

**NEENAH JOINT SCHOOL DISTRICT**

**457(B) PLAN**

**PLAN DESCRIPTION**

May 2016

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## **INTRODUCTION**

Neenah Joint School District (the "District") established the Neenah Joint School District 457(b) Plan (the "Plan") effective September 1, 1982. This Plan Description describes the Plan as amended and restated effective May 3, 2016.

This revised Plan Description supersedes all previous Plan Descriptions. Although the purpose of this document is to summarize the more significant provisions of the Plan, the Plan document will prevail in the event of any inconsistency.

## **ELIGIBILITY FOR PARTICIPATION**

### Eligible Employee

All employees are "Eligible Employees". In addition, an independent contractor who performs service for the District is an "Eligible Employee".

### Date of Participation

You will become a Participant eligible to participate in the Plan on the first day of the calendar month after you first perform an hour of service as an Eligible Employee.

## **ELECTIONS/CONTRIBUTIONS**

### Participant Contributions

When you become eligible to participate in the Plan, you may begin contributing to the Plan. All contributions will be credited to an account established in your behalf. Your contributions to the Plan are not subject to federal income tax but may be subject to social security and Medicare taxes.

Please note that while you may enjoy certain tax benefits, there may be some drawbacks to participation in the Plan. You should consult with your professional tax/financial advisor to determine the consequences of your participation in this Plan.

You may elect to reduce your Compensation (defined below) and make a contribution to the Plan. You may elect to defer up to one hundred percent (100%) of your Compensation.

### Roth Contributions

Effective May 3, 2016, the Plan allows a newer type of participant contribution to the Plan. This new type of contribution is known as a Roth Contribution and is very much like a contribution to a Roth IRA. Like a Roth IRA, the Roth Contribution to the Plan is made by you on an after-tax basis, but if certain requirements are met, a "qualified distribution" from your Roth Contribution Account in the Plan will not be taxed. However, unlike a Roth IRA, there are no income limitations on who may make a Roth Contribution.

Roth Contributions are participant contributions that are made in the same manner as your pre-tax participant contributions. You must designate how much you would like to contribute on a pre-tax basis (normal contribution) and how much you would like to contribute as an after-tax Roth Contribution. You are not required to make any Roth Contributions. You may continue to designate all of your participant contributions as normal pre-tax contributions.

The sum of your Roth Contributions and regular pre-tax participant contributions may not exceed the contribution limit mentioned below.

As was mentioned above, a "qualified distribution" of your Roth Contributions (and earnings) is not taxable. A "qualified distribution" must be made more than five years after the first Roth Contribution is made and must meet at least one of the following requirements:

- (i) the distribution must be made after you attain age 59-1/2;
- (ii) the distribution must be made to your beneficiary after your death; or
- (iii) the distribution must be made on account of your disability.

Please note that Roth Contributions are not suitable for everyone. Please consult with your tax advisor before making any Roth Contributions to the Plan.

#### Contribution Limit

Federal tax law places a limit on the amount that you may contribute to the Plan each year. The limit is the lesser of:

- (1) \$18,000 (in 2016); or
- (2) 100% of your total compensation for the calendar year.

#### Make Up Contributions

During the last 3 calendar years ending before the year in which you attain age 65, you may be able to use a higher contribution limit. The "make up" limit is the lesser of:

- (1) 2 times the \$18,000 limit (in 2016); or
- (2) The sum of the unused portion of the \$18,000 (in 2016) in any prior year of participation in the Plan.

#### Age 50 Catch-Up Contributions

A Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of contributions, up to the maximum age 50 catch-up amount for

the year. The maximum dollar amount of the age 50 catch-up contributions for a year is \$6,000 (in 2016). The age 50 catch-up does not apply for any year for which a higher limitation applies under the make-up contribution described above.

#### Transfers/Rollover Contributions

If you are a participant, you may request to have all or a portion of an eligible rollover distribution paid to the Plan.

In addition, the Plan Administrator may accept a transfer of assets to the Plan from another section 457(b) plan. Such a transfer is permitted only if the other plan provides for such direct transfer and if such transfer is permitted by applicable federal tax regulations. The Plan Administrator may require that the transfer be in cash or other property acceptable to the Plan Administrator.

#### Compensation

Compensation means base salary. Compensation will include only that compensation which is actually paid to you during that part of the Plan Year you are eligible to participate in the Plan.

### **CREDITING EARNINGS ON PARTICIPANT ACCOUNTS**

#### Determination of Amount

Your Account will be credited with earnings that will reflect a "market basket" of predetermined investments. You may select which investments will make up your market basket. You may change your investment selections at such times as specified by the Plan Administrator.

#### When Earnings Are Credited

Your account will be adjusted daily for earnings/losses.

#### Expenses

The District may charge your Account with any or all of the expenses involved in the establishment or ongoing operation of the Plan.

#### Trust

The District will establish a trust fund to hold all contributions to the Plan. As an alternative, the District may invest Plan assets in custodial accounts and/or annuity contracts as permitted by federal law.

## **VESTING**

### Participant Contributions

You will have a fully vested and nonforfeitable interest in your contributions to the Plan (including rollover contributions and transfers from another plan).

## **DISTRIBUTIONS**

### Time of Distribution

Upon your termination of employment with the District, you are entitled to receive a distribution of your Account in any form of distribution permitted by the Plan.

Benefits may not commence later than the earlier of: (i) your required beginning date or (ii) 5 years after your termination date. Your required beginning date is April 1st of the calendar year following the calendar year in which you attain age 70-1/2 or terminate, whichever is later.

### Form of Payment

You may receive your Account in the following forms of payment:

- Single lump sum payment; or
- Installment payments for a period of years that you select (payable on an annual basis), which extends for no longer than the life expectancy of you and your Beneficiary.

### Payment on Participant Death

In the event of your death, the remaining balance of your Account will be distributed by the end of the first calendar year following the date of your death.

You have the right to designate one or more primary and one or more secondary Beneficiaries to receive any benefit becoming payable at your death. You are entitled to change your Beneficiaries at any time and from time to time by filing written notice of such change with the Plan Administrator. If you fail to designate a Beneficiary, or in the event that all designated primary and secondary Beneficiaries die before you, the death benefit will be payable to your spouse or, if there is no spouse, to your estate.

### Unforeseeable Emergency

You may receive a distribution upon the occurrence of an unforeseeable emergency. An unforeseeable emergency is a severe financial hardship that may not otherwise be relieved by reimbursement or compensation from insurance, by liquidation of your assets (to the extent the liquidation of such assets would not itself cause severe financial hardship), or by cessation of deferrals under the Plan.

Your Roth Deferrals may be withdrawn upon the occurrence of an unforeseeable emergency in the same manner as other deferrals. Please note however, that the income on the Roth deferrals may be taxable (and subject to penalties for early withdrawal) if the withdrawal is not a "qualified distribution."

#### Medium of Payment

You may receive a distribution from the Plan in the form of cash.

#### Transfers/Rollovers

The District may transfer your account to another section 457(b) plan provided that such transfer complies with applicable federal regulations. In addition, you may roll over a distribution from the Plan to another eligible retirement plan.

If the vested amount of your Account exceeds \$1,000 and you do not timely return your election forms within the time frames mentioned in the Time of Distribution section on page 4, above, the Plan Administrator must transfer your Account to an IRA established in your name; unless the distribution occurs after the later of your Normal Retirement Age or age 62. The mandatory distribution will be invested in an IRA designed to preserve principal and provide a reasonable rate of return and liquidity. For further information concerning the Plan's rollover provisions, the IRA provider and the fees and expenses attendant to the IRA please contact the plan administrator at the phone number found in the "ADMINISTRATIVE INFORMATION" section at the end of this plan description.

You may rollover a distribution that otherwise qualifies for direct rollover treatment, directly into a Roth IRA, even if it does not include a Roth account. You will want to seek professional tax advice, as this type of rollover distribution will be taxable to you. (It is designed to avoid the two step conversion process previously required to convert a non-Roth IRA into a Roth IRA after paying tax on the conversion.)

You may also transfer service credit to another defined benefit governmental plan. If you are interested in this feature, please contact the Plan Administrator for more information.

#### Loans

You may receive a loan from the Plan. If you are interested in this loan feature, please contact the Plan Administrator for more information.

#### Inservice Withdrawals

Subject to any Plan Administrator procedures, you may receive an inservice withdrawal of your rollover Account.

You may receive an inservice withdrawal from your Account upon attainment of age 70-1/2 if you have not yet terminated employment.

## **MISCELLANEOUS**

### Domestic Relations Orders

Your benefits under the Plan may be assigned to other people in accordance with a qualified domestic relations order. You may obtain, without charge, a copy of the Plan's procedures regarding qualified domestic relations orders from the Plan Administrator.

### Amendment and Termination

The District may amend, terminate or merge the Plan at any time.

### Fees

Your account may be charged for some or all of the costs and expenses of operating the Plan. Such expenses include, but are not limited to, investment expenses and costs to process plan distributions and domestic relations orders.

### Administrator Discretion

The Plan Administrator has the authority to make factual determinations, to construe and interpret the provisions of the Plan, to correct defects and resolve ambiguities in the Plan and to supply omissions to the Plan. Any construction, interpretation or application of the Plan by the Plan Administrator is final, conclusive and binding.

### Plan Year

The plan year ends on December 31.

## **ADMINISTRATIVE INFORMATION**

The Plan Sponsor and Plan Administrator is Neenah Joint School District.

Its address is 410 South Commercial Street Neenah, WI 54956.

Its telephone number is 920-751-6800.

Its Employer Identification Number is 36-6003606.