

# Social Security Replacement Plan Amendment for the

## Social Security Replacement Plan

### ARTICLE I PREAMBLE

1.01 Adoption and effective date of Amendment. The Employer adopts this Amendment to indicate its intention to qualify this Plan as a Social Security Replacement Plan under Code §3121(b)(7)(F), as permitted by the federal Omnibus Budget Reconciliation Act of 1990 (OBRA). This Amendment is effective as of the Effective Date specified below.

1.02 Superseding of inconsistent provisions. This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

1.03 Construction. Except as otherwise provided in this Amendment, any reference to “Section” in this Amendment refers only to sections within this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations unless otherwise specified. Capitalized terms have the meaning given to them in the Plan document unless otherwise defined herein.

### ARTICLE II DEFINITIONS

2.01 The following definition is added to the end of Article I, Definitions, of the basic plan document:

1.41 **“Acknowledgement Form/Card”** means the application to the Administrative Services Provider to participate in the Plan when the Plan is a Social Security replacement plan.

2.02 Subsection 1.30 of Article I, Definitions, is hereby amended and restated in its entirety to read as follows:

1.30 **“Salary Reduction Contribution”** means a contribution the Employer makes to the Plan pursuant to a Participant’s Salary Reduction Agreement or Acknowledgement Form/Card

### ARTICLE III ADOPTION AGREEMENT ELECTIONS

3.01 Effective Date. The provisions of this Amendment are effective under the Plan as of \_\_\_\_\_.

3.02 [ ] **Social Security Replacement Plan.** An amount equal to 7.5% of the Participant’s Compensation for the entire Plan Year, reduced by Employee and Employer contributions to this Plan actually contributed to the Participant’s Account during such Plan Year.

**Include only part-time, seasonal and temporary Employees** (leave blank if not applicable)

a. [ ] Regardless of any other provision in the Adoption Agreement to the contrary, the contribution above will only be made for part-time, seasonal, or temporary Employees who are not otherwise covered by another qualifying public retirement system as defined in 26 CFR 31.3121(b)(7)-2.

**Contribution Types.** The required minimum contribution amount of 7.5% to qualify as a Social Security Replacement Plan shall be satisfied by:

- a.  The Participant only via Salary Reduction Contributions.
- b.  The Employer only via Non-elective Contributions.
- c.  A combination of the Participant's Salary Reduction Contributions and Employer's Non-elective Contributions, as follows:

- 1.  Participant shall contribute \_\_\_\_\_% via Salary Reduction Contributions.
- 2.  Employer shall contribute \_\_\_\_\_% via Non-elective Contributions.

NOTE: c.1. and c.2. must equal at a minimum 7.5%. If the Employer contributes less than 7.5%, the Participant must contribute a minimum Salary Reduction Contribution of 7.5% minus the Employer's Non-elective Contribution percentage in c.1. The Participant may make a Salary Reduction Contribution in excess of this amount.

#### **ARTICLE IV SOCIAL SECURITY REPLACEMENT PLAN**

##### 4.01 Special eligibility provisions for participants in a Plan used as a Social Security Replacement Plan.

**(A) Eligibility to participate for new Employees.** A new Employee shall, as a condition of employment to participate in the Plan, sign and file with the Administrative Services Provider an Acknowledgement Form/Card and thereby consenting to a reduction of salary by the amount of the Deferral Contribution specified in the Acknowledgement Form/Card. Contributions to the Participant's Account must equal at least 7.5% of the Participant's Compensation, or such other minimum amount as shall be required for the Plan to be considered a retirement system under Code §3121(b)(7)(F) and 26 CFR 31.3121(b)(7)-2.

**(B) Eligibility to participate for current Employees.** An Employee who is newly eligible to participate in the Plan shall, prior to becoming eligible to participate in the Plan, sign and file with the Administrative Services Provider an Acknowledgement Form/Card and thereby consent to a reduction of salary by the amount of the Deferral Contribution specified in the Acknowledgement Form/Card. Allocations to the Participant's Account must equal at least 7.5% of the Participant's Compensation or such other minimum amount as shall be required for the Plan to be considered a retirement system under Code §3121(b)(7)(F) and 26 CFR §31.3121(b)(7)-2.

**(C) Agreement to defer.** The reduction in the Participant's salary shall begin no earlier than 1) the first pay period commencing during the first month after the date on which the Acknowledgement Form/Card is filed with the Administrative Services Provider for current Employees or 2), for new Employees, the reduction in salary may begin in the calendar month during which the Participant first becomes Eligible to participate as long as the Acknowledgment Form/Card is entered into on or before the first day on which the Participant performs services for the Employer.

**(D) Takeover Plans.** If the Plan is a restated Plan, an Employee who participated in the predecessor plan shall become a Participant in the Plan upon the Employer's execution of the enabling documents for this Plan. Allocations to each such Participant's Account must equal at least 7.5% of the Participant's Compensation, or such other minimum amount as shall be required for the Plan to be considered a retirement system under Code §3121(b)(7)(F) and 26 CFR §31.3121(b)(7)-2, and the reduction in the Participant's salary shall begin immediately thereafter.

4.02 Investment of SSRP Contributions. Any Accounts to which the minimum Social Security Replacement Plan Contributions have been deposited must be credited with earnings at a rate that is

reasonable under all the facts and circumstances or the Accounts must be held in a separate trust that is subject to general fiduciary standards and be credited with actual earnings on the trust fund. The Employer may designate an investment with a reasonable rate of earnings to be used to satisfy this requirement for all such Accounts.

4.03 Method of Distribution. If a Participant has separated from Service with a Vested Account Balance of \$5,000.00 or more, he/she may receive, as a form of Benefit Payment, a Total Lump Sum Distribution, Partial Lump Sum Distribution, or Systematic Withdrawal. If a Participant has separated from Service with a Vested Account Balance of less than \$5,000.00, he/she may receive, as a form of Benefit Payment, a Total Lump Sum Distribution only.

This Amendment has been executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**Name of Plan:** \_\_\_\_\_

**Name of Employer:** \_\_\_\_\_

**Plan Sponsor Signature:** \_\_\_\_\_

**Plan Sponsor Name (Please Print):** \_\_\_\_\_

**Title:** \_\_\_\_\_