

SUMMARY PLAN DESCRIPTION

Calhoun County Retirement Savings Plan

January 1, 2015

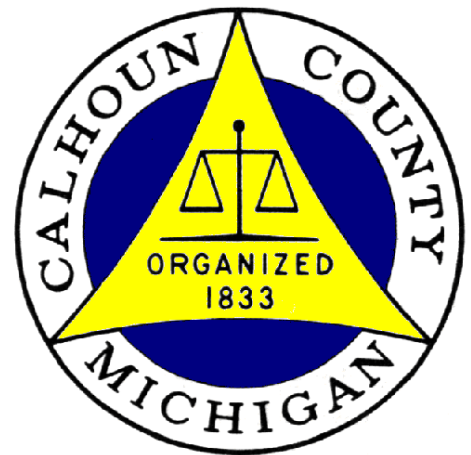


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Introduction

The County of Calhoun is committed to helping you save for retirement. To help you reach your financial goals for retirement, the County of Calhoun maintains the Calhoun County Retirement Savings Plan. This summary plan description explains the principal features of the plan in effect on January 1, 2015.

A summary cannot include all details of the plan document or the administration and operation of the plan. If there is any omission or ambiguity in this summary plan description or any conflict between this summary and the terms of the plan, the provisions of the actual plan document will control. You may examine, without charge at the office of the *Plan Administrator*, all documents governing the plan. Neither the actual plan document nor this summary constitutes an express or implied contract of employment. If you have questions or if you want to know how a plan provision applies to you, please contact the *Plan Administrator*.

Throughout this summary plan description, certain key words are used frequently. These words, indicated by the word being *italicized*, are defined in the Glossary at the end of this summary. You may find it necessary to refer to these key words as you read this summary plan description.

Eligibility to Participate

Participation in the plan is open to all employees who are employed in *Covered Employment*. You will become a participant in the plan on the first *Entry Date* after you complete one *Hour of Service*.

If your employment terminates and you are reemployed in *Covered Employment* by the *Employer* after having been a participant in the plan, you will become a participant immediately upon reemployment.

Contributions

Your Contributions

Elective Contributions

As a way to save for retirement, you may elect to have part of your *Compensation* contributed to the plan on a pre-tax basis as an *Elective Contribution*. You are not required to have *Elective Contributions* made on your behalf.

However, if you choose to do so, the amount you elect to defer will be automatically deducted from your paycheck and credited to an account maintained for you. Since your taxable income is reduced, you pay less in current annual taxes when you make *Elective Contributions*.

Your initial election is effective as soon as possible after you become a participant in the plan. You may change your election, make a new election, or discontinue your *Elective Contributions* at any time.

Benefits of Making Elective Contributions

Your *Elective Contributions* are made on a pre-tax basis to help you save for retirement. This means that amounts contributed to the plan are not subject to current income taxes. As a result, your current taxable income will be reduced (although your gross pay remains the same).

For example, if you are in the 25% income tax bracket, and you contribute \$1,600 in *Elective Contributions* for the calendar year, you will reduce your pay subject to federal income taxes by \$1,600. This reduction could save you up to \$400 on your federal income taxes (25% x \$1,600). Note that FICA taxes, unlike income taxes, do have to be paid on any *Elective Contributions*.

You may also be eligible for a tax credit based on your deferrals (a “Saver’s Credit”). If your income is below certain levels, this credit could further reduce the federal income tax you pay. You should consult your tax advisor to determine if you are eligible for the Saver’s Credit and the amount of your potential tax savings. Information about the Saver’s Credit is also provided in IRS Form 8880 (Credit for Retirement Savings Contributions), available on www.irs.gov.

Finally, earnings on your contributions are not taxable to you as long as you leave them in the plan. This means that by authorizing *Elective Contributions* to the plan instead of putting the same money into a savings

account, you can save the income taxes that you would have otherwise had to pay on the earnings. This tax deferral permits a much more rapid accumulation of funds for your retirement.

Limit on Elective Contributions

Federal law limits the amount of *Elective Contributions* you may make in a calendar year. For the 2015 calendar year, your *Elective Contributions* to all plans in which you participate may not be more than **\$18,000**. In addition, if you are at least age 50 before the end of a calendar year, you are also allowed to make “catch-up” *Elective Contributions* during the calendar year. Catch-up *Elective Contributions* are limited to **\$6,000** for the 2015 calendar year. These dollar amounts may be adjusted in future years.

The *Employer* will attempt to prevent your *Elective Contributions* from exceeding the dollar limit. However, if you have made *Elective Contributions* to this plan and also to a plan of an unrelated company that exceeded the limit, you must request that one or both of the plans distribute the excess to you, and the amount over the limit will generally be taxable to you. If you do not request that the excess contribution be paid to you, the excess amount is taxable to you, but it stays in the plan and will be taxed again when you receive it as a distribution in a later year.

Under this plan, you must notify the *Plan Administrator* by February 15 of the following year if you want an excess amount paid to you. The notice must include the excess amount and an acknowledgement that it exceeds the limit on *Elective Contributions*. Once the notification has been received, the excess contributions will be returned to you (with earnings) no later than the April 15 following the calendar year in which the excess contributions occurred. Failure to timely notify the *Plan Administrator* about excess contributions can result in adverse tax consequences to you.

Rollovers

If you have satisfied the eligibility requirements to participate in the plan, you may roll over certain distributions from a former employer’s retirement plan to this plan. The former employer’s plan could be a qualified plan (such as a 401(k) plan), a 403(b) tax-sheltered annuity, or a 457 deferred compensation plan maintained by a governmental entity. You also may be eligible to roll over amounts received from a traditional (i.e. non-Roth) IRA. However, no rollovers of after-tax employee contributions or Roth 401(k) contributions are permitted.

The rules governing rollovers are complex and there may be reasons why your rollover would not be accepted (for example, if it is a Roth IRA or the rollover contains Roth contributions). If you have questions regarding

rollovers, contact the *Plan Administrator*. A rollover may be made directly to this plan by the other plan or IRA or, if the distribution is made to you, you may roll it over to this plan within 60 days of the date you receive the distribution.

Employer Contributions

Matching Contribution

As an incentive to make *Elective Contributions*, the *Employer* may make matching contributions based upon the amount you contribute to the plan. Each *Plan Year* the *Employer* will decide whether to make a matching contribution, the amount of the contribution, if any, and the relationship the matching contribution will bear to *Elective Contributions*. The *Employer* also determines the matching contribution period, which may be the *Plan Year*, each calendar quarter, each payroll period, or any other specified period. If you are a member of a collective bargaining unit that has elected to participate in this plan, the matching contribution will be the amount (if any) provided in the collective bargaining agreement applicable to you.

The matching contribution for a period will be allocated among the accounts of all participants who make *Elective Contributions* for the period. Because matching contributions are made as a percentage of your *Elective Contributions*, the amount credited to your account will depend on the amount you elect to defer.

For example, assume the *Employer* has decided to contribute 25% up to 5% of your *Compensation* for each payroll period. To illustrate this matching contribution on a payroll period basis, assume you elect to contribute 5% each pay period throughout the *Plan Year* and your *Compensation* is \$30,000 for the *Plan Year*. Your *Elective Contributions* total \$1,500 for the year. Your matching contributions account would be credited with \$375 ($\$30,000 \times 5\% \times 25\%$).

If, instead, you were to contribute at a level of 8% for the first half of the year and then drop to 2% for the remainder of the year, you would still make a total *Elective Contribution* of \$1,500 for the *Plan Year* consisting of \$1,200 ($\$15,000 \times 8\%$) plus \$300 ($\$15,000 \times 2\%$). However, you would receive a matching contribution of \$262.50 instead of \$375 due to the change in the amount of your *Elective Contributions* during the *Plan Year* and the application of the 5% limit on matching contributions during the first six months of the year. The matching contribution for the first half of the year would be \$187.50 ($\$15,000 \times 5\% \times 25\%$). The matching contribution for the second half of the year would be \$75 ($\$15,000 \times 2\% \times 25\%$).

It is important to note the matching contribution period. If the matching contribution period is each payroll period, you may wish to contribute consistently each pay period throughout the year in order to maximize your matching contribution.

Supplemental Contribution

The Employer decides each *Plan Year* whether to make a supplemental contribution to the plan and the amount to be contributed. The Employer may change the amount of the supplemental contribution at any time during a *Plan Year*. If you are a member of a collective bargaining unit that has elected to participate in this plan, the Employer will make a supplemental contribution to the extent required (and in the amount required) by the collective bargaining agreement applicable to you.

If a supplemental contribution is made for a particular *Plan Year*, it will be allocated to each participant designated to receive the contribution. If you receive a contribution, it will be credited to your supplemental contributions account. The amount of your contribution, if any, will be a fixed dollar amount or based on your *Compensation* for the *Plan Year* in proportion to the total *Compensation* paid to all participants eligible to receive a contribution for the *Plan Year*.

Accounts

All contributions are delivered to the Trustee to be held in a trust fund established exclusively for the benefit of all participants. A separate bookkeeping account will be established for you for the contributions made to the plan on your behalf. You will receive statements reflecting the activity and status of your account each year.

Investment of Your Account

You may direct the investment of your account. Because each individual has different financial goals and savings needs, a variety of investment options are available to you. Choosing the right investment for you depends on your age, how much risk you are willing to take, your retirement goals, other investments you might have, and other factors that are relevant to you. You will be provided information about the investment options available for your account, including information about the historical performance and cost of each option, and how to make changes to your investment selections.

The investment options may be changed from time to time, and you will be notified if this happens. You are responsible for the investment choices you make and the results of those choices. If you do not make an investment election, the Trustee will invest your account in an option designated as the default choice.

Earnings and Losses

All of the investment funds offered are affected by market changes. Accordingly, the market value of your account will reflect both market gains and losses.

Having a diverse portfolio can help you balance your investment risk. Diversifying means spreading your risk by investing in a variety of investment options. When you diversify, you reduce the chances of being hit hard by the poor performance of one investment or investment type.

Expenses

If plan-related administrative expenses are paid from the assets of the plan, these expenses will generally be charged to your account in proportion to the balances of all participant accounts, or as an equal dollar amount for each participant. However, the *Employer* may decide only to pay expenses attributable to the accounts of terminated participants from the assets of the plan, and to charge those expenses to the accounts of those terminated participants on a uniform and nondiscriminatory basis. In that case, once you terminate employment, your account will be charged a portion of the expenses attributable to the accounts of terminated participants.

Certain expenses attributable only to your account may be charged only to your account. For example, if you divorce and the plan receives a proposed *Domestic Relations Order* awarding a portion of your account to your former *Spouse*, expenses related to the approval and processing of the order may be charged directly to your account.

You will be provided with additional information regarding the fees, expenses and investments under the plan so you can take that information into account when making investment and other decisions regarding your retirement plan account.

Responsibility for Investments

Since the plan permits you to direct your account, the *Employer*, Trustee, *Plan Administrator*, and other parties administering the plan are not

responsible for any losses which are the direct result of your investment instructions.

Vesting

100% Vesting

You are 100% vested in your accounts for your *Elective Contributions* and rollovers.

Vesting Schedule

Vesting for matching and supplemental contributions is determined by your *Years of Vesting Service*. You will become vested in these accounts according to the following schedule:

Years of Vesting Service	Vested Percentage
Less than 2 years	-0-
2 years	20%
3 years	60%
4 years	80%
5 years or more	100%

Regardless of your *Years of Vesting Service*, you will automatically become 100% vested in all of your accounts if you are employed when you reach your *Normal Retirement Date* or if you die or become *Disabled* while employed by the *Employer*.

EXAMPLE:

Your employment terminates after you have three *Years of Vesting Service*. If your accounts subject to *Vesting* are valued at \$10,000 when you receive a distribution, you will receive \$6,000 (\$10,000 multiplied by 60%).

Forfeiture of Benefits

After your employment terminates, any nonvested amounts in your account will be forfeited after you have five consecutive *Breaks in Service* or if you receive a distribution of your vested account balance. However, if you became a participant on or after January 1, 2011 and your employment terminates, any nonvested amounts in your account will be forfeited permanently upon the termination of your employment regardless

of whether you have five consecutive *Breaks in Service* or receive a distribution of your vested account balance.

Generally, forfeited amounts are applied to reduce the next contribution to the plan or to offset administrative expenses incurred in the operation of the plan. Forfeitures are not returned to the *Employer*.

Reemployment

If you became a participant before January 1, 2011, terminate, and then get rehired, you may repay the amount you received if you are reemployed before you have five *Breaks in Service*. If you repay the amount you received, the nonvested part of your account that was forfeited will be restored to your account. The repayment must generally be made by the earlier of the fifth anniversary of reemployment or the fifth anniversary of your termination date following the distribution. If you were 100% vested when you terminated or you became a participant after December 31, 2010, you do not have the opportunity to repay the distribution.

Distributions/Withdrawals

Distribution After Termination of Employment

You may request a distribution from the plan when your employment terminates. If your vested account balance is more than \$5,000, you have the option of requesting a distribution or leaving your account in the plan. If you make a request for distribution, payment will be made as soon as administratively possible.

If you do not request a distribution, the law requires that payment begin no later than April 1 of the year following the year in which you reach age 70½ or if later, the year your employment terminates.

If your vested account balance is \$5,000 or less, you do not have the option of leaving your account in the plan. Your vested account balance automatically will be paid to you as soon as administratively possible after your employment terminates.

How Your Benefits Are Distributed

Your vested account balance will be paid in a single lump-sum payment.

Automatic Distribution of \$5,000 or Less

If your employment terminates and your vested account balance is \$5,000 or less, your entire vested account balance will be distributed as soon as administratively possible after your termination. You may elect to have the distribution paid directly to you or have the distribution rolled over to another retirement plan such as an IRA. At the time of your termination, you will receive further information regarding your distribution rights.

Unless you direct otherwise, if your vested account balance is \$1,000 or less at the time your entire vested account balance is distributed, the distribution will be paid directly to you. If your vested account balance is over \$1,000 at the time of the distribution and you do not direct otherwise, your entire vested account balance will be rolled over to an IRA selected by the *Plan Administrator*.

If your vested account balance is automatically rolled over to an IRA selected by the *Plan Administrator*, it will be invested in a manner intended to preserve principal and provide a reasonable rate of interest and liquidity. The IRA will belong to you and you will assume all rights and responsibilities related to it, including the right to roll over the account to another IRA. All expenses of the IRA will be charged against the balance in the IRA. Unless you sign a new beneficiary designation for the IRA provider, the beneficiary in the event of your death will be determined in accordance with the IRA and not this plan.

For specific information regarding the IRA provider and associated fees, contact the *Plan Administrator*.

Distribution Upon Death

If you die before receiving any benefits and your total vested account balance is at least \$5,000, your *Beneficiary* has the option to request a lump sum distribution or leave your account in the plan for up to five years. However, if your *Spouse* is your *Beneficiary*, payment may be delayed until the year you would have attained age 70½. Payment will be made as soon as administratively feasible after your *Beneficiary* requests a distribution and provides the necessary documentation concerning your death.

If you die before receiving any benefits and your vested account balance is less than \$5,000, your *Beneficiary* does not have the option of leaving your account in the plan. Your *Beneficiary* will receive a lump sum distribution as soon as possible after your death.

Designation of Your Beneficiary

If you do not designate a *Beneficiary*, the plan provides that benefits payable after your death will be distributed to a *Beneficiary* determined in the following default order:

- your *Spouse*;
- your children (and if deceased, their children);
- your parents; and then
- your brothers and sisters.

If you do not want this order of distribution, or if you want to name a different *Beneficiary*, you should designate a *Beneficiary* by completing and signing a form furnished or approved by the *Plan Administrator*. Your will is not effective as a beneficiary designation.

If you are married, your *Spouse* automatically will be your sole primary *Beneficiary*. The only exception to this rule is if your *Spouse* consents to another primary *Beneficiary* in writing and has the written consent witnessed by a notary public or plan representative.

Your beneficiary designation may be made or changed at any time, with appropriate spousal consent if applicable, by submitting a valid designation form to the *Plan Administrator*.

Withdrawal of Your Benefits While Still Employed

There are limited opportunities to withdraw funds from the plan while you are still working for the *Employer*. Withdrawals are permitted in the following situations:

- **Age 59½.** If you have reached age 59½, you may request payment of all or a portion of your *Elective Contributions* account or rollover account, if any.
- **Total Disability.** If you suffer a *Disability* while you are employed, you may request payment of all or a portion of your vested account balance.
- **Retirement.** If you have reached your *Normal Retirement Date*, you may request all or a portion of your vested account balance.
- **Hardship.** You may request a distribution of at least \$1,000 from your *Elective Contributions* account and/or rollover account to meet an immediate financial hardship.

You will receive a hardship distribution only if you demonstrate there is an immediate financial hardship due to one of the following:

<i>Medical Expenses</i>	Certain medical expenses for you, your <i>Spouse</i> , your dependents, or the person you have named as your primary beneficiary under the plan.
<i>Eviction/Foreclosure</i>	The prevention of eviction from or foreclosure on the mortgage of your principal residence.
<i>Funeral Expenses</i>	Burial or funeral expenses for your parents, your <i>Spouse</i> , your children, or your dependents.

You must submit satisfactory proof that a hardship exists and that you have no other sources from which to meet the hardship. You may be required to suspend *Elective Contributions* for six months following a hardship distribution.

- **Transfers To Other Public Employee Retirement Systems.** If you are eligible to participate in a public employee retirement system established and maintained by the State of Michigan, and if you have attained age 59½ and completed at least five *Years of Vesting Service*, then you may request a transfer of all or part of your vested account balance to the State of Michigan public employee retirement system in which you are eligible to participate.

Loans to Participants

You may request a loan from the plan. If you apply for a loan, you will be given a copy of the loan procedures for the plan which explains the rules and limits on loans in further detail. Your loan will be evidenced by a written promissory note providing for the payment of principal and interest in level amounts. If you fail to repay any part of the loan, the Trustee may deduct the balance, including any unpaid interest due on the loan, from your vested account balance. You must consent to the use of your vested account balance as security for the loan. The *Plan Administrator* may ask for additional security.

Administration of the Plan

The *Plan Administrator* has overall responsibility and authority to administer the plan, to interpret its provisions, and to formulate such rules and regulations as are necessary to administer the plan in accordance with its terms. The *Plan Administrator* may appoint an administrative committee with overall responsibility and authority for the administration of the plan.

Review Procedures

The *Plan Administrator* is responsible for determining the amounts payable under the plan. An application for benefits will either be approved or denied under a review process. The review process sets limits on the amount of time you may take to make a request for benefits and for the *Plan Administrator* to respond.

Making a Claim for Benefits

If you submit a claim (application for benefits) under the plan, you must do so in writing to the *Plan Administrator*, on the forms provided for that purpose. The *Plan Administrator* will inform you of the approval or denial of your claim within 90 days of its receipt, unless you are notified prior to that time that an extension is necessary.

Appealing Claims Decisions

You (or your representative) may appeal the denial of your claim within 60 days of receiving notification of the denial. The *Plan Administrator* will inform you of the approval or denial of your appealed claim within 60 days of receipt of your appeal, unless you are notified that an extension is necessary. If your claim is again denied, you will receive written notification.

Additional Information

Plan Amendment or Termination

The *Employer* intends to continue the plan indefinitely. However, the *Employer* has the power to amend or modify the plan at any time. The plan cannot be amended to retroactively reduce your benefits or vested percentage, however.

The *Employer* has the right to stop making contributions to the plan permanently or to terminate the plan. If the *Employer* decides to stop making contributions permanently, your account will become 100% vested, but the funds may remain in trust to be distributed when you become eligible to receive a distribution. Generally, if the plan is terminated, your account becomes 100% vested and will be distributed to you. However, in some circumstances all or a portion of your account may have to be rolled over to a successor plan of the *Employer*. No plan assets will be returned to the *Employer*.

Pension Benefit Guaranty Corporation

Your benefits are not insured under the insurance provisions of *ERISA* which establish the Pension Benefit Guaranty Corporation. This is because the insurance provisions of *ERISA* do not include governmental plans such as this one in which assets are held in individual accounts for each participant.

Effect on Taxes

The plan has been designed to meet Internal Revenue Code requirements to take advantage of special tax treatment for retirement plans. This means that the benefits that you earn are not currently taxable to you. You are taxed only when you actually receive benefits from the plan. The taxation depends on when and how your benefits are paid to you.

In general, any payments you receive from the plan will be subject to ordinary income tax. In addition to income taxes, if you receive a distribution before age 59½ as a result of your termination, it will also be subject to a 10% early distribution penalty tax, unless an exception applies. For more information about these exceptions, refer to Publication 575 (Pension and Annuity Income) available on www.irs.gov.

Mandatory Federal withholding of 20% applies to all taxable income distributions directly to you from the plan. Mandatory state withholding may also apply. You can defer paying income tax and avoid the withholding by requesting a direct rollover to an individual retirement account (IRA) or an eligible retirement plan of another employer, in which case the entire amount of the distribution will be transferred to the IRA or other plan. You will be provided with a summary of the rules governing rollovers and the tax treatment of distributions received from the plan. However, the tax treatment of distributions is quite complex and subject to frequent changes. You should consult your tax advisor before you take a distribution from the plan.

Federal law requires that you must begin to receive your benefits by the April 1 after the calendar year in which you reach age 70½, or if later, the year your employment terminates. If you do not receive at least the required minimum amount of distribution when you reach age 70½, you will be required to pay a tax equal to 50% of the amount that should have been distributed.

Assignment of Benefits

Your benefits generally are not assignable, but may be subject to claims of creditors to the extent permitted by law, or as required by a *Domestic Relations Order (DRO)*, discussed below.

Domestic Relations Order (DRO)

The plan is required by law to obey court orders (such as divorce decrees) that require a percentage of your benefits to be paid to a *Spouse*, former *Spouse*, child or dependent. If such an order is determined by the *Plan Administrator* to be a *DRO*, the plan will be required to comply with the terms of the order and will make every effort to notify you of any attempt to subject your benefits to a court order. A *DRO* must satisfy certain legal requirements before it can be accepted. You may want to have the *DRO* approved by the *Plan Administrator* before the order is entered with the court to make sure it will be accepted. You may obtain, without charge, a copy of the plan's procedures governing *DROs* upon request from the *Plan Administrator*.

Qualified Military Service

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), if you return from *Qualified Military Service* to employment with the *Employer* within certain time limits, you are entitled to make up the contributions you could have made and receive an allocation of *Employer* contributions you would have received if you had been employed by the *Employer* during the period of *Qualified Military Service*. If you die while engaged in *Qualified Military Service* (with reemployment rights), you will become 100% vested regardless of the number of *Years of Vesting Service* you had at the time you left. For more information on your rights under USERRA and military leaves, contact the *Plan Administrator* or visit www.dol.gov/vets.

Implied Promises

Nothing in this summary plan description says or implies that participation in this plan is a guarantee of continued employment with the *Employer*, nor is it a guarantee that the plan will remain unchanged in future years.

Plan Information

Type of Plan

This plan is a defined contribution plan. This means that an individual account is maintained for each participant and benefits under the plan are based solely on the value of that account.

Name of Plan

The name of the plan is the Calhoun County Retirement Savings Plan.

Plan Year

January 1 – December 31

Name and Address of Employer

County of Calhoun
315 West Green Street
Marshall, Michigan 49068
(269) 781-0980

Plan Sponsor

The plan is sponsored by:

County of Calhoun
315 West Green Street
Marshall, Michigan 49068
(269) 781-0980

Employer Identification Number

The Employer Identification Number assigned to the County of Calhoun by the Internal Revenue Service is 38-6004358.

Plan Number

The plan number for this plan is 003.

Plan Administrator

The plan is administered by:

County of Calhoun
315 West Green Street
Marshall, Michigan 49068
(269) 781-0980

Type of Administration

This plan is self-administered by the County of Calhoun and its delegates.

Plan Trustee

Christine Schauer
Calhoun County Treasurer
315 West Green Street
Marshall, Michigan 49068
(269) 781-0980

Agent for Service of Legal Process

The agent for service of legal process is:

County of Calhoun
315 West Green Street
Marshall, Michigan 49068
(269) 781-0980

Service also may be made on the *Plan Administrator* or the Trustee.

Glossary

Throughout this summary plan description, certain key words are used frequently. These words, indicated by italics, are defined below to help you understand your benefits. You may find it necessary to refer back to these key words as you read this summary plan description.

Beneficiary: A *Beneficiary* is the person designated, or determined, to receive your benefits after your death.

Break in Service: A *Break in Service* occurs when you do not complete more than 500 *Hours of Service* during a 12-consecutive-month period. Generally, you will not have a *Break in Service* if you are off for maternity or paternity leave or an unpaid leave of absence under the Family and Medical Leave Act of 1993.

Compensation: *Compensation* consists of all amounts paid as salary or wages for the time you were a participant during the *Plan Year*, including any elective contributions made under a 401(k) plan or cafeteria plan maintained by the *Employer*, but excluding any longevity pay or military differential pay.

Usually, only amounts paid to you while you are employed are counted as *Compensation*. However, certain amounts paid to you after your employment terminates may also count as *Compensation*. To be included, the payment must be one that you would have received had your employment continued, such as your salary or wages, and generally must be paid within 2½ months after your employment terminates. *Compensation* does not include severance pay, or other amounts you receive only because your employment ended. However, timely payments for unused accrued sick, vacation, or other leave that you would have been able to use if your employment had continued are included.

Covered Employment: *Covered Employment* means employment covered by the plan. *Covered Employment* includes all employees of the *Employer* except:

- a member of a collective bargaining unit that has elected not to participate in this plan;
- a judge employed by a State of Michigan court in Calhoun County, unless employed as a judge on June 30, 1985, and who first became a judge or state official before March 31, 1997;
- a leased employee (an individual who performs services for the *Employer* under a leasing agreement);
- a nonresident alien receiving no earned income from sources within the U.S.; or
- classifications not considered employees (i.e., independent contractors).

Disability: *Disability* means a physical or mental condition where there has been a determination that you are disabled for purposes of receiving disability benefits:

- within the meaning of a long-term disability income insurance policy or program maintained by the *Employer* (or totally disabled if the policy provides benefits for partial disability), or
- by the Social Security Administration within the meaning provided in the Social Security Act.

Domestic Relations Order (DRO): A *Domestic Relations Order* is a court order that assigns all or a portion of your vested account to a *Spouse*, former *Spouse*, child, or other dependent (e.g., court-ordered property settlement in divorce or separation, child support, or alimony payments).

Elective Contributions: *Elective Contributions* are the contributions you make to the plan on a pre-tax basis. This means your contributions are deducted from your gross pay before federal (and usually state and local) income taxes are withheld, however, you must continue to pay social security and Medicare taxes on your total compensation.

Employer: *Employer* means the County of Calhoun. The Calhoun County Circuit Court, the Calhoun County District Court, and the Calhoun County Probate Court have also adopted this plan and are participating employers. Each reference to *Employer* in this summary plan description refers to the entities that have adopted the plan for their employees.

Entry Date: *Entry Date* means the first day of each payroll period or, if you are a member of a collective bargaining unit that has elected to participate in the plan, the time, if any, specified in the collective bargaining agreement applicable to you.

Fiduciary: A *Fiduciary* has the authority to control and manage the operation and administration of the plan. Fiduciaries must act solely in the interest of the plan participants and must exercise prudence in the performance of their plan duties.

Hour of Service: *Hour of Service* generally means each hour for which you are paid, whether or not you actually worked those hours. There are limits on the total number of hours that are credited in some circumstances. You are also credited with your normally scheduled hours for the time you are performing *Qualified Military Service* as long as you return to work within certain time limits.

Normal Retirement Date: Your *Normal Retirement Date* is the date you reach age 65.

Plan Administrator: The *Plan Administrator* means the *Employer* or the committee or person(s) designated by the *Employer* to be the *Fiduciary* for the operation and management of this plan.

Plan Year: *Plan Year* means the 12-month period beginning each January 1.

Qualified Military Service: *Qualified Military Service* means the performance of duty in a uniformed service. For purposes of this definition, a uniformed service means the Armed Forces, the Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty, the commissioned corps of the Public Health Service, or any other category of persons designated by the President in time of war or national emergency.

Retirement: *Retirement* means termination of employment on or after your *Normal Retirement Date* for any reason other than death or *Disability*.

Spouse: *Spouse* means the person to whom you are legally married under the laws of the jurisdiction where the ceremony was performed.

Valuation Date: *Valuation Date* means each business day of the *Plan Year*.

Vesting: *Vesting* describes the nonforfeitable percentage of your account.

Year of Vesting Service: A *Year of Vesting Service* is a *Plan Year* in which you complete at least 1,000 *Hours of Service*.