PERSI

401(k) PLAN

Effective February 1, 2001

As amended effective April 1, 2023 (tenth amended plan)

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INTRODUCTION

On July 1, 1971, the State of Idaho Department of Health and Welfare adopted a supplemental retirement plan known as the State of Idaho Department of Health and Welfare Supplemental Retirement Plan. On April 1, 1972, the State of Idaho Department of Lands adopted a similar supplemental retirement plan known as the State of Idaho Department of Lands' Supplemental Retirement Plan. These plans were adopted before section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") became effective. However, since both plans provided for pre-tax contributions from their inception, they became subject to section 401(k) when that section became effective.

On October 1, 1994, the state of Idaho adopted the Idaho Super Saver 401(k) Plan (the "grandfathered plan"). At that time, most of the assets of the State of Idaho Department of Health and Welfare Supplemental Retirement Plan and the State of Idaho Department of Lands' Supplemental Retirement Plan were transferred to the grandfathered plan. Initially, the grandfathered plan was available only to employees of the Department of Health and Welfare and the Department of Lands.

On March 14, 1995, section 59-1308 of the Idaho Code was enacted into law. That legislation gave the Retirement Board of the Public Employee Retirement System of Idaho (the "Board") the authority to extend the grandfathered plan to the same group of employees as is covered under the Public Employees Retirement System of Idaho (PERSI). Subsequently, the grandfathered plan was extended to cover all employees of the State of Idaho but was not extended to cover all employees covered by PERSI, such as employees of political subdivisions and school districts.

Beginning in June 1999, PERSI sought, and in April 2000, secured a private letter ruling from the Internal Revenue Service confirming that the grandfathered plan could be extended to cover all employees eligible to participate in the PERSI plan without jeopardizing its status as a qualified cash or deferred arrangement within the meaning of Code section 401(k). Since the grandfathered plan as extended does not violate section 401(k)(4)(B) of the Code, Treasury regulations permit PERSI to adopt a separate and independent 401(k) plan that covers all employees eligible to participate in the PERSI plan, including but not limited to employees of political subdivisions and school districts. Consequently, PERSI hereby adopts this PERSI 401(k) Plan (the "Plan"), which plan is separate and distinct from the Idaho Super Saver 401(k)

Plan that will continue to operate independently until terminated and/or combined with the PERSI 401(k) Plan. The Idaho Super Saver 401(k) merged into the Plan effective October 1, 2001.

The Plan consists of the qualified cash or deferred arrangement under Code Section 401(k). The Plan is intended to be a "governmental plan" within the meaning of Code Section 414(d) and within the meaning of section 3(32) of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and, as such, is exempt from provisions of Title I of ERISA.

The tenth amended plan is adopted primarily to make changes to the Beneficiary designation and in-service distribution processes and update for changes reflected in recent legislation and administrative practices.

ARTICLE I
DEFINITIONS

As used herein, unless otherwise required by the context, the following words and phrases shall have the meanings indicated:

Appropriate Request – A request by a Participant in the form and manner provided by the Board that is appropriate for the intended purpose. If the Board and the Plan's recordkeeper so agree, an Appropriate Request may be executed over the telephone or Internet. To constitute an Appropriate Request, such request must be completed correctly and, if required to be in writing, duly executed and delivered to a designated recipient.

Beneficiary - Any person designated as a Beneficiary by a Participant, or subsequently designated by the Participant's Beneficiary following the death of both the Participant and the first designated Beneficiary, under Section 2.3 or deemed to be a Beneficiary under Section 2.3 to receive such benefits as may become payable hereunder after the death of such Participant or Beneficiary.

Board - The board provided for in Section 8.1 to administer the Plan.

Code - The Internal Revenue Code of 1986, as amended.

Deferral Compensation - The Section 415 Compensation paid to an Employee by the Employer for his services. Deferral Compensation in excess of $200,000 (or such different amount as may be applicable under Code Section 401(a)(17)(B)) shall not be taken into account. Effective July 1, 2009, Deferral Compensation will not include differential wage payments (as defined in Section 3401(h) of the Code).

Disability – The inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of 12 months or more, as certified by a licensed physician selected by the Participant and approved by the Employer. This standard is different from the standard applicable to the PERSI Base Plan.

Eligible Employee - An Employee eligible for participation under Section 2.1.

Employee - Any person employed by the State or any other Employer participating in the PERSI Base Plan and meeting the definition of "employee" in that plan under Idaho Code 59-1302(14). Also, any participant in the Idaho Super Saver 401(k) plan on September 30, 2001. Notwithstanding the preceding sentences, the following shall not be

considered an Employee for purposes of this Plan: (1) any individual who is classified as an independent contractor by an Employer, regardless of such individual's classification by the Internal Revenue Service for tax withholding purposes; (2) any individual who is a nonresident alien and who receives no earned income from his Employer which constitutes income from sources within the United States; or (3) any individual who is otherwise excluded from participation hereunder by the terms of this Plan. Effective July 1, 2009, an individual receiving a differential wage payment, as defined in Section 3401(h)(2) of the Code, from the Employer is treated as an Employee.

Employee Pre-Tax Sub-Account - That portion of a Participant's Individual Account attributable to the Employee Pre-Tax Contributions allocated to such Participant under Section 4.2 and any earnings or losses on such contributions, and effective October 1, 2001, employee pre-tax contributions transferred from the Idaho Super Saver 401(k) plan as a result of the October 1, 2001 merger. Employee pre-tax contributions transferred from the Idaho Super Saver 401(k) plan shall be a separate sub-account within the Employee Pre-Tax Sub-Account.

Employee Pre-Tax Contributions - Contributions made to the Plan by the Employer on behalf of an Employee under Section 3.1(a) pursuant to a salary reduction agreement entered into between the Participant and his Employer.

Employer - Collectively or individually as the context may indicate, the State of Idaho, its agencies and instrumentalities, local school districts, and political subdivisions of the State of Idaho who participate in PERSI, and all other entities who participate in PERSI.

Employer Contributions - Contributions made to the Plan by the Employer under Section 3.2.

Employer Contributions Sub-Account - That portion of a Participant's Individual Account attributable to the Employer Contributions allocated to such Participant under Section 4.3 and any earnings or losses on such contributions.

Fund - The Trust Fund.

Individual Account - The aggregate of a Participant's Employee Pre-Tax Sub-Account, Employer Contribution Sub-Account and Rollover Sub-Account. A Participant shall be 100% vested in his Individual Account at all times.

Investment Option – The investment vehicle elected by the Participant in accordance with Section 2.4 for investment of his Individual Account. The Board may add, change or delete the available Investment Options at any time.

Limitation Year - January 1 - December 31.

Normal Retirement Age - Age 50.

Participant - Any Employee or former Employee who has an Individual Account balance and any Employee who has met the eligibility requirements of Section 2.1. Participation ends in accordance with Section 2.2.

Plan - The PERSI 401(k) Plan, as contained herein or as duly amended.

Plan Year - July 1 – June 30.

Prime Rate - The "prime rate," as published in the "Money Rates" section of the *Wall Street Journal.*

Rollover Contributions - Contributions made to the Plan under Section 3.3.

Rollover Sub-Account - That portion of a Participant's Individual Account attributable to the Rollover Contributions allocated to such Participant under Section 4.4 and any earnings or losses on such contributions. Effective October 1, 2001, rollover contributions transferred as a result of the October 1, 2001 merger of the Idaho Super Saver 401(k) shall be a separate sub-account within the Rollover Sub-Account.

Section 415 Compensation – Effective beginning July 1, 2001, an Employee's wages as defined in Code Section 3401(a) and all other payments of compensation to an Employee by an Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d) and 6051(a)(3). Section 415 Compensation shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). Section 415 Compensation also includes any elective deferrals as defined in Code Section 402(g)(3), including Employee Pre-Tax Contributions to this Plan, and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code Section 125, 132(f) or 457. In accordance with Treasury Regulation §1.415(c)-2(e)(3), Section 415 Compensation includes (1) amounts that would have been paid in the absence of a severance from employment and is regular pay for services (such as regular wages, overtime or shift differential), commissions, bonuses, or other similar compensation; and (2) amounts that are payment for accrued bona fide sick, vacation, or other leave that could have been used if employment continued provided such payments are made by the later of 2½ months after severance from employment or the last day

of the Limitation Year that includes the date of the severance from employment. Effective July 1, 2009, Section 415 Compensation will include differential wage payments as defined in Section 3401(h) of the Code.

State – The state of Idaho.

Treasury Regulation - Interpretations of the Code promulgated by the United States Department of the Treasury and generally codified in Title 26 of the Code of Federal Regulations.

Trust Agreement - The agreement entered into between the Board and the Trustee or Custodian under Article VII.

Trust Fund - All funds received by the Trustee together with all income, profits and increments thereon, and less any expenses or payments made out of the Trust Fund.

Trustee - Such individual, individuals, financial institution, or a combination of them as shall be designated in the Trust Agreement to hold in trust any assets of the Plan for the purpose of providing benefits under the Plan, and shall include any successor trustee to the Trustee initially designated thereunder.

Valuation Date – Each business day of the Plan Year as of which Individual Accounts are valued.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

2.1 Eligibility

(a) Any Employee who has received a gain sharing distribution as provided in section 59-1309, as long as he remains an Employee.

(b) Any active member in the PERSI Base Plan so long as he remains an Employee.

(c) Any member of the Firemen's Retirement Fund created by Title 72, Chapter 14, Idaho Code, so long as he remains an Employee.

(d) Any member of the Judge's Retirement Fund created by Title 1, Chapter 20, Idaho Code, so long as he remains an Employee.

(e) Any member of the Idaho Department of Labor Retirement Plan created by Section 72-1335, Idaho Code, so long as he remains an Employee.

(f) Any person who contributed to the PERSI Base Plan with the expectation of eligibility but who is not an active member solely because his employment with the Employer does not total five (5) consecutive months, pursuant to section 59-1302(14)(B)(b), Idaho Code.

2.2 Participation

(a) On and after July 1, 2001, each Eligible Employee may, by making an Appropriate Request, enter into a salary reduction agreement in accordance with Section 3.1(a). Such salary reduction agreement shall become effective as of the first day of the pay period coincident with or next following the date on which the Appropriate Request is processed by the Plan's recordkeeper so long as they meet the minimum contribution requirements in Section 3.1(a)(1).

(b) Each person who becomes a Participant shall remain a Participant so long as he remains an Employee or maintains an Individual Account balance. If a Participant terminates employment with no balance in his Individual Account, he shall cease being a Participant upon his termination of employment. In the event an Employee ceases to be a Participant and is later reemployed as an Eligible Employee, he shall once again become a Participant upon his reemployment date.

2.3 Beneficiary Designation

(a) All Participants in this plan should have designated or will designate a Beneficiary on a form approved by PERSI, including an electronic designation. When no

designation of a Beneficiary is made by the Participant, the designation made by such Participant in the PERSI Base Plan shall apply to this Plan except as provided in Section 2.3(b). In the absence of any valid designation of Beneficiary by the Participant, the balance of the Participant's account shall be paid to the estate of such Participant upon such Participant's death.

(b) After the death of the Participant, a Beneficiary may designate a further Beneficiary, on a form provided by PERSI, to receive any benefits under the Plan which may become payable as a result of the death of the Beneficiary. If no such designation has been made, such benefits shall be payable to the estate of the Beneficiary.

(c) The interpretation of the Beneficiary designation, subject to applicable law, shall be binding and conclusive upon all parties, and no person who claims to be a Beneficiary, or any other person, shall have the right to question any action of the Board.

2.4 Investment Option Specification

(a) Each Employee who has entered into a salary reduction agreement in accordance with Section 3.1(a) may, by making an Appropriate Request, specify the Investment Option or Investment Options, if any, in which he elects to have his Individual Account invested. In the absence of any valid Investment Option specification, a Participant's Individual Account shall be invested in the Investment Option designated by the Board to be the default option.

(b) When options are available, a Participant may, by making an Appropriate Request, change his Investment Option specification with respect to Participant's Individual Account Contributions to be made in the future and with respect to amounts already in his Individual Account. Exchanges between Investment Options shall be subject to such administrative procedures as have been agreed to by the Board and the recordkeeper and may also be subject to applicable trading restrictions to discourage rapid or excessive trading and market timing.

2.5 Notification of Individual Account Balance

At least as frequently as quarterly, the Plan's recordkeeper shall notify each Participant of the amount of his Employee Pre-Tax Contributions, Employer Contributions, and Rollover Contributions, if any, for the period just completed and the balance of his Individual Account, including distributions, loans and withdrawals, if any, since the effective date of the last statement.

ARTICLE III
CONTRIBUTIONS

3.1 Employee Pre-Tax Contributions

A Participant may have Employee Pre-Tax Contributions made to the Plan on his behalf as follows:

(a) (1) A Participant may enter into a salary reduction agreement with his Employer in which it is agreed that the Employer will reduce the Participant's Deferral Compensation during each pay period by a designated percentage or amount and contribute that percentage or amount to the Plan on behalf of the Participant. Employee Pre-Tax Contributions may be any whole percentage between 1% and 100% of the Deferral Compensation otherwise payable to the Participant during the applicable pay period or any fixed dollar amount per pay period. Effective July 1, 2013, an Employer may permit Employee Pre-Tax Contributions in any percentage between 1% and 100% of the Deferral Compensation (regardless of whether such percentage is a whole percentage). In no case may Employee Pre-Tax Contributions for any year be less than one hundred thirty dollars ($130.00) divided by the number of annual pay periods.

The Employer may disregard or modify a Participant's salary reduction agreement to the extent necessary to insure the excess deferral rules of subsection (c) are met and the Code Section 415 limitations set forth in Section 4.5 are not exceeded.

The salary reduction agreement of an Employee who becomes eligible to participate in the Plan shall be effective under the rules set forth in Section 2.2.

(2) When options become available, employee Pre-Tax Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(3) Amounts contributed by salary reduction shall be remitted to the Board by the fifth working day after each payroll.

(b) A Participant who has in effect a salary reduction agreement may elect to change such agreement, including prospectively suspending such agreement, by making an Appropriate Request. Such election shall become effective as of the first day of the pay period coincident with or next following the date on which the Appropriate Request is processed.

(c) Excess deferrals

(1) No Participant may have Employee Pre-Tax Contributions made on his behalf under this Plan in any calendar year, which in the aggregate exceed the amount specified by the Secretary of the Treasury for purposes of Code Section 402(g)(1). For purposes of the preceding sentence, Employee Pre-Tax Contributions are deemed made as of the pay date for which the salary is deferred, regardless of when the contributions are actually made to the Trust Fund.

(2) If in any calendar year the aggregate of a Participant's Employee Pre-Tax Contributions made on his behalf under this Plan, plus his other elective deferrals under any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by any sponsor, under any simplified employee pension (as defined in Code Section 408(k)), or used to have an annuity contract purchased on his behalf under Code Section 403(b), exceed the limitations of paragraph (1), then no later than the April 15 following such calendar year the Participant may notify the Employer (i) that he has exceeded the limitation and (ii) of the amount of his elective deferrals under plans which he wants distributed to him (and earnings thereon) notwithstanding his salary reduction agreement so that he will not exceed the limitation. In the case of multiple plans, to the extent that elective deferrals exceed this limitation, any distributions necessary to remedy the excess must be made first by plans other than this Plan. The Employer may require the Participant to provide reasonable proof that he has exceeded the limitation of paragraph (1).

If in any calendar year the aggregate of a Participant's Employee Pre-Tax Contributions made on his behalf under the Plan, plus his other elective deferrals under any other qualified cash or deferred arrangement (as defined in Code Section 401(k)) maintained by the Employer, under a simplified employee pension (as defined in Code Section 408(k)) sponsored by the Employer, or used to have the Employer purchase an annuity contract on his behalf under Code Section 403(b), exceed the limitations of paragraph (1), then the Participant shall be deemed to have notified the Employer that (i) he has exceeded the limitation and (ii) he wants distributed to him the amount of such excess deferrals (and income thereon) notwithstanding the salary reduction agreement so that he will not exceed the limitation. No later than the next April 15, the Employer may (but shall not be obligated to) make the distribution requested, or deemed to have been requested, by the Participant under this subparagraph. Such distribution may be made notwithstanding any other provision of law or this Plan. It is the responsibility of each

Employer to monitor this limitation and to notify the appropriate plan that a distribution is necessary. Except as otherwise provided by regulations issued by the Secretary of the Treasury, such distribution shall not reduce the amount of Employee Pre-Tax Contributions considered as Annual Additions under Section 4.5. Any amounts not distributed under this subparagraph shall continue to be held in accordance with the terms of this Plan.

The income allocable to excess deferrals for a taxable year that begins on or after January 1, 2007 is equal to the sum of the allocable gain or loss for the taxable year of the individual plus the allocable gain or loss for the period after the close of the taxable year and prior to the distribution.

3.2 Employer Contributions

When authorized by the Board, a Participant's employer may make Employer Contributions to the plan on behalf of the Participant as follows:

(a) An Employer may match Employee Pre-Tax contributions on an on-going basis under a formula set forth in writing by the Employer and provided to the Board. Effective July 1, 2013, the formula for each Employer that makes matching contributions will be included in an appendix to the Plan.

(b) An Employer may make one-time, quarterly, semi-annual, or annual contributions to a Participant's accounts under a formula set forth in writing by the Employer and provided to the Board. Effective July 1, 2013, the formula for each Employer that makes nonmatching contributions will be included in an appendix to the Plan.

(c) All Employer Contributions shall be fully vested when made.

(d) When options become available, Employer Contributions shall be invested among the various Investment Options in accordance with the Employee's outstanding Investment Option election as in effect under Section 2.4.

(e) Employer contributions shall be remitted to the Board by the fifth working day after each payroll where a contribution is reported.

3.3 Rollover Contributions

Subject to the approval of the Board, a Participant may make a Rollover Contribution to the Plan, provided it qualifies for tax free rollover treatment under Code Sections 402(c) or 408(d). After-tax contributions will not be accepted. Rollover Contributions must be in cash; contributions in-kind shall not be permitted. Rollover Contributions shall be held in the Participant's Rollover Sub-Account. A Rollover Contribution made by a Participant to the Plan

shall be invested in accordance with the Participant's outstanding Investment Option specification.

3.4 USERRA

Notwithstanding any provision of this Plan to the contrary, Employee Pre-Tax Contributions with respect to qualified military service will be permitted in accordance with Code Section 414(u).

3.5 Catch-up Contributions

Beginning January 1, 2002, Participants who are eligible to make elective deferrals under this plan and who will attain age 50 before the close of the plan year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the plan implementing the required limitations of section 402(g) and 415 of the Code. The plan shall not be treated as failing to satisfy the provisions of the plan implementing the requirements of section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the Code, as applicable, by reason of the making of such catch-up contributions.

ARTICLE IV
ALLOCATIONS TO INDIVIDUAL ACCOUNTS

4.1 Individual Accounts

(a) The Board shall establish and maintain an Individual Account in the name of each Participant, comprised of the following sub-accounts to which the Board shall credit all amounts allocated to each such Participant: an Employee Pre-Tax Sub-Account, an Employer Contribution Sub-Account and a Rollover Sub-Account. All Sub-Accounts will be treated as one account for purposes of Participant direction of Investment Options.

(b) A Participant shall be 100% vested in his Individual Account at all times.

(c) Separate accounts shall be maintained for all former Employee Participants who have an interest in the Plan and have been separated from employment for ninety (90) days.

(d) The maintenance of separate accounts shall not require a segregation of the Trust assets and no Participant shall acquire any right to or interest in any specific asset of the Trust as a result of the allocations provided for in the Plan.

4.2 Allocation of Employee Pre-Tax Contributions

A Participant's Employee Pre-Tax Contributions under Section 3.1 shall be allocated to the Participant's Employee Pre-Tax Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.3 Allocation of Employer Contributions

Employer Contributions under Section 3.2 shall be allocated to the Participant's Employer Contribution Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.4 Allocation of Rollover Contributions

A Participant's Rollover Contributions under Section 3.3 shall be allocated to the Participant's Rollover Sub-Account, and shall be invested in accordance with the Participant's outstanding Investment Option specification.

4.5 Maximum Additions

(a) Except to the extent permitted under Section 3.5 and Code Section 414(v), the sum of the Employee Pre-Tax Contributions and Employer Contributions for any Limitation Year (the "Annual Additions"), when combined with any annual additions credited to the Participant for the same period under any other qualified defined contribution plan (or a defined

benefit plan treated as partially consisting of a defined contribution plan pursuant to Code Section 414(k)) maintained by the Employer, shall not exceed the lesser of the following:

(1) $40,000 or such larger amount as may be determined under Code Section 415(c)(1)(A); or

(2) 100% of the Participant's total Section 415 Compensation received from the Employer for such Limitation Year.

(b) In the event a Participant is covered by this Plan and another qualified defined contribution plan (or the Participant is covered by this Plan and a defined benefit plan treated as partially consisting of a defined contribution plan pursuant to Code Section 414(k)) maintained by the Employer, the maximum Annual Additions to each Plan shall be decreased as determined necessary to insure that the limitations of Code Section 415(c) are not exceeded in the following order: 1) any plan other than this Plan and any Code Section 414(k) plan, 2) then this Plan, and 3) then any Code Section 414(k) plan.

(c) In the event that corrective adjustments in the Annual Additions to any Individual Account in this Plan are required due to a reasonable error in estimating a Participant's compensation or in determining the amount of Employee Pre-Tax Contributions that may be made with respect to any Participant under the annual additions limit of subsection (a), the adjustment shall be made by first distributing the Employee Pre-Tax Contributions, plus earnings on such Employee Pre-Tax Contributions, to the Participant who made them.

(d) In the event that corrective adjustments in the Annual Additions to any Individual Account are required for any reason other than those specified in the preceding paragraph, the adjustment shall be made in accordance with the correction methods provided in this Plan or any methods endorsed by the Internal Revenue Service.

ARTICLE V
DISTRIBUTIONS

5.1 Termination of Employment or Attainment of Age 59½

(a) As soon as administratively feasible following the termination of employment of a Participant for any reason, the value of the Participant's Individual Account (as determined under Section 5.8) shall become payable. Upon request by the Participant or Beneficiary, the Board shall direct the Trustee to distribute to the Participant or Beneficiary such amount in accordance with the provisions of this Article, as applicable. The failure of a Participant or Beneficiary to request a distribution shall be deemed to be an election to defer distribution.

(b) In the event a Participant who terminated employment with an Employer is reemployed with an Employer prior to receiving a full distribution of the Participant's Individual Account, he or she shall not be entitled to a distribution as provided in this Article due to such termination, but shall be entitled to a distribution as determined herein upon any subsequent termination of employment or as provided in subsection (c).

(c) If a Participant is an Employee beyond the date the Participant attains age 59½ , the Participant may elect to receive an in-service distribution of the Participant's Individual Account, excluding any gain sharing contribution in accordance with Code Section 414(k) . If elected, the amount to be distributed will be distributed or will commence to be distributed as soon as administratively reasonable after the date of this election. Distribution will be made in accordance with the provisions of this Article V.

5.2 Method of Payment

(a) Account Balances Less than or Equal to $1,000. If, on the date that is 90 days after the Participant terminates employment with the Employer, the value of a Participant's Individual Account (as determined under Section 5.8) does not exceed $1,000, the Participant or Beneficiary shall not elect a payment option and benefit payments hereunder shall be made in a lump-sum payment representing the entire account balance.

(b) Account Balances Greater than $1,000 and Less than or Equal to $5000.

(1) If, on the date a distribution is requested by the Participant, the value of a Participant's Individual Account (as determined under Section 5.8) is greater than $1,000 but does not exceed $5,000, the Participant or Beneficiary may choose between the lump sum option described in Section 5.3(a) or the partial lump sum option described in Section 5.3(f).

(2) The only exception to subsection (1) is that a Participant who terminates employment on or after attaining Normal Retirement Age, may purchase service in the PERSI Base Plan as permitted by that plan, and Section 5.3(e) of this Plan.

(c) Account Balances Greater than $5000.

(1) Normal Retirement. If a Participant who terminates employment on or after reaching Normal Retirement Age requests a distribution and his Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3.

(2) Attainment of Age 59½. If a Participant that is an Employee who attains age 59½ requests a distribution of the Participant's Individual Account , excluding any gain sharing contribution in accordance with Code Section 414(k), and the Participant's Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(3) Disability. If a Participant terminated employment due to a Disability and his Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(4) Death. Upon the death of a Participant who has an Individual Account (as determined under Section 5.8) exceeding $5,000 on the date a distribution request is processed by the recordkeeper, the value of such Participant's Individual Account (as determined under Section 5.8) shall become payable to the Beneficiary. If the Beneficiary is the Participant's surviving spouse, the Beneficiary may select from any distribution option in Section 5.3 except purchase of service under Section 5.3(e). If the Beneficiary is not the Participant's surviving spouse, then, except as provided in Section 5.13, the Beneficiary may choose between the lump sum option described in Section 5.3(a)

or the partial lump sum option described in Section 5.3(f). After the death of the Participant and before distribution of the Participant's Individual Account balance, the Participant's Beneficiary shall be entitled to select the Investment Options in which the Individual Account will be invested in accordance with the same rules then applicable to Participant selection of Investment Options.

(5) Termination for Other Reasons. If the Participant's termination from employment is for any reason other than normal retirement under Subsection (1), disability under Subsection (3), or death under Subsection (4), and the Participant's Individual Account (as determined under Section 5.8) exceeds $5,000, the Participant may choose from any of the distribution options in Section 5.3 except for purchase of service under Section 5.3(e).

(d) Elections. A Participant or Beneficiary who is required to have his benefit hereunder paid under one of the methods provided in Section 5.3 shall make such an election by making an Appropriate Request. An election by a Participant or Beneficiary to receive his retirement benefit under any of the optional methods of payment as provided in subsection Section 5.3 may be revoked by such Participant or Beneficiary at any time up until the date that is 30 days prior to the date on which benefit payments are scheduled to commence. After retirement benefit payments have commenced, a Participant may revoke an election to receive his retirement benefit under the optional methods described in Section 5.3 except that an election to convert a portion of the distribution to purchase service under the PERSI Base Plan as provided in paragraph (e) of Subsection 5.3 or an election to have all or a portion of the distribution paid in a lump sum as provided in paragraphs (a), (d) or (f) of Subsection 5.3 is irrevocable.

5.3 Potential Distribution Options

(a) Lump-sum payment representing the entire account balance.

(b) Substantially equal monthly payments over a period not to exceed the joint life expectancy of the Participant and the designated Beneficiary. The amount of each monthly installment shall normally be the balance of the Participant's Individual Account divided by the remaining number of months in such period, all rounded to the nearest cent.

However, the amount of each monthly installment may be recomputed and adjusted from time to time, no more frequently than monthly, as the Trustee may reasonably determine.

(c) Installment payments of a fixed amount, with such payments to be made until exhaustion of the Participant's Individual Account balance, not to exceed 120 months.

(d) A portion of the distribution payable in a lump sum distribution, and the remaining portion payable in either of the optional forms provided for in subsections (b) or (c) above.

(e) A portion of the distribution converted to credited service under the PERSI Base Plan (defined benefit plan) in the same manner as a purchase of service under section 59-1363, Idaho Code, and the remaining portion payable in either the form provided for in subsection (a) or the forms provided for in subsections (b), (c) or (d) above.

(f) A partial lump sum distribution, with the remaining portion payable in either a lump sum payment under subsection (a) or another partial lump sum payment under this subsection (f).

(g) Any other optional form of benefit offered by the Plan's service provider as of the date the Participant makes his or her election pursuant to Section 5.2(d).

5.4 Allocation of Payments and Fees

Whenever a form of distribution is elected, requiring payment(s) of less than all the assets in the account, payments and fees shall be deducted on a pro-rata basis from each source and investment option.

5.5 Benefits to Minors and Incompetents

(a) In case any person entitled to receive payment under the Plan shall be a minor, the Board, in its discretion, may distribute such payment in any one or more of the following ways:

(1) By payment thereof directly to such minor;

(2) By application thereof for the benefit of such minor;

(3) By payment thereof to either parent of such minor or to any person who shall be legally qualified and shall be acting as guardian of the person or the property of such minor, provided the parent or adult person to whom any amount shall be paid shall

have advised the Board in writing that he will hold or use such amount for the benefit of such minor. Alternatively, the Board may distribute such payment consistent with the provision of the Uniform Transfers to Minors Act, as adopted by Idaho, or the state of residence of the minor, as applicable.

(b) In the event a person entitled to receive payment under the Plan is physically or mentally incapable of personally receiving and giving a valid receipt for any payment due (unless prior claim therefor shall have been made by a duly qualified legal representative of such person), such payment in the discretion of the Board may be made to the spouse, son, daughter, parent, brother or sister of the recipient or to any other person who is responsible for the welfare of such recipient.

(c) Any payments made under subsections (a) or (b) shall, to the extent of the payments, fully discharge the obligations of the Board and the Plan to any other person making a claim hereunder with respect to such payments.

5.6 Minimum Distribution Requirements between January 1, 2001 and December 31, 2002. With respect to distributions under the Plan made in calendar years beginning on or after January 1, 2001, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code in accordance with the regulations under section 401(a)(9) that were proposed in January 2001, notwithstanding any provision of the Plan to the contrary.

5.7 Minimum Distribution Requirements after December 31, 2002.

(a) General.

(1) Effective Date. The provisions of this Section 5.7 will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(2) Precedence. The requirements of this Section 5.7 will take precedence over any inconsistent provisions of the Plan.

(3) Requirements of Treasury Regulations Incorporated. All distributions under this Section 5.7 will be determined and made in accordance with the final Treasury regulations under Section 401(a)(9) of the Code.

(b) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(2) Death of Participant before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then distributions to the designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 5.7(b)(2), other than Section 5.7(b)(2)(A), will apply as if the surviving spouse were the Participant.

For purposes of this Section 5.7(b)(2), and Section 5.7(d), unless Section 5.7(b)(2)(D) applies, distributions are considered to begin on the Participant's required beginning date. If Section 5.7(b)(2)(D) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 5.7(b)(2)(A).

(3) Forms of Distributions. Unless the Participant's interest is distributed in a single sum on or before the required beginning date, as of the first

distribution calendar year distributions will be made in accordance with paragraphs (c) and (d) of this 5.7.

(c) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(A) The quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(B) If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death. (1) Death On or After Date Distributions Begin.

(A) Participant's Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the

Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:

(i) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii). If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

(iii). If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of the death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account

balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in 5.7(e)(3).

(B) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 5.7(b)(2)(A), this Section 5.7(b)(2)(C) will apply as if the surviving spouse were the Participant.

(e) Definitions.

(1) Designated Beneficiary. The individual who is designated as the Beneficiary under Article X of the Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, of the Treasury regulations.

(2) Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 5.7(b)(2). The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(3) Life expectancy. Life expectancy as computed by the use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(4) Participant's account balance. The account balance as of the last Valuation Date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of the dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The account balance for valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(5) Required beginning date. April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains age seventy two (72), or (b) the calendar year in which the Participant retires, effective for required beginning dates occurring after December 31, 2019 for individuals who reach age 70 ½ after December 31, 2019.

5.8 Valuation of Accounts

The value of a Participant's Individual Account upon a distribution under the Plan shall be determined as of the Valuation Date on which the Plan's recordkeeper issues payment to the Participant or the Participant's Beneficiary.

5.9 Direct Rollovers

(a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) (1) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without

regard to the exclusion for net unrealized appreciation with respect to employer securities); and any distribution made upon hardship of the employee.

(2) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), an annuity plan described in Section 403(a) of the Code, an eligible deferred compensation plan described in Section 457(b) of the Code that is maintained by an eligible employer described in Section 457(e)(l)(A) of the Code, an annuity contract described in Section 403(b) of the Code, or a qualified retirement plan described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. For distributions made after December 31, 2007, an eligible retirement plan also includes a Roth IRA described in Section 408A of the Code.

(3) A "distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(4) A "direct rollover" is a payment by the Plan to the eligible retirement plan specified by the distributee.

5.10 Approved Domestic Retirement Orders (ADROs)

(a) A Participant's Individual Account may be assigned in whole or in part to a spouse or former spouse only pursuant to a court order that substantially meets the requirements for a qualified domestic relations order under section 414(p) of the Internal Revenue Code, other than subsection (9) thereof, as determined by the Board or its agent. Such order must encompass all funds in the PERSI Choice Plan and be separate and distinct from any approved domestic retirement order required for assignments under the PERSI Base Plan.

(b) A separate Individual Account will be established for the spouse or former spouse to be designated an alternate payee account and will be treated in all respects as a former Employee Participant account as described in Section 4.1(c) of the Plan, except that an alternate payee shall not elect a payment option and distribution shall be made in a lump-sum payment representing the entire account balance of the alternate payee's account. Fees

will be assessed directly against such account in amounts determined by the Board pursuant to Section 11.3.

5.11 In-Service Transfers to Purchase Service.

A Participant may, while still employed, request that all or part of his Individual Account be transferred directly to the PERSI Base Plan, or other defined benefit governmental plan (as defined in Section 414(d) of the Code) maintained in the state of Idaho, if such transfer is for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) under such plan, or a repayment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof.

5.12 Reserved.

5.13 Rollovers to Non-Spouse Beneficiaries

Effective for distributions after April 30, 2007, the Beneficiary of a deceased Participant may request a transfer of the Beneficiary's Account to the trustee of an individual retirement account established under Section 408 of the Code in accordance with the provisions of Section 402(e)(11).

5.14 Required Minimum Distribution Holiday

Notwithstanding Section 5.7, a Participant or Beneficiary who would have been required to receive required minimum distributions for 2009 ("2009 RMDs") but for the enactment of section 401(a)(9)(H) of the Code, and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancy) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years ("Extended 2009 RMDs"), will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence.

ARTICLE VI
LOANS AND WITHDRAWALS

6.1 Loans to Participants

A Participant may, by making an Appropriate Request, request a loan from the Trust Fund; provided, however, a Participant who is not an Employee is not eligible to request or receive a loan from the Trust Fund. The following additional rules shall apply:

(a) The Board shall retain the power to approve or decline a loan and may make reasonable distinctions based upon creditworthiness, other obligations of the Participant, state laws affecting payroll deductions, and any other factors that may adversely affect the Employer's ability to deduct loan repayments from a Participant's pay.

(b) A Participant may only have one loan outstanding at any time.

(c) The minimum new loan amount shall be $1,000. If a Participant's Individual Account balance is insufficient to support the minimum loan amount loan, no loan shall be made.

(d) The maximum amount of any loan shall be the lesser of (1) and (2):

(1) $50,000, reduced by the highest balance of any loans from the Plan during the twelve month period ending on the day before the date the loan is made

(2) One-half of the value of the vested portion of the Participant's Individual Account on the date the loan is made.

(e) All loans shall be repayable over a period of not more than five years, except that a loan used by the Participant to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant shall be repayable over a period of not more than 10 years.

(f) A loan shall be secured by one-half of the value of the vested portion of the Participant's Individual Account balance; shall bear interest at a rate of one percent (1%) above the Prime Rate in effect on the first day of the calendar month in which the loan is applied for; shall be repaid by payroll deduction each pay period in accordance with a reasonable repayment schedule requiring substantially level payments of principal and interest; and shall be evidenced by a written promissory note setting forth the terms of the loan. A Participant may prepay the entire outstanding loan balance without penalty.

(g) There may be an administrative charge imposed on each new loan in an amount determined by the Board.

(h) Each loan shall be considered a separate investment option of the Individual Account of the Participant. Notwithstanding Section 4.1(d), when a loan is made, the amount of the loan shall be withdrawn from sub-accounts within the Participant's Individual Account among the separate Investment Options in which each sub-account is invested and transferred to a segregated loan account maintained in his name. The loan amount shall be withdrawn from the sub-accounts within the Individual Account in the following order: (1) the Rollover Sub-Account; (2) the Employee Pre-Tax Sub-Account; and (3) the Employer Contribution Sub-Account. Within each sub-account, the loan amount shall be withdrawn from the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. Payments of principal and interest against a loan shall thereafter be allocated ratably among the sub-accounts from which the loan was withdrawn and invested in accordance with a Participant's outstanding Investment Option specification.

(i) For purposes of this Plan, a Participant shall be deemed to be in default on a loan if the Participant fails to make any installment payment by the last day of the calendar quarter following the calendar quarter in which the payment was due. In the event of a default, the outstanding loan balance is deemed to be a taxable distribution.

(j) In the event of the death of a Participant, the Participant's Account balance shall be reduced or offset by the unpaid portion of the outstanding loan together with any accrued interest prior to distribution if the outstanding loan and accrued interest is not satisfied by payment in full prior to such distribution.

(k) In the event of Disability of the Participant or the termination of employment, the Participant may pay the loan as follows:

a. pay the loan in full;

b. if the record keeper allows, make arrangements with the record keeper (not PERSI) to continue making the loan payments after Disability or termination of employment; or

c. if neither a nor b above is selected, the loan shall be immediately due and payable.

(l) If an Employee who has an outstanding loan incurs a leave of absence, ceases loan repayment, and his rate of pay (after income and employment tax withholding) is not sufficient to meet the required repayment under the terms of the loan, then the Board shall not deem that a default has occurred for a period equal to the lesser of (1) the length of the leave of

absence, or (2) one year. In this instance, when the Employee returns from the leave of absence, his loan payments shall be reamortized over the remaining period of scheduled repayments. Notwithstanding the preceding provisions, loan repayments during a period of qualified military service will be suspended under this Plan as permitted under IRC Section 414(u)(4).

6.2 Hardship Withdrawals

(a) Upon making an Appropriate Request and with the approval of the Board or its designee, a Participant shall be allowed to withdraw all or part of the value of his Individual Account that is available under subsection (c) while still employed by the Employer. Withdrawals made pursuant to this Section 6.2 shall be made in a lump sum payment. Withdrawn amounts may not be repaid to the Trust Fund.

(b) A Participant may only make a withdrawal under this Section 6.2 if (1) the withdrawal is made on account of an immediate and heavy financial need and (2) the amount of the withdrawal does not exceed the amount necessary to satisfy the need.

(1) A withdrawal is made on account of an immediate and heavy financial need only if it is made for a reason described in Treasury Regulation 1.401(k)-1(d)(3)(iii)(B), or for any additional reason that the Commissioner of Internal Revenue deems to be an immediate and heavy financial need pursuant to his authority under Treasury Regulation 1.401(k)-1(d)(3)(v).

(2) A withdrawal will be considered to be in an amount necessary to satisfy the need only if:

(A) The withdrawal does not exceed the amount of the need under paragraph (1);

(B) The Participant has obtained all non-hardship distributions for which he is eligible under any plan the Employer may sponsor (including this Plan);

(C) The Participant has represented to the administrator, either in writing or by a recorded phone call, that he or she does not have sufficient cash or other liquid assets reasonably available to satisfy the need; and

(D) The Participant's Employer does not have actual knowledge that is contrary to the representation.

(c) A Participant's hardship withdrawal under this Section 6.2 shall be limited to the aggregate of all his Employee Pre-Tax Contributions made prior to the withdrawal (excluding earnings thereon allocated to his Employee Pre-Tax Sub-Account), reduced by the amount of any

prior withdrawal of such Employee Pre-Tax Contributions. Within the Employee Pre-Tax Sub-Account, withdrawals shall be charged against the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification.

6.3 Non-Hardship Withdrawals

Upon request of the Participant, a Participant shall be allowed to withdraw all or part of the value of his Rollover Sub-Account for any reason. Withdrawals made pursuant to this Section 6.3 shall be made in a lump sum payment. Within the Rollover Sub-Account, withdrawals shall be charged against the separate Investment Options on a pro-rata basis based on the Participant's outstanding Investment Option specification. Withdrawn amounts may not be repaid to the Trust Fund.

ARTICLE VII
TRUST FUND

7.1 Contributions

Contributions as provided for in Article III shall be paid over to the Trustee. All contributions shall be irrevocable, and, except as provided in Section 11.6 or any other provision of this Plan, shall not be returned to the Employer. Any reversion of trust funds to an Employer or PERSI is prohibited. Assets of the Fund may be used only for the exclusive benefit of Participants and their Beneficiaries.

7.2 Trustee

The Board will maintain an agreement with the Trustee under which the Trustee will receive, invest and administer as a trust fund contributions made under this Plan in accordance with the Trust Agreement.

Such Trust Agreement is incorporated by reference as a part of the Plan, and the rights of all persons entitled to benefits hereunder are subject to the terms of the Trust Agreement. The Trust Agreement specifically provides, among other things, for the investment and reinvestment of the Fund and the income thereof, the management of the Fund, the responsibilities and obligations of the Trustee, removal of the Trustee and appointment of a successor, accounting by the Trustee and the disbursement of the Fund.

Subject to a Participant's Investment Option specification, the Trustee shall, in accordance with the terms of such Trust Agreement, accept and receive all sums of money paid to it from time to time by the Board, and shall hold, invest, reinvest, manage and administer such moneys and the increment, increase, earnings and income thereof as a trust fund for the exclusive benefit of the Participants and their Beneficiaries and for the payment of reasonable expenses of administering the Plan.

ARTICLE VIII
PLAN ADMINISTRATION

8.1 The Board

The retirement board created pursuant to section 59-1304 of the Idaho Code to manage the Public Employee Retirement System of Idaho (the "Board") shall administer the Plan.

A Board member shall serve until his successor qualifies. Each Board member shall be entitled to one vote, and three Board members shall constitute a quorum. Three votes shall be necessary for resolution or action by the Board at any meeting.

The Board shall hold regular meetings and shall hold special meetings at such times and at such places as it deems necessary. All meetings of the Board shall be open to the public. The Board shall keep a record of all its proceedings.

The Board shall have the power and duty of managing the Plan. The Board shall have discretionary authority to construe the Plan, and to determine, consistent with the terms of the Plan, all questions that may arise thereunder relating to (a) the eligibility of individuals to participate in the Plan, (b) the amount of benefits to which any Participant or Beneficiary may become entitled hereunder, and (c) any situation not specifically covered by the provisions of the Plan. The determination of the Board shall be final and binding on all interested parties. All disbursements by the Trustee, except for the ordinary expenses of administration of the Fund, shall be made upon, and in accordance with, the written directions of the Board.

The Board shall have the powers and privileges of a corporation, including the right to sue and be sued in its own name as such Board. Members of the Board and staff hired to assist with Plan administration who shall be found to be fiduciaries of the Plan, jointly and individually, shall be indemnified from all claims, demands, judgments, costs, charges and expenses, including court costs and attorney fees, and against all liability losses and damages of any nature whatsoever that Board members and staff shall or may at any time sustain by reason of any decision made in the scope or performance of their duties pursuant to the provisions of this Section. The venue of all actions in which the Board is a party shall be Ada County, Idaho.

The Board shall appoint an executive director to serve at its discretion. The executive director shall be the secretary to the Board, bonded as is required by the Board and shall perform such duties as assigned by the Board. The executive director shall be authorized to designate a staff member as acting director or secretary in the director's absence.

The Board shall authorize the creation of whatever staff it deems necessary for sound and economical administration of the Plan. The executive director shall hire the persons for the staff. The salaries and compensation of all persons employed for purposes of administering the system shall be fixed by the Board and paid from the Plan, unless otherwise determined by the Board.

The Board shall arrange for all actuarial, audit, custodial, legal, consulting and other necessary services for the Plan. The fees and expenses of such services shall be paid from the Plan, unless otherwise determined by the Board.

Nothing herein shall prevent a Board member from being a Participant, or from acting on Plan matters that affect him by virtue of affecting all Participants generally. However, a Board member shall not act on any matter that affects him specially.

8.2 Appeals

The Board shall have the power and authority to adopt, amend or rescind such rules and administrative policies as may be necessary for the proper administration of the Plan.

A final decision of the Board shall be served by either electronic mail with a read receipt or first class and certified mail, postage paid, on all interested parties. Any person aggrieved by any otherwise final decision or inaction of the Board must, before he appeals to the courts, file with the executive director of the Board by electronic mail with a read receipt, first class mail, or personally, within 90 days after the service date of the final decision on the aggrieved party, a notice for a hearing before the Board. The notice of hearing shall set forth the grounds of appeal to the Board.

A hearing shall be held before the Board in Ada County, Idaho, at a time and place designated by the Board, or may be undertaken or held by or before any members(s) thereof or any hearing officer appointed by the Board for that purpose. The proceedings before the Board shall be governed by the provisions of chapter 52, title 67 of the Idaho Code. Members of the Board or the hearing officer shall have power to administer oaths, to preserve and enforce order during such hearings, to issue subpoenas for and to compel the attendance and testimony of witnesses or the production of books, papers, documents and other evidence and to examine witnesses.

Every finding, order or award made by any member or hearing officer pursuant to such hearing, as confirmed or modified by the Board, and ordered filed in its office, shall be deemed to be the finding, order or award of the Board. The recommended order of the hearing officer shall be considered by the Board and the decision and order of the majority of the members shall

be the order of the Board. Every such order rendered by the Board shall be in writing and a copy thereof shall be mailed by first class and certified mail or via electronic mail with a read receipt to each party to the appeal and to his attorney of record.

If any person in proceedings herein disobeys or resists any lawful order to process or misbehaves during a hearing, or so near the place thereof as to obstruct the same, or neglects to produce, after having been ordered so to do, any pertinent book, paper, document or other evidence, or refuses to appear after having been subpoenaed, or upon appearing refuses to take the oath as a witness, or after having taken the oath refuses to be examined according to law, the Board shall certify the facts to the district court having jurisdiction, and the court shall thereupon, in a summary manner, hear the evidence as to the acts complained of, and, if the evidence so warrants, punish such person in the same manner and to the same extent as for contempt committed before the court, or commit such person upon the same conditions as if doing of the forbidden act had occurred with reference to the proceedings, or in the presence of the court.

Any party aggrieved by a final order of the Board may seek judicial review thereof pursuant to the provisions of chapter 52, title 67 of the Idaho Code. The decision or judgment of the district court shall be subject to appeal to the Supreme Court in the same manner and by the same procedure as appeals are taken and perfected to the court in civil actions at law.

8.3 Missing Persons

If the Trustee is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person (including a notice of the payment so due mailed to the last known address of such Participant or other person as shown on the records of the Employer), such payment and all subsequent payments otherwise due to such Participant or other person shall be treated as forfeited three (3) years after the date such payment first became due; provided, however, that such payment and any subsequent payments shall be reinstated retroactively no later than sixty (60) days after the date on which the Participant or other person is identified or located.

ARTICLE IX
AMENDMENT AND TERMINATION OF THE PLAN

9.1 Amendment of the Plan

The Board shall have the right at any time to amend the Plan in whole or in part, including retroactively to the extent necessary. Notwithstanding the preceding sentence, no amendment shall increase the duties, powers and liability of the Trustee without its written consent. Any amendment shall be set forth in an instrument in writing, a copy of which shall be provided to the Trustee as soon as practicable following its adoption.

9.2 Termination of the Plan

Continuance of this plan is not assumed as a contractual obligation.

In the event of termination of the Plan, the Board shall value the Fund as of the date of termination. The Individual Accounts of the Participants and Beneficiaries affected by the termination, as determined by the Board, shall continue to be administered as a part of the Fund or distributed to such Participants or Beneficiaries as the Board, in its sole discretion, shall determine. Any distributions upon plan termination of amounts attributable to Employee Pre-Tax Contributions shall only be made to the extent permissible by Code Section 401(k)(10).

ARTICLE X

PROVISIONS RELATIVE TO EMPLOYERS INCLUDED IN PLAN

10.1 Method of Participation

After the effective date of this plan document, any organization that begins to participate in the PERSI Base Plan shall be considered to have adopted this plan and shall thereafter be included in this Plan.

10.2 Withdrawal

Withdrawal from this plan is contingent on withdrawal from the PERSI Base Plan. Upon withdrawal from the PERSI Base Plan, withdrawal from this Plan is mandatory. Upon such withdrawal, the Board shall certify to the Trustee the equitable share of such withdrawing Employer in the Fund (to be determined by the Board).

The Trustee shall thereupon set aside from the Fund then held by it such securities and other property as it shall, in its sole discretion, deem to be equal in value to such equitable share. If the Plan is to be terminated with respect to such Employer, the amount set aside shall be dealt with in accordance with the provisions of Section 9.2. If the Plan is not to be terminated with respect to such Employer, the Trustee shall pay such amount to such trustee as may be designated by such withdrawing Employer.

Neither the segregation of the Fund assets upon the withdrawal of an Employer, nor the execution of any new agreement and declaration of trust pursuant to any of the provisions of this Section 10.2, shall operate to permit any part of the corpus or income of the Fund to be used for or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries or to defray reasonable costs of administering the Plan and Trust.

ARTICLE XI
MISCELLANEOUS

11.1 Governing Law

The Plan shall be construed, regulated and administered according to the laws of the State of Idaho except in those areas preempted by the laws of the United States of America.

11.2 Construction

The headings and subheadings in the Plan have been inserted for convenience of reference only and shall not affect the construction of the provisions hereof. In any necessary construction the masculine shall include the feminine and the singular the plural, and vice versa.

11.3 Administration Expenses

The expenses of administering the Fund and the Plan shall be paid as directed by the Board not inconsistent with statutory authority or rule, including imposition of charges directly against Participant or Beneficiary accounts.

11.4 Participant's Rights

No Participant in the Plan shall acquire any right to be retained in the Employer's employ by virtue of the Plan, nor, upon his dismissal, or upon his voluntary termination of employment, shall he have any right or interest in and to the Fund other than as specifically provided herein. The Employer shall not be liable for the payment of any benefit provided for herein. All benefits hereunder shall be payable only from the Fund.

11.5 Limitation on Assignment

Except for the reasons provided by section 59-1317, Idaho Code, none of the benefits, payments, proceeds, or distributions under this Plan shall be subject to the claim of any creditor of a Participant or a Beneficiary hereunder or to any legal process by any creditor of a Participant or Beneficiary. Neither a Participant nor a Beneficiary shall have any right to alienate, commute, anticipate, or assign any of the benefits, payments, proceeds or distributions under this Plan.

11.6 Mistake of Fact

Notwithstanding anything herein to the contrary, upon the Employer's request, a contribution to this Plan which was made by a mistake of fact may be returned to the Employer by the Trustee within one (1) year after the payment of the contribution provided the funds have not been distributed.

ARTICLE XII
ADOPTION OF THE PLAN

As evidence of its adoption of this Tenth Amended Plan, the Board of Trustees of the Public Employee Retirement System of Idaho (PERSI) has caused this instrument to be signed by its authorized officer this 20 day of JANUARY, 2023 effective April 1, 2023.

ATTEST:

PERSI

By:

Don Drum

Executive Director and Secretary to the Retirement Board

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