefit directly to

an IRA that we will establish for your benefit. Except as permitted by Internal Revenue Service regulations, the termination of the Plan shall not result in any reduction of protected benefits.

A partial termination may occur if either a Plan amendment or severance from service excludes a group of employees who were previously covered by this Plan. Whether a partial termination has occurred will depend on the facts and circumstances of each case. If a partial termination occurs, only those Participants who cease participation due to the partial termination will remain 100% vested. The Plan Administrator will advise you if a partial termination occurs and how such partial termination affects you as a Participant.